

Governance Committee

Monday, 22nd April, 2024
at 5.00 pm

PLEASE NOTE TIME OF MEETING

Committee Room 1

This meeting is open to the public

Members of the Committee

Councillor Leggett (Chair)
Councillor P Baillie
Councillor Chapman
Councillor Denness
Councillor McCreanor (Vice-Chair)
Councillor McEwing
Councillor Rayment

Contacts

Director of Legal and Governance
Richard Ivory
Tel. 023 8083 2794
Email: richard.ivory@southampton.gov.uk

Senior Democratic Support Officer
Claire Heather
Tel. 023 8083 2412
Email: claire.heather@southampton.gov.uk

PUBLIC INFORMATION

Role of the Governance Committee

Information regarding the role of the Committee's is contained in Part 2 (Articles) of the Council's Constitution.

[02 Part 2 - Articles](#)

It includes at least one Councillor from each of the political groups represented on the Council, and at least one independent person, without voting rights, who is not a Councillor or an Officer of the Council.

Access – Access is available for disabled people. Please contact the Democratic Support Officer who will help to make any necessary arrangements.

Public Representations At the discretion of the Chair, members of the public may address the meeting on any report included on the agenda in which they have a relevant interest. Any member of the public wishing to address the meeting should advise the Democratic Support Officer (DSO) whose contact details are on the front sheet of the agenda

Southampton: Corporate Plan 2022-2030 sets out the four key outcomes:

- Communities, culture & homes - Celebrating the diversity of cultures within Southampton; enhancing our cultural and historical offer and using these to help transform our communities.
- Green City - Providing a sustainable, clean, healthy and safe environment for everyone. Nurturing green spaces and embracing our waterfront.
- Place shaping - Delivering a city for future generations. Using data, insight and vision to meet the current and future needs of the city.
- Wellbeing - Start well, live well, age well, die well; working with other partners and other services to make sure that customers get the right help at the right time

Smoking policy – The Council operates a no-smoking policy in all civic buildings.

Mobile Telephones:- Please switch your mobile telephones or other IT devices to silent whilst in the meeting

Use of Social Media:- The Council supports the video or audio recording of meetings open to the public, for either live or subsequent broadcast. However, if, in the Chair's opinion, a person filming or recording a meeting or taking photographs is interrupting proceedings or causing a disturbance, under the Council's Standing Orders the person can be ordered to stop their activity, or to leave the meeting. By entering the meeting room you are consenting to being recorded and to the use of those images and recordings for broadcasting and or/training purposes. The meeting may be recorded by the press or members of the public.

Any person or organisation filming, recording or broadcasting any meeting of the Council is responsible for any claims or other liability resulting from them doing so.

Details of the Council's Guidance on the recording of meetings is available on the Council's website.

Dates of Meetings: Municipal Year 2023/2024

2023	2024
12 June	12 February
24 July	22 April
25 September	
13 November	
11 December	

CONDUCT OF MEETING

Terms of Reference

The terms of reference of the Governance Committee are contained in Part 3 of the Council's Constitution.

[03 - Part 3 - Responsibility for Functions](#)

Rules of Procedure

The meeting is governed by the Council Procedure Rules as set out in Part 4 of the Constitution.

Business to be discussed

Only those items listed on the attached agenda may be considered at this meeting.

Quorum

The minimum number of appointed Members required to be in attendance to hold the meeting is 3.

DISCLOSURE OF INTERESTS

Members are required to disclose, in accordance with the Members' Code of Conduct, **both** the existence **and** nature of any "Disclosable Pecuniary Interest" or "Other Interest" they may have in relation to matters for consideration on this Agenda.

DISCLOSABLE PECUNIARY INTERESTS

A Member must regard himself or herself as having a Disclosable Pecuniary Interest in any matter that they or their spouse, partner, a person they are living with as husband or wife, or a person with whom they are living as if they were a civil partner in relation to:

- (i) Any employment, office, trade, profession or vocation carried on for profit or gain.
- (ii) Sponsorship:

Any payment or provision of any other financial benefit (other than from Southampton City Council) made or provided within the relevant period in respect of any expense incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

(iii) Any contract which is made between you / your spouse etc (or a body in which the you / your spouse etc has a beneficial interest) and Southampton City Council under which goods or services are to be provided or works are to be executed, and which has not been fully discharged.

(iv) Any beneficial interest in land which is within the area of Southampton.

(v) Any license (held alone or jointly with others) to occupy land in the area of Southampton for a month or longer.

(vi) Any tenancy where (to your knowledge) the landlord is Southampton City Council and the tenant is a body in which you / your spouse etc has a beneficial interests.

(vii) Any beneficial interest in securities of a body where that body (to your knowledge) has a place of business or land in the area of Southampton, and either:

- a) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body, or
- b) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you / your spouse etc has a beneficial interest that exceeds one hundredth of the total issued share capital of that class.

Other Interests

A Member must regard himself or herself as having an, 'Other Interest' in any membership of, or occupation of a position of general control or management in:

Any body to which they have been appointed or nominated by Southampton City Council

Any public authority or body exercising functions of a public nature

Any body directed to charitable purposes

Any body whose principal purpose includes the influence of public opinion or policy

Principles of Decision Making

All decisions of the Council will be made in accordance with the following principles:-

- proportionality (i.e. the action must be proportionate to the desired outcome);
- due consultation and the taking of professional advice from officers;
- respect for human rights;
- a presumption in favour of openness, accountability and transparency;
- setting out what options have been considered;
- setting out reasons for the decision; and
- clarity of aims and desired outcomes.

In exercising discretion, the decision maker must:

- understand the law that regulates the decision making power and gives effect to it. The decision-maker must direct itself properly in law;
- take into account all relevant matters (those matters which the law requires the authority as a matter of legal obligation to take into account);
- leave out of account irrelevant considerations;
- act for a proper purpose, exercising its powers for the public good;
- not reach a decision which no authority acting reasonably could reach, (also known as the "rationality" or "taking leave of your senses" principle);
- comply with the rule that local government finance is to be conducted on an annual basis. Save to the extent authorised by Parliament, 'live now, pay later' and forward funding are unlawful; and
- act with procedural propriety in accordance with the rules of fairness.

AGENDA

1 **APOLOGIES**

To receive any apologies.

2 **DISCLOSURE OF PERSONAL AND PECUNIARY INTERESTS**

In accordance with the Localism Act 2011, and the Council's Code of Conduct, Members to disclose any personal or pecuniary interests in any matter included on the agenda for this meeting.

NOTE: Members are reminded that, where applicable, they must complete the appropriate form recording details of any such interests and hand it to the Democratic Support Officer.

3 **STATEMENT FROM THE CHAIR**

4 **MINUTES OF PREVIOUS MEETING (INCLUDING MATTERS ARISING)** (Pages 1 - 4)

To approve and sign as a correct record the Minutes of the meeting held on 12th February, 2024 and to deal with any matters arising, attached.

5 **ANNUAL REVIEW OF THE CONSTITUTION** (Pages 5 - 496)

Report of the Director of Legal and Governance outlining the Annual Review of the Constitution.

6 **PAY POLICY – CHANGES TO DISCRETIONARY SEVERANCE AND PENSIONS PAYMENT POLICY** (Pages 497 - 516)

Report of Executive Director Corporate Services seeking approval for changes to the Severance & Pensions Payments: Discretionary Powers Policy.

7 **TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL LIMITS 2022/23 TO 2025/26** (Pages 517 - 564)

Report of the Executive Director - Enabling Services and S151 Officer detailing the context within which the Council's treasury management activity operates and sets out a proposed strategy for the coming year in relation to the Council's cash flow, investment and borrowing, management of the associated risks, including the loss of invested funds and the revenue effect of changing interest rates.

8 **APPOINTEESHIP SERVICE PROGRESS REPORT** (Pages 565 - 578)

Report of the Director of Finance with details of the recent internal audit report and progress on service options.

9 VOID PROGRESS REPORT (Pages 579 - 586)

Report of the Executive Director Residential Services providing a progress report on the Housing Voids.

10 ANNUAL INTERNAL AUDIT PLAN 2024-25 (Pages 587 - 616)

Report of the Chief Internal Auditor seeking approval of the Annual Internal Audit Plan 2024-25.

11 EXTERNAL AUDIT PLAN 2023/24 (Pages 617 - 674)

Report of the External Auditor detailing the External Audit Plan 2023/24.

Friday, 12 April 2024

Director Legal and Governance

GOVERNANCE COMMITTEE

MINUTES OF THE MEETING HELD ON 12 FEBRUARY 2024

Present: Councillors P Baillie, Denness, Leggett (Chair), McCreanor, McEwing, Rayment and Blackman

Apologies: Councillor Chapman

30. **APOLOGIES**

Apologies were received from Councillor Chapman. The Panel noted the temporary resignation of Councillor Chapman from the Committee and the appointment of Councillor Blackman as substitute thereof in accordance with the provisions of Council Procedure Rule 4.3.

It was also noted that since the last meeting of the Committee, Council had approved the appointment of Councillor Leggett to the Committee following the resignation of Councillor Frampton.

31. **ELECTION OF CHAIR**

RESOLVED: that Councillor Leggett be appointed Chair for the remaining Municipal Year.

32. **MINUTES OF PREVIOUS MEETING (INCLUDING MATTERS ARISING)**

RESOLVED: that the minutes for the Committee meeting on 13th November 2023 be approved and signed as a correct record.

33. **REVIEW OF COMPLAINTS POLICY**

The Committee received the report of the Director of Legal and Governance detailing a review and proposed changes to the Complaints Policy.

The Committee noted that following the publication of a detailed consultation by the Ombudsman (Local Government & Social Care and Housing Ombudsman) the focus had shifted on 'putting things right' as early in the complaints process as possible. There would also be a focus on ensuring front line services take ownership of learning from complaints from the outset. This confirmed the approach taken to resolve complaints through a 'business as usual' approach within services. The authority had made this a formal part of the complaints process, giving service areas greater freedom to resolve complaints at senior level. This would allow the complaints team and Ombudsman Link officer to focus on the most complex complaints, areas of the council where complaints processes were determined by legislation and a critical friend

approach where practice around responding to complaints falls below expected performance.

RESOLVED:

- (i) To note the content of the report and approve the proposed changes to the Corporate Complaints Policy to take effect from 1st April 2024.
- (ii) To delegate authority to the Director of Legal and Governance to approve any further changes to the Complaints Policy which may be required to respond to changes to ombudsman guidance, case law and precedent.

34. **INTERNAL AUDIT PROGRESS REPORT 2023-24**

The Committee considered the report of the Chief Internal Auditor detailing the Annual Internal Audit Plan 2023-24.

The Committee noted there are a total of 67 audit reviews in the revised plan for 2023/24. To date, 98% of audits had been completed or were in progress as of 24th January. This represented 37 (55%) audits where the report had been finalised, 11 (16%) where the report was in draft and 18 (27%) audits currently in progress. There were currently no 'no assurance' reports or critical exceptions contained in the report for this reporting period.

The Committee requested specific information on the following:

Business Continuity and Disaster Recovery had been removed which raised concern around the areas being looked at and whether these related to sea defences. Following the meeting the report author confirmed that this was in relation to IT and the IT Service themselves were reevaluating the arrangements, this was not in relation to sea defence. Audit therefore could not add anything further at this stage while processes were reevaluated resulting in the item being removed.

Domestic Abuse and the reason why the University of Southampton were conducting an independent review on the current protocols. Following the meeting the report author confirmed. The evaluation being undertaken by the University of Southampton was agreed in December 2021 by Stronger Communities and Children's and Learning following recommendations made within the Part 4 Needs Assessment (SCC's statutory response to Part 4 of the Domestic Abuse Act) and in consultation with the Domestic Abuse and VAWG Strategic Partnership Board. Budget was identified by Stronger Communities. This was in light of a year-on-year increase in high-risk domestic abuse referrals, an identified need for a review of risk thresholds and of current high-risk arrangements post-Covid.

The evaluation is due to be completed and published in April 2024.

RESOLVED: To note the Internal Audit Progress report for the period 1st April to 11th September 2023.

35. **EXTERNAL AUDIT - VALUE FOR MONEY REPORT 2022/23**

The Committee received and noted the report of the External Auditor detailing the 2022/23 Interim Value for Money report.

36. **HUMAN RESOURCES (HR) DATA QUARTER THREE**

The Committee considered the report of the Head of Human Resources and Organisational Development detailing quarter three Council wide information on key employment data covering disciplinaries, dismissals, suspensions and grievances.

The Committee discussed the data provided and requested where gender breakdowns was available, this be provided in future reports.

RESOLVED to note the latest HR statistics as set out in the report.

37. **EXCLUSION OF THE PRESS AND PUBLIC - EXEMPT PAPERS INCLUDED IN THE FOLLOWING ITEM**

The Chair moved that in accordance with the Council's Constitution, specifically the Access to Information Procedure Rules contained within the Constitution, the press and public be excluded from the meeting in respect of any consideration of the exempt Appendix 2 to the following Item.

The Appendix was considered to be exempt from general publication based on Category 5 of paragraph 10.4 of the Council's Access to Information Procedure Rules. It was not in the public interest to disclose this because doing so would prejudice Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

38. **ANNUAL RISK MANAGEMENT REPORT 2023**

The Committee received and noted the report of the Director of Legal and Governance detailing the Annual Risk Management Report 2023.

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Agenda Item 5

DECISION-MAKER:	GOVERNANCE COMMITTEE COUNCIL
SUBJECT:	ANNUAL REVIEW OF THE CONSTITUTION
DATE OF DECISION:	22 nd APRIL 2024 (GOVERNANCE COMMITTEE) 15 th MAY 2024 (COUNCIL)
REPORT OF:	DIRECTOR OF LEGAL AND GOVERNANCE AND MONITORING OFFICER

<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director of Corporate Services	
	Name:	Mel Creighton	Tel: 023 8083 3528
	E-mail	Mel.creighton@southampton.gov.uk	
Author:	Title	Director of Legal and Governance and Monitoring Officer	
	Name:	Richard Ivory	Tel: 023 8083 2794
	E-mail	Richard.ivory@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY
N/A

BRIEF SUMMARY	
<p>This report sets out the annual review of the Constitution. This will be considered and initially discussed by Governance Committee on 22nd April 2024. The recommendations to both the Governance Committee and Council are included below. A further, more detailed review of the Constitution and a further targeted governance review is planned as part of the Council's Transformation Programme in 2024/5 in line with best practice as recommended by the Centre for Governance and Scrutiny (CfGS). It is a function of the Monitoring Officer to ensure the Constitution is kept both under review and up to date.</p>	
<p>As ever, the Constitution is a set of documents that changes regularly and, therefore, further revisions may be proposed prior to or at Council.</p>	
RECOMMENDATIONS:	
	<u>Governance Committee</u>
(i)	To consider and recommend the changes to the Constitution to Council for adoption including the creation of a new Audit Committee with or without independent, non voting members.
	<u>Council</u>
(ii)	To agree the changes to the Constitution and associated arrangements as set out in this report;
(iii)	To authorise the Director of Legal and Governance and Monitoring Officer to finalise the arrangements and wording to any revisions approved by Council and make any further consequential or minor changes arising from the decision; and

	(iv)	Approve the City Council's Constitution, as amended, including the Officer Scheme of Delegation, for the municipal year 2024-25.
REASONS FOR REPORT RECOMMENDATIONS		
1.	It is appropriate as a core tenant of good governance for the Council to keep its Constitution under regular review and to amend it, both to reflect experience and changing circumstances.	
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED		
2.	<p>The following options have been considered:</p> <ol style="list-style-type: none"> 1. Do nothing – the option to not update the Constitution was considered and rejected. This is not in line with recommended practice; would leave the Constitution out of date and would not reflect the way the council operates. 2. A complete review of the Constitution – this option has been rejected for this report due to the resources required, however a plan is being drawn together to complete this review in time for 2025/26 municipal year. 	
DETAIL (Including consultation carried out)		
3.	<p><u>Officer Scheme of Delegation</u></p> <p>Following two Senior Management restructures in Autumn 2023 and April 2024 the scheme has been updated to ensure current delegations are allocated to the correct new Executive Director, Director or Head of Service as appropriate. The Director of Legal and Governance and Monitoring Officer has an existing delegation to keep the Scheme (and all parts of the Constitution, Appendix 1) updated and to reallocate delegated functions in year.</p>	
4.	No new functions are proposed.	
5.	<p><u>Revisions to Governance Committee</u></p> <p>In 2022 a report from CIFPA, Appendix 3, recommended the creation of a discrete Audit Committee which may include non-voting independent members if deemed appropriate in each Council's circumstances. For Southampton these functions are currently included as part of the Governance Committee's wide terms of reference. In recent times, particularly in 2023/4 committee agendas have been lengthy, with some items deferred to the next meeting, thereby not allowing members sufficient time to consider or scrutinise some reports. A review is timely on those grounds alone.</p>	
6.	<p>Any inclusion of independent members has to add value of course and in the past under the previous law the Council had 2/3 lay members with an independent chair for a period. Finding the right, truly independent members of the public, with the right knowledge that can enhance the committee's role but without any political affiliation or agenda is a crucial criteria. In addition, there would be an extra allowance payable for each as with the Designated Independent Person (circa £700 each). In the circumstances it is not considered there would not be sufficient benefit in appointing independent members at this point in time. This can, of course, be kept under review.</p>	
7.	<p>The CIFPA report focus is on scrutiny of financial matters rather than corporate governance, however, we do have a strong scrutiny function in place already. The relationship between Governance Committee, Overview Scrutiny and Management Committee and other scrutiny committees sometimes overlap so further, practical clarity is needed as to roles and which committee has oversight of what. Governance Committee does still see regular financial reports and in particular pre-budget setting so</p>	

	<p>in some regards there is some duplication. “Budget scrutiny” however, has more traditionally been considered through Overview Scrutiny and Management Committee in a formal way as laid down in the Constitution which does, of course, include independent members which again not all authorities have.</p>
8.	<p>In light of the above it is proposed Governance and Audit functions be split into separate committees. Many upper tier authorities already have that in place and, in the council’s circumstances, a clear and transparent focus on both finance and audit by one committee, coupled with the clear CIPFA guidance would be a prudent and focussed move. Revised draft terms of reference for these two proposed committees are shown in Appendix 2.</p>
9.	<p><u>Financial Procedure Rules (FPRs)</u> As part of the larger review of the Constitution, discussed in paragraph 2, the Financial Procedure Rules will be reviewed to ensure they are reflective of the revised Constitution and best practice. There is a financial management improvement programme in progress which includes a review of the FPRs to ensure they are effective and efficient.</p>
10.	<p><u>Contract Procedure Rules</u> Changes to the Contract Procedure Rules (CPRs) are being proposed to strengthen and enhance the current provisions as well as ensuring that key policy and strategy commitments are considered as part of a procurement process where they are directly relevant to the contract.</p>
11.	<p>Section 1.5 of CPRs has been enhanced to include a number of additional areas where the rules do not apply. The changes reflect contracts that are exempt from the Public Contracts Regulation 2015 (PCR 2015) and have been incorporated into CPRs to ensure that the same considerations are being applied to contracts where the value falls within the scope of CPRs.</p>
12.	<p>The Health Care Services (Provider Selection Regime) Regulations 2023 (PSR 2023) came in to force on 1st January 2024 and internal processes have been adapted to incorporate these new regulations. These changes have been reflected in the proposed update to CPRs.</p>
13.	<p>The Medium Value Transaction Procedure is currently managed by the Procurement Team within the Supplier Management Service. It is proposed that this procedure becomes ‘self-serve’, with service areas taking responsibility for obtaining their quotes. This includes ensuring fair competition, being able to demonstrate best value and maintaining a robust audit trail of the process. This change will allow the Procurement Team to focus resource on supporting procurements falling within the High Value Transaction Procedure and those that are subject to the PCR 2015.</p>
14.	<p>Additional wording has been included to assist in determining the potential value of contracts, framework agreements, dynamic purchasing systems and concession contracts. This will allow officers to ensure that the full potential costs are considered and the right procurement procedure is selected.</p>
15.	<p>The update provide clarity in relation to procedural requirements such as the timescales in which contract award notices must be published, a requirement to carry out appropriate due diligence on suppliers identified following the Low and Medium Value Transaction Procedure and that emailed quotes and tenders cannot be accepted for</p>

	procurements run in accordance with the PCR 2015, the PSR 2023 or the Concession Contract Regulations 2016 (CCR 2016).
16.	The revised CPRs also introduces the ability to consider a contract award on the basis of lowest price rather than only having the most economically advantageous tender option available. It is clarified that this should only be applied in exceptional circumstances and should not be used where social value benefits can be achieved.
17.	The rules in relation to contract variations and extensions have also been updated to reflect that these activities are managed now by the Contract Management Team rather than the Procurement Team, and also clarifies that the approval procedures laid down in section 25.7 apply to contracts where the variation has not been expressly provided for within the contract. In addition, the update ensures that variations made to contracts that are governed by the PCR 2015, the PSR 2023 or the CCR 2016 comply with the grounds for variation set out within the aforementioned regulations.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
18.	The revenue implications are set out in the table below Additional Special Responsibility Allowance for the Chair of the new Audit Committee of £6,950. If independent members are appointed each would receive an allowance of £719.
<u>Property/Other</u>	
19.	None.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
20.	An up-to-date Constitution is a requirement of the Local Government Act 2000.
<u>Other Legal Implications:</u>	
21.	None.
RISK MANAGEMENT IMPLICATIONS	
22.	None.
POLICY FRAMEWORK IMPLICATIONS	
23.	None.

KEY DECISION?	Yes/No
WARDS/COMMUNITIES AFFECTED:	None
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Tracked changed Constitution Parts 1 to 26
2.	Specific revisions to terms of reference for Audit and Governance Committees
3.	CIPFA Report; Audit Committees 2022

1.	None.	
2.		
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		Yes/No
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		Yes/No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)		Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.		
2.		

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CONSTITUTION OF THE COUNCIL Contents

Part 1 – [Summary and Explanation](#)

Part 2 – Articles of the Constitution

- Article 1 – The Constitution
- Article 2 – Members of the Council
- Article 3 – Citizens and the Council
- Article 4 – The Full Council
- Article 5 – Chairing the Council
- Article 6 – Overview and Scrutiny Committees
- Article 7 – The Executive
- Article 8 – Regulatory and other Committees
- Article 9 – Governance Committee
- Article 10 – Joint Arrangements
- Article 11 – Officer
- Article 12 – Decision Making
- Article 13 – Finance, Contracts and Legal Matters
- Article 14 – Review and Revision of the Constitution
- Article 15 – Suspension, Interpretation and Publication of the Constitution
 - Schedule 1 – Description of Executive Arrangements

Part 3 – Responsibility for Functions

- Responsibility for Functions

Part 4 – Rules of procedure

- Council Procedure Rules
- Access to Information Procedure Rules
- Budget and Policy Framework Procedure Rules
- Executive Procedure Rules
- Overview and Scrutiny Procedure Rules
- Financial Procedure Rules
- Contracts Procedure Rules
- Officer Employment Procedure Rules

- Part 5 – Codes and Protocols
- Members' Code of Conduct
 - Officers' Code of Conduct
 - Protocol on Member/Officer Relations
 - Civic and Ceremonial Protocol
 - Code for Dealing with Joint Arrangements with Third Parties
 - Protocol for the Monitoring Officer
 - Partnership Code
- Part 6 – Members' Allowances Scheme
- Members' Allowances Scheme
- Part 7 – Management Structure
- Management Structure Chart
- Part 8 – Ancillary Documents
- List of Proper Officers
- Part 9 – Definitions
- Part 10 – Officer Scheme of Delegation and Associated Documentation, Rules & Guidance
- Officer Scheme of Delegation
 - Recording Officer Decisions
- Part 11 – Petition Scheme
- Part 12 – Change Control

PART 1: SUMMARY AND EXPLANATION

THE COUNCIL'S CONSTITUTION

Southampton City Council's Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by the law, while others are a matter for the Council to choose.

The Constitution is divided into 15 Articles which set out the basic rules governing the Council's business.

More detailed procedures and codes of practice are provided in separate rules and protocols at the end of the document.

The Constitution may be accessed on the internet at:

<http://www.southampton.gov.uk/council-democracy/meetings/council-constitution.aspx>

WHAT'S IN THE CONSTITUTION?

Article 1 of the Constitution commits the Council to:

- Leadership;
- Responsibility;
- Integrity
- Transparency;
- Efficient and effective services; and
- Participation

Articles 2 – 15 explain the rights of citizens and how the key parts of the Council operate. These are:

- Members of the Council (Article 2).
- Citizens and the Council (Article 3).
- The Council meeting (Article 4).
- Chairing the Council (Article 5).
- Overview and scrutiny of decisions (Article 6).
- The Executive (Article 7).
- Regulatory and other committees (Article 8).
- The Governance Committee (Article 9).
- Joint arrangements (Article 10).
- Officers (Article 11).

- Decision making (Article 12).
- Finance, contracts and legal matters (Article 13).
- Review and revision of the Constitution (Article 14).
- Suspension, interpretation and publication of the Constitution (Article 15).

HOW THE COUNCIL OPERATES

The Council is composed of 51 Councillors with one-third elected three years in four. Councillors are democratically accountable to residents of their ward. The overriding duty of Councillors is to the whole community, but they have a special duty to their constituents, including those who did not vote for them. Councillors have to agree to follow a code of conduct to ensure high standards in the way they undertake their duties. The Governance Committee monitors the training and development of Members in this respect and advises Members on the code of conduct.

All Councillors meet together as the Council. Meetings of the Council are normally open to the public. Here Councillors decide the Council's overall policies and set the Budget each year. The Council will elect a Leader who will appoint their Cabinet and hold the Executive to account both through its own processes, and through Overview and Scrutiny. Citizens may make deputations to and ask questions of Members at Council meetings. For details of these particular matters, please contact the Democratic Services team (contact details at the end of this Part of the Constitution).

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HOW DECISIONS ARE MADE

The Executive is the part of the Council which is responsible for most day-to-day decisions. The Executive is made up of an Elected Leader, who is elected from amongst the Councillors by all the Councillors and a cabinet of Councillors whom they appoints. When major decisions are to be discussed or made, these are published in the Executive's Forward Plan in so far as they can be anticipated. If these major decisions are to be discussed with Council Officers at a meeting of the Executive, this will generally be open for the public to attend except where personal or confidential matters are being discussed. The Executive has to make decisions which are in line with the Council's overall policies and Budget. If it wishes to make a decision which is outside the Budget or Policy Framework, this must be referred to the Council as a whole to decide.

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OVERVIEW AND SCRUTINY

There is an Overview and Scrutiny Management Committee (parent committee) which manages the process. This then appoints ad hoc Panels (as needed), Scrutiny Commissions and Standing Overview and Scrutiny Panels which support the work of the Executive and the Council as a whole. These arrangements allow citizens to have a greater say in Council matters by holding public inquiries into matters of local concern. These lead to reports and recommendations which advise the Executive and the Council as a whole on its policies, Budget and service delivery. Overview and Scrutiny Committees also monitor the decisions of the Executive. They can 'call-in' a decision which has been made by the Executive but not yet implemented. This enables them to consider whether the decision is appropriate.

Deleted: May 2023

They may recommend that the Executive reconsider the decision. They will also be consulted by the Executive or the Council on forthcoming decisions and the development of the Policy Framework and Budget.

INVOLVEMENT OF CITIZENS AND COMMUNITIES

In order to give local citizens a greater say in Council affairs, the Council has supported the development of many structures, groups and organisations. In addition, the Council is committed to encouraging community involvement in every activity and in the establishment of partnerships such as Regeneration and Neighbourhood Partnerships. The Council has a Community Involvement Policy which outlines its commitment to involving citizens in all aspects of city life and in democratic processes. In addition, the Council is committed to taking specific steps to involve socially excluded citizens and communities.

THE COUNCIL'S STAFF

The Council has people working for it (called 'Officers') to give advice, implement decisions and manage the day-to-day delivery of its services. Some Officers have a specific duty to ensure that the Council acts within the law and uses its resources wisely. A protocol governs the relationships between Officers and Members of the Council.

CITIZENS' RIGHTS

Citizens have a number of rights in their dealings with the Council. These are set out in more detail in Article 3. Some of these are legal rights, whilst others depend on the Council's own processes. The local Citizens' Advice Bureau can advise on individuals' legal rights.

Where members of the public use specific Council services, for example as a parent of a school pupil or as a Council tenant, they have additional rights. These are not covered in this Constitution.

Citizens have the right to:

- vote at local elections if they are registered;
- contact their local Councillor about any matters of concern to them;
- obtain a copy of the Constitution;
- attend meetings of the Council and its committees except where, for example, personal or confidential matters are being discussed;
- petition to request a referendum on a mayoral form of Executive;
- ask the Executive questions, make deputations to the Council, submit petitions and contribute to investigations by the overview and scrutiny committees;
- find out, from the Executive's Forward Plan, what major decisions are to be discussed by the Executive or decided by the Executive or Officers, and when;
- attend meetings of the Executive where Key Decisions are being discussed or decided;
- see reports and background papers, and any record of decisions made by the Council and Executive;

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- complain to the Council in accordance with the Council's Corporate Complaints Process;
- complain to the Ombudsman if they think the Council has not followed its procedures properly. However, they should only do this after using the Council's own complaints process;
- complain to the Council if they have evidence which they think shows that a Councillor has not followed the Council's Code of Conduct; and
- inspect the Council's accounts and make their views known to the external auditor.

The Council welcomes participation by its citizens in its work. For further information on your rights as a citizen, please contact the [Democratic and Member Services Manager](#), from whom the public may also obtain information as to the rights of citizens to inspect agendas and reports and attend meetings.

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PART 2: ARTICLES OF CONSTITUTION

Article 1 The Constitution

1.01 Powers of the Council

The Council will exercise all its powers and duties in accordance with the law and this Constitution.

1.02 The Constitution

This Constitution, all its contents (Parts 1–11) and any schedules and/or appendices is the Constitution of Southampton City Council.

1.03 Purpose of the Constitution

The purpose of the Constitution is to:

1. enable the Council to provide clear leadership to the community in partnership with citizens, businesses and other organisations;
2. support the active involvement and participation of citizens in the process of local authority decision-making;
3. help Councillors represent their constituents more effectively;
4. enable decisions to be taken efficiently and effectively;
5. demonstrate that the Council will operate and approach all issues with responsibility and integrity;
6. create a powerful and effective means of holding decision-makers to public account;
7. ensure that no one will review or scrutinise a decision in which they were directly involved;
8. ensure that those responsible for decision making are clearly identifiable to local people and that they explain the reasons for decisions;
9. provide a means of improving the delivery of services to the community; and
10. enable the Council to design and operate an organisational and management structure that ensures that Citizens receive Best Value services

with the overall aim that the purpose of the Council is to improve the quality of life of our Citizens.

1.04 Interpretation and Review of the Constitution

Where the Constitution permits the Council to choose between different courses of action, the Council will always choose that option which it thinks is closest to the purposes stated above.

The Council will monitor and evaluate the operation of the Constitution as set out in Article 14.

Article 2
Members of the Council

2.01 Composition and eligibility

- a. **Composition.** The Council will comprise 51 Members, otherwise called Councillors. Three Councillors will be elected by the voters of each ward in accordance with a scheme drawn up by the Electoral Commission and approved by the Secretary of State.
- b. **Eligibility.** Only registered voters of the City or those living or working there will be eligible to hold the office of Councillor.

2.02 Election and terms of Councillors

Election and terms. The ordinary election of a third (or as near as may be) of all Councillors will be held on the first Thursday in May in each year except that in 2025 and every fourth year after there will be no regular election. The terms of office of Councillors will normally be four years starting on the fourth day after being elected and finishing on the fourth day after the date of the regular election four years later.

2.03 Roles and functions of all Councillors

a. **Key roles**

All Councillors will:

- i. collectively be the ultimate policy-makers and carry out a number of strategic and corporate management functions;
- ii. contribute to the good governance of the areas and actively encourage community participation and citizen involvement in decision-making;
- iii. effectively represent the interests of their Ward and of individual constituents;
- iv. respond to constituents' enquiries and representations fairly and impartially;
- v. maintain the highest standards of conduct and ethics;
- vi. be available to represent the Council on other bodies; and
- vii. be available to serve on other bodies.

b. **Rights and duties**

- i. Councillors will have such rights of access to such documents, information, land and buildings of the Council as are necessary for the proper discharge of their functions and in accordance with the law.
- ii. Councillors will not make public information which is confidential or exempt without the consent of the Council or divulge information given in confidence to anyone other than a Councillor or Officer entitled to know it.

- iii. For these purposes, “confidential” and “exempt” information are defined in the [Access to Information Rules](#) in Part 4 of this Constitution.

2.04 Conduct

Councillors will at all times observe the Members’ Code of Conduct and the Protocol on Member/Officer Relations set out in Part 5 of this Constitution.

2.05 Allowances

Councillors will be entitled to receive allowances in accordance with the Members’ Allowances Scheme set out in Part 6 of this Constitution.

Article 3 Citizens and the Council

3.01 Citizens’ rights

Citizens have the following rights. Their rights to information and to participate are explained in more detail in the [Access to Information Rules](#) in Part 4 of this Constitution:

- (a) **Voting and petitions.** Citizens on the electoral roll for the area have the right to vote and sign a petition to request a referendum for an elected mayor form of Constitution.
- (b) **Information.** Citizens have the right to:
 - (i) attend meetings of the Council and its committees except where confidential or exempt information is likely to be disclosed, and the meeting is therefore held in private;
 - (ii) attend meetings of the Cabinet when Key Decisions are being considered;
 - (iii) find out from the [Forward Plan](#) what Key Decisions will be taken by the Executive and when;
 - (iv) see reports and background papers, and any records of decisions made by the Council and the Executive; and
 - (v) inspect the Council’s accounts and make their views known to the external auditor.
- (c) **Participation.** Citizens have the right to participate in the Council meetings by making deputations and asking Councillors questions in accordance with the appropriate procedures and contribute to investigations by overview and scrutiny committees.
- (d) **Complaints.** Citizens have the right to complain to:
 - (i) the Council itself under its [complaints scheme](#);
 - (ii) the [Ombudsman](#) after using the Council’s own complaints scheme; or
 - (iii) the Council about a breach of the [Councillors’ Code of Conduct](#).

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3.02 Citizens' responsibilities

Citizens must not be violent, abusive or threatening to Councillors or Officers and must not willfully harm things owned by the Council, Councillors or Officers.

Article 4 The Full Council

4.01 Meanings

(a) **Policy Framework.** The Policy Framework means the following plans and strategies¹:

- [Sustainable Community Strategy](#) (S.4 Local Government Act 2000)
- [Local Transport Plan](#) (S.108(3) Transport Act 2000)
- [Local Development Framework and Local Area Action Plans](#) (S.15 Planning and Compulsory Purchase Act 2004)
- [Crime & Disorder Reduction Strategy](#) (S.5 and 6 Crime and Disorder Act 1998)
- [Youth Justice Plan](#) (S.40 Crime and Disorder Act 1998)
- [Statement of Pay Policy](#) (Localism Act 2011);
- [Statement of Gambling Policy](#) (Gambling Act 2005)
- [Statement of Licensing Policy](#) (Licensing Act 2013)
- [Health and Well Being Strategy](#) (S.116A Local Government and Public Involvement in Health Act 2007)

(b) **Budget.** For the purposes of the Constitution, the Budget shall be defined as meaning the process whereby the Executive submits to the Full Council for its consideration in relation to the following financial year -

- i. estimates of the amounts to be aggregated in making a calculation (whether originally or by way of substitute) in accordance with any of sections 32 to 37 or 43 to 49, of the Local Government Finance Act 1992;
- ii. estimates of other amounts to be used for the purposes of such a calculation;
- iii. estimates of such a calculation; or
- iv. amounts required to be stated in a precept under Chapter IV of Part I of the Local Government Finance Act 1992,

Note: In connection with the discharge of the function of formulating a plan or strategy for the control of the authority's borrowing, investments or capital expenditure, or for determining the authority's minimum revenue provision,

¹ The Local Authorities (Functions & Responsibilities) (England) Regulations 2000 specify that the Council's Annual Library Plan needs to be part of this framework. The Council is not, however, currently required to produce a Library Plan.

these functions shall not be the sole responsibility of the authority's Executive.

- (c) **Housing Land Transfer.** Housing Land Transfer means the approval or adoption of applications (whether in draft form or not) to the Secretary of State for approval of a programme of disposal of 500 or more properties to a person under the Leasehold Reform, Housing and Urban Development Act 1993 or to dispose of land used for residential purposes where approval is required under sections 32 or 43 of the Housing Act 1985.

4.02 Functions of the Full Council

Only the Council will exercise the following functions:

- (a) adopting and changing the Constitution;
- (b) approving or adopting the Policy Framework, the Budget and any application to the Secretary of State in respect of any Housing Land Transfer;
- (c) subject to the urgency procedure contained in the Access to Information Procedure Rules in Part 4 of this Constitution, making decisions about any matter in the discharge of an Executive function which is covered by the Policy Framework or the Budget where the decision maker is minded to make it in a manner which would be contrary to the Policy Framework or contrary to/or not wholly in accordance with the Budget;
- (d) the election of the Leader;
- (e) agreeing and/or amending the terms of reference for committees, deciding on their composition and making appointments to them;
- (f) appointing representatives to outside bodies unless the appointment is an Executive function or has been delegated by the Council;
- (g) adopting an allowances scheme under Article 2.05;
- (h) changing the name of the area, conferring the title of Honorary Alderman or Freedom of the City;
- (i) confirming the appointment of the Head of Paid Service, Monitoring Officer, Chief Financial Officer and Returning Officer unless delegated to another committee (currently Chief Officer Employment Panel);
- (j) making, amending, revoking, re-enacting or adopting bylaws and promoting or opposing the making of local legislation or personal Bills;
- (k) all local choice functions set out in Part 3 of this Constitution which the Council decides should be undertaken by itself rather than a Committee or Sub-Committee of the Council or the Executive; and
- (l) all other matters which, by law, must be reserved to Council.

4.03 Council meetings

There are four types of Council meeting:

- (a) the annual meeting;
- (b) ordinary meetings;
- (c) the budget meeting; and
- (d) extraordinary meetings

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and they will be conducted in accordance with the [Council Procedure Rules](#) in Part 4 of this Constitution.

4.04 Responsibility for functions

The Council will maintain the tables in Part 3 of this Constitution setting out the responsibilities for the Council's functions which are not the responsibility of the Executive.

Article 5 Chairing the Council

5.01 Role and function of the Lord Mayor and Sheriff (Chair and Vice-Chair of the Council)

The Lord Mayor (Chair of Council) and in ~~their~~, absence, the Sheriff (Vice-Chair) will have the following roles and functions:

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- (a) Ceremonial role
- (b) Chairing the Council meeting

5.02 The Lord Mayor

The position of Lord Mayor was conferred on the city by HM Queen Elizabeth II in May 2022 by Letters Patent and will be elected by the Council annually. The Council wholeheartedly supports the office of Lord Mayor. The Lord Mayor will have the following responsibilities:

1. to uphold and promote the purposes of the Constitution, and to interpret the Constitution, having taken advice from the Director of [Legal and Governance](#), when necessary;
2. to preside over meetings of the Council so that its business can be carried out efficiently and with regard to the rights of Councillors and the interests of the community;
3. to ensure that the Council meeting is a forum for the debate of matters of concern to the local community and the place at which Members who are not on the Executive are able to hold the Executive and committee chairs to account;
4. to promote public involvement in the Council's activities;
5. to be the conscience of the Council; and
6. to attend such civic and ceremonial functions as the Council and s/he determines appropriate.

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5.03 The Sheriff

The position of Sheriff will be elected by the Council annually. The Council wholeheartedly supports the office of Sheriff. The Sheriff will have the following responsibilities:

1. to preside at Council Meetings in the absence of the Lord Mayor;
2. to preside at Court Leet; and

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3. to deputise generally for the Lord Mayor in such circumstances the Lord Mayor may propose.

5.04 Civic and Ceremonial Protocol

The [Civic and Ceremonial Protocol](#) contained in Part 5 of this Constitution, sets out in more detail the roles and responsibilities of the Lord Mayor and Sheriff.

- 5.05 The [Director of Legal & Governance](#) shall convene a meeting of the Group Leaders immediately following the elections to discuss the election of Lord Mayor and Sheriff for the next municipal year.

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Article 6 Overview and Scrutiny Committees

6.01 Terms of reference

The Council will appoint an Overview and Scrutiny Management Committee the functions of which are set out in Section 3 of Part 3 of this Constitution. This Committee will have the power to appoint Standing Overview and Scrutiny Panels (Sub-Committees) and other Panels as may be necessary from time to time to discharge the functions conferred by section 21 of the Local Government Act 2000 or regulations under section 32 of the Local Government Act 2000. In the event of any matter falling within the scope of more than one Panel or where it appears to fall outside of the Terms of Reference of any of the Panels, the determination as to the appropriate Panel for dealing with such matters rests with the Overview and Scrutiny Management Committee.

6.02 General role

The terms of reference for the Overview and Scrutiny Panels are:

- i. To review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the Executive, including the power to recommend that a relevant decision be reconsidered by the person who made it [s 21(2)(a) of the 2000 Act]; or
- ii. For a Standing Scrutiny Panel to arrange for full Council to decide whether to recommend that the relevant decision be reconsidered by the person who made it; [s 21(3)] or
- iii. To make reports or recommendations to the Council or the Executive with respect to the discharge of any functions which are the responsibility of the Executive [section 21(2)(b)]; or
- iv. To review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are not the responsibility of the Executive; [section 21(2)(c)] or
- v. To make reports or recommendations to the Council or the Executive with respect to the discharge of any functions which are not the responsibility of the Executive; [section 21(2)(d)] or
- vi. To make reports or recommendations to the Council or the Executive on matters which affect the City of Southampton or its inhabitants; [section 21(2)(e)] or

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- vii. To conduct or contribute to the undertaking of Best Value Reviews under Section 5 of the Local Government Act 1999 [section 21(5) of the 2000 Act].

The Overview and Scrutiny Panels will not scrutinise decisions made by specialist committees i.e decisions made in respect of development control, licensing, consents and other decisions where an appeals procedure already exists.

6.03 Proceedings of Overview and Scrutiny Management Committee and its Panels

Overview and Scrutiny Committees will conduct their proceedings in accordance with the [Overview and Scrutiny Procedure Rules](#) set out in Part 4 of this Constitution.

Article 7 The Executive

LEADER WITH CABINET

7.01 Role

The Executive will carry out all of the local authority's functions which are not the responsibility of any other part of the local authority, whether by law or under this Constitution.

7.02 Form and composition

The Executive will consist of the Leader together with at least two, but not more than nine Councillors (known as "Cabinet Members") appointed to the Executive by the Leader.

7.03 Leader

The Leader will be a Councillor elected to the position of Leader by the Council annually at the Annual Meeting (or any other meeting in the event of a vacancy). The Leader will hold office until:

- (a) s/he resigns from the office; or
- (b) s/he is no longer a Councillor; or
- (c) until the next Annual Meeting of the Council; or
- (d) s/he is removed from office by resolution of the Council

7.04 Election of the Leader

[Council Procedure Rule 17.1](#) will govern the procedure for the election of the Leader.

7.05 Cabinet Members

Cabinet Members shall hold office until:

- (a) they resign from office; or
- (b) they are no longer Councillors; or
- (c) until the next Annual Meeting of the Council; or
- (d) they are removed from office by the Leader who must give written notice of any removal to the Director of Legal & Business Services. The removal will

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take effect two working days after receipt of the notice by the [Director of Legal & Governance](#).

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7.06 Proceedings of the Executive

Proceedings of the Executive shall take place in accordance with the [Executive Procedure Rules](#) set out in Part 4 of this Constitution.

7.07 Responsibility for functions

The Leader will maintain a list in [Part 3](#) of this Constitution setting out who is responsible for the exercise of particular Executive functions.

Article 8 Regulatory and other committees

8.01 Regulatory and other committees

The Council will appoint the committees set out in Section 3 of [Part 3 of this Constitution](#) to discharge the functions described in that table.

Article 9 Governance Committee

9.01 Governance Committee

The Council will establish a Governance Committee to carry out functions delegated to it by Council in accordance with the Local Government Acts 1972, 2000 and Localism Act 2011.

9.02 Composition

Political Balance

The Governance Committee has to comply with the political balance rules in section 15 of the 1989 Act.

Article 10 Joint Arrangements

10.01 Arrangements to promote well being

The Council or the Executive, in order to promote the economic, social or environmental well-being of its area, may:

- a. enter into arrangements or agreements with any person or body;
- b. co-operate with, or facilitate or co-ordinate the activities of, any person or body; and
- c. exercise on behalf of that person or body any functions of that person or body.

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10.02 Joint arrangements

- a. The Council may establish joint arrangements with one or more local authorities or other public bodies and/or their Executives to exercise functions which are not Executive functions in any of the participating authorities, or advise the Council. Such arrangements may involve the appointment of a joint committee or board with these other local authorities or bodies.
- b. The Executive may establish joint arrangements with one or more local authorities or public bodies to exercise functions which are Executive functions. Such arrangements may involve the appointment of joint committees or boards with these other local authorities or bodies.
- c. Except as set out below, the Executive may only appoint Cabinet Members to a joint committee or board and those Members need not reflect the political composition of the local authority as a whole.
- d. The Executive may appoint Members to a joint committee or board from outside the Executive where the joint committee or board has functions for only part of the area of the authority, and that area is smaller than two-fifths of the authority by area or population. In such cases, the Executive may appoint to the joint committee or board any Councillor who is a Member for a ward which is wholly or partly contained within the area.
- e. Details of any joint arrangements including any delegations to joint committees or boards will be found in the Council's scheme of delegations in Part 3 of this Constitution.

10.03 Access to information

- a. The [Access to Information Rules](#) in Part 4 of this Constitution apply.
- b. If all the Members of a joint committee are Cabinet Members in each of the participating authorities then its access to information regime is the same as that applied to the Executive.
- c. If the joint committee contains Members who are not on the Executive of any participating authority, then the access to information rules in Part VA of the Local Government Act 1972 will apply.

10.04 Delegation to and from other local authorities

- a. The Council may delegate non-Executive functions to another local authority or, in certain circumstances, the Executive of another local authority.
- b. The Executive may delegate Executive functions to another local authority or the Executive of another local authority in certain circumstances.
- c. The decision whether or not to accept such a delegation from another local authority shall be reserved to the Council meeting.

10.05 Contracting out

The Council for functions which are not Executive functions and the Executive for Executive functions may contract out to another body or organisation functions which may be exercised by an officer and which are subject to an order under section 70 of the Deregulation and Contracting Out Act 1994, or under contracting arrangements

where the contractor acts as the Council's agent under usual contacting principles, provided there is no delegation of the Council's discretionary decision making.

10.06 Role of Members

In performing their roles as part of the joint arrangements, Members of the Council will take into account not only the Members' Code, but also all other protocols and guidance notes, including the Code for Dealing with Joint Arrangements with Third Parties set out in Part 5 of this Constitution and any guidance issued to Members who sit as representatives on outside bodies by the Monitoring Officer and/or Governance Committee.

**Article 11
Officers**

11.01 Senior management structure, Functions and Areas of Responsibility

- a. **General.** The full Council may engage such staff (referred to as Officers) as it considers necessary to carry out its functions.
- b. **Chief Officer.** The full Council will engage persons for the following posts, who will be designated Chief Officers and who will have delegated to them the following areas of responsibility in addition to those set out in the Council's Scheme of Delegation:

POST	Functions and Area of Responsibility
Chief Executive and Head of Paid Service	<p>Overall corporate management and operational responsibility including overall management responsibility for all Officers and all services</p> <p>Authority to act: authorised to take all necessary action to implement decisions of the Council, its committees and the Executive within overall remit, including:</p> <ul style="list-style-type: none"> ▪ committing resources within approved budgets and subject to Financial Procedure Rules; ▪ power to nominate or authorise any other officer to act on their behalf to action any decision; and ▪ provision of professional advice to all parties in the decision-making process <p>Overall: participate in the corporate management of the authority as a member of the Executive Management Board (EMB)</p> <p>Authority to act: authorised to take all necessary action to implement decisions of the Council, its committees and the Executive within overall remit, including:</p> <ul style="list-style-type: none"> ▪ committing resources within approved budgets and subject to Financial Procedure Rules; ▪ power to nominate or authorise any other officer to act on their behalf to action any decision; and ▪ provision of professional advice to all parties in the decision-making process

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POST	Functions and Area of Responsibility
Executive Director: Corporate Services	<p>Overall: participate in the corporate management of the authority as a member of the Executive Management Board (EMB)</p> <p>Authority to act: authorised to take all necessary action to implement decisions of the Council, its committees & the Executive within overall remit, including:</p> <ul style="list-style-type: none"> ▪ committing resources within approved budgets and subject to Financial Procedure Rules; ▪ power to nominate or authorise any other officer to act on <u>their</u> behalf to action any decision; ▪ provision of professional advice to all parties in the decision-making process <p>Departmental:</p> <p>Financial Planning & Management; Procurement & Supplier Management; Audit Service & Partnership; Legal & Governance, Customer & Employee Experience and Digital</p>
Executive Director: Wellbeing (Children & Learning)	<p>Overall: participate in the corporate management of their authority as a member of Executive Management Board (EMB)</p> <p>Authority to act: authorised to take all necessary action to implement decisions of the Council, its committees and the Executive within overall remit, including:</p> <ul style="list-style-type: none"> ▪ committing resources within approved budgets and subject to Financial Procedure Rules; ▪ power to nominate or authorise any other officer to act on <u>their</u> behalf to action any decision; and ▪ provision of professional advice to all parties in the decision-making process <p>Reporting to the Chief Executive, the Executive Director makes an active contribution to the strategic development of the City, provides a focus for community and other external contacts and provides overall leadership and management for a range of services.</p> <p>Departmental</p> <p>The current service groups in this Directorate are:</p> <p>Children's Services within the Council, Children's Trust arrangements; the engagement and encouragement of local communities to improve children's services and ensure that services both within the City and across partner organisations improve outcomes for all and are organised around children and young people's needs; leading on safeguarding and promoting the welfare of children across all agencies; leading on learning for all, including adults.</p>
Executive Director: Community Wellbeing	<p>Overall: participate in the corporate management of their authority as a member of Executive Management Board (EMB)</p> <p>Authority to act: authorised to take all necessary action to</p>

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POST	Functions and Area of Responsibility
	<p>implement decisions of the Council, its committees and the Executive within overall remit, including:</p> <ul style="list-style-type: none"> ▪ committing resources within approved budgets and subject to Financial Procedure Rules; ▪ power to nominate or authorise any other officer to act on <u>their</u> behalf to action any decision; and ▪ provision of professional advice to all parties in the decision-making process <p>The current service groups in this Directorate are:</p> <p>personal social care services for adults and older people, including services provided jointly with other agencies relating to adult services and health; management of the Integrated Commissioning Unit; Public Health; Stronger Communities &</p>
<p><u>Executive Director Resident Services</u></p>	<p><u>Overall: participate in the corporate management of their authority as a member of Executive Management Board (EMB)</u></p> <p><u>Authority to act: authorised to take all necessary action to implement decisions of the Council, its committees and the Executive within overall remit, including:</u></p> <ul style="list-style-type: none"> ▪ <u>committing resources within approved budgets and subject to Financial Procedure Rules;</u> ▪ <u>power to nominate or authorise any other officer to act on their behalf to action any decision; and</u> ▪ <u>provision of professional advice to all parties in the decision-making process</u> <p><u>The current service groups in this Directorate are:</u></p> <p><u>Housing (including Housing Management, Housing Allocations, Welfare & Homelessness Prevention); community and supported housing; Environmental Services & Consumer Protection including Registration & Bereavement Services) and City Services.</u></p>
<p>Executive Director: <u>Growth & Prosperity</u></p>	<p>Overall: participate in the corporate management of their authority as a member of Executive Management Board (EMB)</p> <p>Authority to act: authorised to take all necessary action to implement decisions of the Council, its committees and the Executive within overall remit, including:</p> <ul style="list-style-type: none"> ▪ committing resources within approved budgets and subject to Financial Procedure Rules; ▪ power to nominate or authorise any other officer to act on <u>their</u> behalf to action any decision; and ▪ provision of professional advice to all parties in the decision-making process <p>The current service groups in this Directorate are:</p> <p>Green City & Infrastructure (including Transport, Highways,</p>

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POST	Functions and Area of Responsibility
	Flood Management & Green City Project); Planning & Economic Development (including Building Control, Skills & Work (Economic Development, Global Partnerships & Inward Investment)); Property (including Capital Programme Project Delivery, Asset Management & Maintenance & Regeneration); Culture & Tourism (including Libraries & Events)
Director of Strategy & Performance	<p>Overall: participate in the corporate management of their authority as a member of Executive Management Board (EMB)</p> <p>Authority to act: authorised to take all necessary action to implement decisions of the Council, its committees and the Executive within overall remit, including:</p> <ul style="list-style-type: none"> committing resources within approved budgets and subject to Financial Procedure Rules; power to nominate or authorise any other officer to act on <u>their</u> behalf to action any decision; and provision of professional advice to all parties in the decision-making process <p>The current service groups in this Directorate are:</p> <p>Communications & Business Development (Projects, Policy & Performance, Projects & Change, Policy & Strategic Planning; Data & Intelligence</p>
Director of Public Health	<p>Authority to act: authorised to take all necessary action to implement decisions of the Council, its committees and the Executive within overall remit, including:</p> <ul style="list-style-type: none"> committing resources within approved budgets and subject to Financial Procedure Rules; power to nominate or authorise any other officer to act on <u>their</u> behalf to action any decision provision of professional advice to all parties in the decision-making process <p>Reporting to the Executive Director Community Wellbeing) the Director makes an active contribution to the strategic development of the City, provides a focus for community and other external contacts and provides overall leadership and management for a range of services.</p>

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c. **Chief Officers: Financial Responsibilities:**

- d. **Head of Paid Service, Monitoring Officer and Chief Financial Officer.** The Council will designate the following posts to undertake the statutory Chief Officer roles as shown:

POST	DESIGNATION
Chief Executive	Head of Paid Service
Director of Legal & Governance	Monitoring Officer

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Executive Director: Corporate Services	Chief Financial Officer
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Such posts will have the functions described in Article below.

e. **Executive Management Board** (the composition of which is a matter for the Chief Executive) consists of all Chief Officers as follows:-

Chief Executive

Executive Director: Corporate Services

Executive Director: ~~Growth & Prosperity~~

Executive Director: ~~Community Wellbeing~~ Executive Director: ~~Wellbeing Children & Learning~~

Director of Strategy & Performance

Director of Legal & Governance and Monitoring Officer

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In particular, EMB assists the Chief Executive to:

- ◆ pro-actively and reactively formulate advice to Councillors on strategic and key policy issues, budget and developments for the City and the Council;
 - ◆ co-ordinate the contributions of the appropriate Directorate to the achievement of the Council's policy priorities;
 - ◆ provide an interface with all Councillors including (but not limited to) the Executive;
 - ◆ set standards for and monitor the development of key corporate requirements;
 - ◆ carry out key aspects of corporate governance, including the monitoring of work of external and internal auditors and inspectorates;
 - ◆ ensure that there is a performance management framework and system and that it is delivered / implemented; and
 - ◆ promote the organisational development and culture of the City Council and its workforce to deliver the Council's objectives.
- f. **Structure.** The Head of Paid Service will determine and publicise a description of the overall departmental structure of the Council showing the management structure and deployment of Officers. This is set out at [Part 7](#) of this Constitution.

Article 12 Decision Making

12.01 Responsibility for decision making

The Council will issue and keep up to date a record of what part of the Council or individual has responsibility for particular types of decisions or decisions relating to particular areas or functions. This record is set out in Part 3 of this Constitution.

12.02 Principles of decision making

All decisions of the Council will be made in accordance with the following principles:

- ◆ proportionality (i.e. the action must be proportionate to the desired outcome);
- ◆ due consultation and the taking of professional advice from officers;
- ◆ respect for human rights;
- ◆ a presumption in favour of openness, accountability and transparency;
- ◆ setting out what options have been considered
- ◆ setting out reasons for the decision; and
- ◆ clarity of aims and desired outcomes.

In exercising discretion, the decision maker must:

- ◆ understand the law that regulates the decision-making power and gives effect

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to it. The decision-maker must direct itself properly in law;

- ◆ take into account all relevant matters (those matters which the law requires the authority as a matter of legal obligation to take into account);
- ◆ leave out of account irrelevant considerations;
- ◆ act for a proper purpose, exercising its powers for the public good;
- ◆ not reach a decision which no authority acting reasonably could reach, (also known as the "rationality" or "taking leave of your senses" principle);
- ◆ comply with the rule that local government finance is to be conducted on an annual basis. Save to the extent authorised by Parliament, 'live now, pay later' and forward funding are unlawful; and
- ◆ act with procedural propriety in accordance with the rules of fairness.

To be lawful, a decision:

- ◆ if taken in full Council, Cabinet, Committee or sub-committee must comply with the principle of being reached by a majority of Councillors present and voting at a properly constituted meeting;
- ◆ be one which the decision-maker is empowered or obliged to take, otherwise it is ultra vires;
- ◆ not offend against *Wednesbury* reasonableness;
- ◆ if intended to secure action (as opposed, for example, to a resolution merely expressing the Council's collective view on an issue), be capable of execution or will be of no effect; and
- ◆ not purport to undo what has already been done irrevocably (but it can rescind an earlier decision where this is feasible).

There can be no substitute for appropriate advice on a matter by matter basis. This Guidance cannot and does not purport to be comprehensive or replace that professional advice.

Note: "*Wednesbury* reasonableness". This relates to the actions of a local authority or other public body in exercising its discretion, and relates to whether the body has acted irrationally (rather than ultra vires). The definition was given by Lord Greene in the *Wednesbury Case* (1948):

"When an executive discretion is entrusted by Parliament to a body such as the local authority in this case, what appears to be an exercise of that discretion can only be challenged in the courts in a limited class of case ... When discretion of this kind is granted, the law recognises certain principles upon which that discretion must be exercised, but within the four corners of those principles the discretion, in my opinion, is an absolute one and cannot be questioned in any court of law ... If, in the statute conferring the discretion, there is to be found expressly or by implication matters which the authority exercising the discretion ought to have regard to, then in exercising the discretion it must have regard to those matters. Conversely, if the nature of the subject matter and the general interpretation of the Act makes it clear that certain matters would not be germane to the matter in question, the authority must disregard those irrelevant collateral matters. There have been in the cases expressions used relating to the sort of thing that authorities must not do ... bad faith, dishonesty - those of course stand by themselves ... Discretion

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must be exercised reasonably. He must call his own attention to the matters which he is bound to consider, and exclude from his consideration matters which are irrelevant to what he has to consider. If he does not obey those rules, he must truly be said, and often is said, to be acting unreasonably.'

12.03 Types of decision

a. Decisions reserved to full Council

Decisions relating to the functions listed in [Article 4.02](#) will be made by the Full Council and not delegated.

b. Key decisions

In this Constitution, a “Key Decision” shall mean an Executive decision which is likely:

- i. to result in the local authority incurring expenditure which is, or the making of savings which are, significant having regard to the City Council’s budget for the service or function to which the decision relates;
- ii. to be significant in policy or strategic terms as regards its effects on communities living or working in an area comprising two or more wards or electoral divisions in the City; or
- iii. to have a particularly significant impact on any community as experiencing social exclusion or discrimination, whether that community is defined by geography or interest and even if that community is only located in one ward or electoral division in the area of the local authority.

Notes

1. In relation to paragraph (i) above, the term “significant” shall be construed as meaning £500,000 (except that this does not apply to (i) care packages where the value of the care package exceeds £500,000. For the purposes of this paragraph, the term “care package” is defined as a package of personal care, support or education purchased as a consequence of an assessment of a child’s needs within the Children Act 1989, Children (Leaving Care) Act 2000 and the Education Act 1981 and the relevant guidance is contained in the Special Education Needs Revised Code of Practice. The decision to provide the care package is for the duration of the individual’s childhood, up to the age of 18 years, 19 years or 21 years according to the relevant legislation or guidance (ii) proposals and decisions under the Property Acquisition Strategy of whatever value) (iii) proposals and decisions of Council appointed representatives (officer and elected member) acting in their capacity as Board Members or Shareholder Representatives as individual decision makers or as part of decision making Boards or meetings of a Local Authority Trading Company owned or operated by Southampton City Council (iv) decisions of Council appointed representatives (officer and elected member) acting under delegated powers and in accordance with Financial Procedure Rules at meetings of the Joint Commissioning Board.
2. In relation to paragraph (ii) above, the Council will, unless it is impracticable to do so, treat as if they were Key any decisions which are likely to have a significant impact on communities in one ward or electoral division. Where a decision is only likely to have a significant impact on a very small number of people in one ward or electoral division, the decision-maker should ensure that those people are nevertheless informed of the forthcoming decision in sufficient time for them to exercise their right to see the relevant papers and make an input into the decision-making process.

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May 2024

3. In considering whether a decision is likely to be significant, a decision-maker will also need to consider the strategic nature of the decision and whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number or people living or working the locality affected. Regard should again be given to the underlying principles of open, transparent and accountable decision-making of this Constitution to ensure that there is a presumption towards openness.
4. In interpreting after the event whether or not a decision should or should not have been classified as a Key Decision, the following will be taken into account:
 - a. the issue must be assessed on the basis of the information which could reasonably have been available to the decision-maker at the time;
 - b. the “de minimus” rule will be applied;
 - c. the level and nature of advice sought by the decision-maker. The Monitoring Officer and Chief Financial Officer will have significant roles to play in this.
- c. A decision-taker may only make a Key Decision in accordance with the requirement of the [Executive Procedure Rules](#) set out in Part 4 of this Constitution.
- d. No treasury management decisions, as defined by the Executive Director: Finance & Commercialisation, shall be deemed to be Key Decisions.

Note: “De minimus” means that (in this context) this rule does not apply to trifling, minor or insignificant variations, departures or breaches.

12.04 Decision making by the full Council

Subject to Article 12.08, the Council meeting will follow the [Council Procedure Rules](#) set out in Part 4 of this Constitution when considering any matter.

12.05 Decision making by the Executive

Subject to Article 12.08, the Executive will follow the [Executive Procedure Rules](#) set out in Part 4 of this Constitution when considering any matter.

12.06 Decision making by overview and scrutiny committees

Overview and Scrutiny Committees will follow the [Overview and Scrutiny Procedure Rules](#) set out in Part 4 of this Constitution when considering any matter.

12.07 Decision making by other committees and sub-committees established by the Council

Subject to Article 12.08, other Council committees and sub-committees will follow those parts of the [Council Procedure Rules](#) set out in Part 4 of this Constitution as apply to them.

12.08 Decision making by Council bodies acting as tribunals

The Council, a Councillor or an officer acting as a tribunal or in a quasi-judicial manner or determining/considering (other than for the purposes of giving advice) the civil rights and obligations or the criminal responsibility of any person will follow a

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May 2024

proper procedure which accords with the requirements of natural justice and the right to a fair trial contained in Article 6 of the European Convention on Human Rights.

Article 13 Finance, Contracts and Legal Matters

13.01 Financial Management

The management of the Council's financial affairs will be conducted in accordance with the [Financial Procedure Rules](#) set out in Part 4 of this Constitution.

13.02 Contracts

Every contract made by the Council will comply with the [Contract Procedure Rules](#) set out in Part 4 of this Constitution.

13.03 Legal proceedings

The Director of [Director of Legal & Governance](#) is authorised to institute, defend or participate in any legal proceedings in any case where such action is necessary to give effect to decisions of the Council (including the Executive) or in any case where the [Director of Legal & Governance](#) considers that such action is necessary to protect the Council or City's interests.

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13.04 Authentication of documents

Where any document is necessary to any legal procedure or proceedings on behalf of the Council, it will be signed by the [Director of Legal & Governance](#) or other person authorised by him/her, unless any enactment otherwise authorises or requires, or the Council has given requisite authority to some other person.

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All contracts shall be made in writing. The [Contract Procedure Rules](#), set out in Part 4 of this Constitution, prescribe the circumstances when a contract shall be made under the Common Seal of the Council.

13.05 Common Seal of the Council

The Common Seal of the Council may be affixed by physical means and the necessary device for doing so will be kept in a safe place in the custody of the [Director of Legal & Governance](#) or by electronic means authorised by the [Director of Legal & Governance](#) who will be responsible for its secure administration. A decision of the Council, or of any part of it, will be sufficient authority for sealing any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which in the opinion of the [Director of Legal & Governance](#) should be sealed. The affixing of the Common Seal will be attested by the [Director of Legal & Governance](#) or some other person authorised by him/her. References in the Constitution to the Common Seal (or seal) and to the sealing of documents shall be taken to refer to the Common Seal and any accompanying attesting signatures as being affixed either by physical means or by electronic means.

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Article 14 Review and Revision of the Constitution

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14.01 Duty to monitor and review the Constitution

The Governance Committee will monitor and review the operation of the Constitution to ensure that the aims and principles of the Constitution are given full effect.

The Monitoring Officer shall monitor the strengths and weaknesses of the Constitution adopted by the Council, and make recommendations to the Governance Committee as to ways in which it could be amended in order better to achieve the purposes set out in [Article 1](#) of this Constitution.

In undertaking this task, the Monitoring Officer may

- a. observe meetings of different parts of the Member and Officer structure;
- b. undertake an audit trail of a sample of decisions;
- c. record and analyse issues raised with him/her by Members, Officers, the public and other relevant stakeholders;
- d. compare practices in this authority with those in other comparable authorities, or national examples of best practice; and
- e. report such findings to the Governance Committee.

14.02 Changes to the Constitution

- a. **Approval.** Changes to the Constitution arising either from a review, a motion from Council or from the Director of Legal & Governance will only be approved by the full Council after consideration of the proposal by the Governance Committee.
- b. **Minor, operational or inconsequential changes.** The Director of Legal & Governance has delegated authority to update the Constitution arising from decisions of the Council or Executive or where legislation requires a change in wording or terminology, such changes to be reported to members of the Governance Committee.
- c. **Changes in the form of Executive.** Special Procedures apply to changes in the form of Executive including (but not limited to) binding referendums when the law requires.
- d. **Delegations.** To reflect delegations lasting six months or more where a delegation is made to an Officer by the Council, a Committee, a Sub-Committee or the Executive, that delegation may need to be reflected within the Constitution (normally Part 3 or one of the Appendices) in which case the Director of Legal & Governance has authority to update the Constitution to reflect that change.
- e. **Changes that are predominantly managerial in their nature:** the Director of Legal & Governance has the authority to amend the Constitution in relation to matters that are predominantly managerial in their nature where there is agreement from the other two statutory officers, namely the Chief Executive (Head of Paid Service) and Executive Director: Corporate Services and where the matter has been subject to consultation with the appropriate Members (normally the relevant Cabinet Member and opposition spokespersons). Any such changes will be reported subsequently to Governance Committee.

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Article 15
Suspension, Interpretation and Publication of the Constitution

15.01 Suspension of the Constitution

- a. **Limit to suspension.** The Articles of this Constitution may not be suspended. The [Council Procedure Rules](#) may be suspended by the full Council to the extent permitted within those Rules and the law.
- b. **Procedure to suspend.** A motion to suspend any Council Procedure Rule in accordance with Article 15.01 must be moved in accordance with the Council Procedure Rules. The extent and duration of suspension will be proportionate to the result to be achieved, taking account of the purposes of the Constitution set out in Article 1 of this Constitution.
- c. **Rules capable of suspension.** Only those Council Procedure Rules specified within the Council Procedure Rules as being capable of suspension, may be suspended.

15.02 Interpretation

The ruling of the Lord Mayor as to the construction or application of this Constitution or as to any proceedings of the Council shall not be challenged at any meeting of the Council. Such interpretation will have regard to the purposes of this Constitution contained in Article 1.

15.03 Publication

- a. The ~~Director of Legal & Governance~~ will maintain the Constitution on the intranet and internet.
- b. The ~~Director of Legal & Governance~~ will ensure that copies are available for inspection at the Council's principal office (the Civic Centre), and can be purchased by members of the local press and the public on payment of a reasonable fee.

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Schedule 1

Description of Executive Arrangements

The following parts of the Constitution shall constitute the Executive arrangements:

1. Article 6 (Overview and Scrutiny Committee) and the [Overview and Scrutiny Procedure Rules](#);
2. Article 7 (The Executive) and the [Executive Procedure Rules](#);
3. Article 11 (Joint Arrangements);
4. Article 12 (Decision-making) and the [Access to Information Procedure Rules](#);
5. Part 3 ([Responsibility for Functions](#))

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PART 3: RESPONSIBILITY FOR FUNCTIONS

1. The Principles of Delegation

- 1.1 One of the primary purposes of the Constitution is to make it clear where responsibility for a particular function lies, and which person or body (Full Council, Committee, Sub-Committee, Executive (whether acting individually or collectively) or Officer) makes the decision that will result in an action being taken or not taken.

1.2 The Hierarchy of Decision-Making

The Full Council

The Full Council will exercise the functions reserved by law to Full Council in Article 4 of this Constitution and those determined locally to be functions for Full Council as set out in Section 3 of this Part of the Constitution.

The Executive

The Executive will exercise the functions set out in Section 4 of this Part of the Constitution.

The responsibility for local choice functions

The responsibility for local choice functions will be exercised in accordance with Section 2 of this Part of the Constitution.

Cabinet Members

Cabinet Members will exercise the functions set out in Section 4 of this Part of the Constitution.

Committees

Committees will exercise the functions set out in Section 3 of this Part of the Constitution. Committees are able to appoint sub-committees and particularly the Overview and Scrutiny Management Committee may appoint standing panels mirroring the Cabinet Portfolios. Further details of the membership of these panels may be obtained from the Scrutiny Manager.

Officers

Officers will exercise delegated functions set out:

- a. in column 4 of the table in Section 2 of this Part of the Constitution (Responsibility for Local Choice Functions);
- b. in column 4 of the table in Section 3 of this Part of the Constitution (Committees and Sub-Committees – Regulatory Panels, etc);
- c. as specified in Section 4 of this Part of the Constitution (Executive Functions);
- d. under Section 1 of this Part of the Constitution (Principles);
- e. in the [Scheme of Officer Delegation](#); and
- f. as provided for elsewhere in the Constitution.

- 1.3 If a function is delegated to the appropriate Chief Officer, the Chief Executive may nominate a substitute Chief Officer where this would, in the Chief Executive's opinion, be appropriate.

1.4 If a decision falls within the remit of a Cabinet Member described in Section 4 of this Part of the Constitution that Member may take the decision. If responsibility overlaps Cabinet Member remits, the decision must be referred to the Cabinet.

1.5 All references to “Chief Officer” means the Chief or Statutory Officer having primary responsibility for that function and area described in Article 11 of this Constitution. Such Officer will have all necessary power and authority to implement any such decision in relation to the functions on behalf of the decision-making body.

1.6 Limitations on and Parameters of Delegations

- a. The exercise of a delegated power, duty or function shall be subject to:
 - i. the City Council’s Policy Framework and Budget; and
 - ii. the City Council’s Constitution (including, but not limited to any Special Procedure and/or Protocol, the Council Procedure Rules, Financial Regulations, etc) and any Corporate Standards;
- b. All delegated functions shall be deemed to be exercised on behalf of and/or in the name of the Council.
- c. An officer to whom a power, duty or function is delegated may authorise another officer to exercise that power, duty or function, subject to the requirements that follow. Such authorisations shall be in writing and shall only be given to an officer over which the officer with the original delegated power etc. has control. Such authorisations should only be given where there is significant administrative convenience in doing so. The officer authorised by the other should act in the name of the officer who received the original delegation. No authorisation may be given if the statute or law prohibits it. Authorisations of this kind should not be considered to be norm but used only in appropriate circumstances and after careful thought. There can be no additional such delegation.
- d. References to any enactment, regulation, order or byelaw shall be construed as including any re-enactment or re-making of the same, whether or not with amendments.
- e. Any reference to any Act of Parliament includes reference to regulations, from which powers, duties and functions of the Council are derived.
- f. Where the exercise of powers is subject to prior consultation with another Cabinet Member or officer, that Cabinet Member or officer may give his or her views in general terms in advance to apply to any particular circumstances, to remove the need for consultation for each proposal.
- g. Subject to any express instructions to the contrary from the delegating body, any power to approve also includes the power to refuse, and the power to impose appropriate conditions.
- h. All delegations are subject to:
 - i. the right of the delegating body to decide any matter in a particular case;
 - ii. the delegatee may in any case in lieu of exercising his/her delegated power refer to the delegating body for a decision; and
 - iii. any restrictions, conditions or directions of the delegating body.
- i. In exercising delegated powers, the delegatee shall:

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- i. take account of the requirements of the Constitution, Corporate Standards and Special Procedures and shall address all legal, financial and other professional safeguards as if the matter were not delegated;
 - ii. shall exercise the delegation so as to promote the efficient, effective and economic running of the Council, and in furtherance of the Council's visions and values; and
 - iii. shall, where and when appropriate, report back to the appropriate delegating body as to the exercise of those delegated powers.
- j. Except where otherwise expressly provided either within this part of the Constitution or by resolution of the delegating body, the exercise of any delegated power, duty or function is subject to having the appropriate and necessary budgetary provision in place to take the action in the name of and/or on behalf of the Council.
- k. Any post specifically referred to shall be deemed to include any successor post, or a post which includes within the job description, elements relevant to any particular delegation, which were also present in the earlier post and shall include anyone acting up or seconded.
- l. Any reference to a Committee, Panel or Sub-Committee shall be deemed to include reference to a successor Committee or Sub-Committee provided that the subject matter of a particular delegation can be found within the terms of reference of both the earlier and the successor Committee or Sub-Committee.
- m. Where a power or duty is delegated, and the exercise of that power or duty is contingent upon the opinion of the Council that particular conditions or factual circumstances exist, then the delegatee in question has the power to determine whether or not those circumstances exist or those conditions have been fulfilled in the name of and with the authority of the Council.
- n. If a matter is delegated, but that delegation cannot be implemented, that should be reported to the delegating body.
- o. Functions, matters, powers, authorisations, delegations, duties and responsibilities, etc within this Scheme shall be construed in a broad and inclusive fashion and shall include the doing of anything which is calculated to facilitate or is conducive or incidental to the discharge of anything specified.
- p. Non-executive functions are specified in Schedules 1 and 2 of the Local Authorities (Functions and Responsibilities) (England) Regulations, 2000 (as amended). Any function that is not therefore specified must be assumed to be executive. Any mis-categorisation of a delegation as being Executive, non-Executive or other shall not invalidate a delegation.
- q. Advice on procedures and matters to be taken into account in exercising delegated powers is provided set out in the Guidance for Officers issued by the Director of Legal and Governance.

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2. **Responsibility for Local Choice Functions**

2.1 These are functions that could be the responsibility of an Authority's Executive (under Regulations 3(1) and Schedule 2 of the Functions Regulations 2000).

Function	Local Choice	Decision-Maker	Delegation of Functions ¹
1. Any function under a local Act, other than a function specified or referred to in Regulation 2 or Schedule 1	See Schedule 1 of this part of the Constitution	For non-Executive functions, see Article 4 and Section 3 of this Part of the Constitution For Executive functions, see Section 4 of this Part of the Constitution	Chief Executive, Executive Directors, Deputy Directors and Directors
2. Determining an appeal against any decision by, or on behalf of the authority (save for highways and related orders)	Non-Executive (save for highways and related orders) Non-Executive to the extent that appeals are made under the Council's disciplinary, grievance, dismissal and other employee relations procedures	Governance Committee	Chief Executive, Executive Directors, Deputy Directors and Directors
3. Appointing review boards under regulations under subsection(4), Section 34 (determination of claims and reviews) of the Social Security Act 1998.	N/A	N/A	Chief Executive, Executive Directors, Deputy Directors and Directors
4. Making arrangements under subsection (1), Section 67, and Schedule 18 to School Standards and Framework Act 1998 (appeals against exclusions of pupils)	Executive	Cabinet Member	Chief Executive, Executive Directors, Deputy Directors and Directors
5. Making arrangements under section 94(1) and (4) of, and Schedule 24 to the School Standards and Framework Act 1998 (admission appeals)	Executive	Cabinet Member	Director of Legal and <u>Governance</u>

¹ Reference should also be made to the Officers' Scheme of Delegation (available from the Senior Democratic Services Officer) for any additional, supplementary or limits to the delegations set out in this Constitution. In the absence of any reference in the Officers' Scheme of Delegation, any function delegated by virtue of this part of the Constitution is delegated in full, although the delegator and delegatee may exercise that function in totality.

Function	Local Choice	Decision-Maker	Delegation of Functions ¹
6. Making arrangements under Section 95(2) of and Schedule 25 to School Standards and Framework Act 1998 (children to whom section 87 applies; appeals by governing bodies)	Executive	Cabinet Member	Director of Legal and <u>Governance</u>
7. Any function relating to contaminated land: a. To the extent that the function involves the formulation of a strategic policy b. to the extent that the function does not involve the formulation of strategic policy	Executive	Cabinet Member	Executive Director: <u>Growth & Prosperity</u>
	Non-Executive	Licensing Committee	Executive Director: <u>Growth & Prosperity</u>
8. Performing any function relating to controlling pollution or managing air quality: a. To the extent that the function involves the formulation of a strategic policy or the adoption of a City Clean Air Zone b. To the extent that the function does not involve the formulation of strategic policy	Executive	Cabinet Member	Executive Director: <u>Growth & Prosperity</u>
	Non-Executive	Licensing Committee	Executive Director: <u>Growth & Prosperity</u> or other appropriate officer
9. The service of an Abatement Notice in respect of statutory nuisance under Section 80(1) Environmental Protection Act 1990	Non-Executive	Licensing Committee	Executive Director: <u>Growth & Prosperity</u> or other specified appropriate officers
10. The passing of a resolution that Schedule 2 Noise and Statutory Nuisance Act 1993 should apply under Section 8 of the Noise and Statutory Nuisance Act 1993 a. To the extent that the function involves the formulation of a strategic policy b. To the extent that the function does not involve the formulation of strategic policy	Executive	Cabinet Member	Executive Director: <u>Growth & Prosperity</u>
	Non-Executive	Licensing Committee to the extent that it is non-Executive, subject to delegation	Executive Director: <u>Growth & Prosperity</u>

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Function	Local Choice	Decision-Maker	Delegation of Functions ¹
11. The inspection of the authority's area to detect any statutory nuisance under Section 79 Environmental Protection Act 1990 a. To the extent that the function involves the formulation of a strategic policy b. To the extent that the function does not involve the formulation of strategic policy	Executive	Cabinet Member	Executive Director: <u>Growth & Prosperity</u> or other specified or appropriate officers
	Non-Executive	Licensing Committee	Executive Director: <u>Growth & Prosperity</u> or other specified or appropriate officers
12. The investigation of any complaints as to the existence of a statutory nuisance under Section 79 Environmental Protection Act 1990	Non-Executive	Licensing Committee	Executive Director: <u>Growth & Prosperity</u> or other specified or appropriate officers
13. Obtaining information under Section 330 of the Town and Country Planning Act 1990 about interests in land: a. To the extent that it is necessary to exercise these powers in respect of actions which are preliminary to the exercise of powers to make compulsory purchase orders b. To the extent that it is necessary to exercise these powers in respect of actions which are not preliminary to the exercise of powers to make compulsory purchase orders	Executive	Cabinet Member	Executive Director: <u>Growth & Prosperity</u> or other specified or appropriate officers
	Non-Executive	Planning & Rights of Way Panel	Executive Director: <u>Growth & Prosperity</u> or other specified or appropriate officers

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Function	Local Choice	Decision-Maker	Delegation of Functions ¹
14. Obtaining information about people interested in land under Section 16 of the Local Government (Miscellaneous Provisions) Act 1976: a. To the extent that it is necessary to exercise these powers in respect of actions which are preliminary to the exercise of powers to make compulsory purchase orders b. To the extent that it is necessary to exercise these powers in respect of actions which are not preliminary to the exercise of powers to make compulsory purchase orders	Executive	Cabinet Member	Executive Director: <u>Growth & Prosperity</u> , or other specified or appropriate officers
	Non-Executive	Planning & Rights of Way Panel	Executive Director: <u>Growth & Prosperity</u> , and Director of Legal and Governance or other specified or appropriate officers
15. Making agreements for highways works to be carried out	Non-Executive	Planning & Rights of Way Panel	Executive Director: <u>Growth & Prosperity</u> ,
16. The appointment of any individual: Page 45 a. To any office other than an office in which s/he is employed by the authority b. To any body other than: i. The authority ii. A joint committee of two or more authorities; or iii. To any committee or sub-committee of such a body and the revoking of any such appointment To the extent that the appointments are to outside bodies in connection with functions which are the responsibility of the Executive To the extent that appointment are not the responsibility of the Executive	Executive	Cabinet Member	Director of Legal and <u>Governance</u>
	Executive	Cabinet	
	Non-Executive	Council	

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Function	Local Choice	Decision-Maker	Delegation of Functions ¹
17. The making of agreements with other local authorities for the placing of staff at the disposal of those other authorities: a. To the extent that the staff are placed being placed at the disposal of the other authority in relation to the discharge of functions which are the responsibility of the authority placing the staff b. To the extent that the staff are placed being placed at the disposal of the other authority in relation to the discharge of functions which are not the responsibility of the authority placing the staff	Non-Executive Executive	Governance Committee Cabinet	Director of Legal and <u>Governance</u>
18. Any function of a local authority in their capacity as Harbour Authority	Non-Executive	Council	Chief Executive, Executive Directors, Deputy Directors and Directors

Page 46

3. Responsibility for Functions

Body	Membership	Functions (in additional to those in Article 4)	Delegation of Functions ²
Full Council	All Members of the Authority	Functions relating to Electoral Registration and the holding of Elections	Returning Officer Electoral Registration Officer
		Power to make, amend, revoke or re-enact byelaws	Director of Legal and <u>Governance</u>
		Power to promote or oppose local or	Director of Legal and <u>Governance</u>

² Reference should also be made to the Officers' Scheme of Delegation (available from the Senior Democratic Services Officer) for any additional, supplementary or limits to the delegations set out in this Constitution. In the absence of any reference in the Officers' Scheme of Delegation, any function delegated by virtue of this part of the Constitution is delegated in full, although the delegator and delegatee may exercise that function in totality.

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Body	Membership	Functions (in additional to those in Article 4)	Delegation of Functions ²
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 47</p>		personal Bills	
		Miscellaneous functions, including power to: <ul style="list-style-type: none"> • Confer title of Honorary Alderman • Admit to be an Honorary Freeman • Make Rules of Procedure • Appoint Proper Officers • Approve the Authority's Statement of Accounts • Operate Members' Allowance Scheme • Make arrangements for the appointment of Committees and discharge of Council's functions 	Director of Legal and <u>Governance</u> Director of <u>Legal and Governance</u>
		<ul style="list-style-type: none"> • Adoption and revision of the Statement of Licensing Policy (Licensing Act 2003) • Adoption and revision of the Statement of Licensing Policy (Licensing Act 2003) 	Executive Director: <u>Growth & Prosperity</u>
		Making a request for single-Member electoral areas	Electoral Registration Officer / Returning Officer
		Resolving to change a Scheme for Elections	Electoral Registration Officer / Returning Officer
Full Council	All Members of the Authority	Deciding whether to make proposals for a change in governance arrangements or complying with a duty to make a change in governance arrangements, approving the proposals, deciding whether the change should be subject to approval and a referendum and passing a resolution to make the change, including provision in Executive arrangements for the Executive Leader to be removed b resolution and passing a resolution for the removal of the Executive Leader.	Director of Legal and <u>Governance</u>

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Body	Membership	Functions (in additional to those in Article 4)	Delegation of Functions ²
		Making a reorganisation order implementing recommendations of a community governance review	Director of Legal and <u>Governance</u>
Planning & Rights of Way Committee	See Schedule 3	See Schedule 2 of this Part of the Constitution	Chief Executive, Executive Directors, Deputy Directors and Directors
Licensing Committee	See Schedule 3	See Schedule 2 of this Part of the Constitution	Chief Executive, Executive Directors, Deputy Directors and Directors
Licensing (Licensing & Gambling) Sub-Committee	See Schedule 3	See Schedule 2 of this Part of the Constitution	Chief Executive, Executive Directors, Deputy Directors and Directors
Chief Officer Employment Panel	See Schedule 3	Appointment of Chief Officers in accordance with the Council's Employment Procedure Rules	Chief Executive, Executive Directors, Deputy Directors and Directors
Governance Committee	See Schedule 3	See Schedule 2 of this Part of the Constitution	Chief Executive, Executive Directors, Deputy Directors and Directors
Overview & Scrutiny Management Committee	See Schedule 3	See Schedule 2 of this Part of the Constitution	Chief Executive, Executive Directors, Deputy Directors and Directors

Deleted: January 2024

THE EXECUTIVE

The Executive shall comprise

Leader	Councillor Lorna Fielker
Deputy Leader and Finance & Change	Councillor Simon Letts
Adults and Health	Councillor Marie Finn
Children & Learning	Councillor Alexander Winning
Communities & Leisure	Councillor Toqeer Kataria
Economic Development	Councillor Sarah Bogle
Environment & Transport	Councillor Eammon Keogh
Housing	Councillor Andy Frampton
Safer City	Councillor Matt Renyard

CABINET

The Cabinet collectively and Cabinet Members individually will be responsible for the following functions:

- ◆ The community planning process and the search for best value, with input and advice from overview and scrutiny committees and any other persons as appropriate;
- ◆ The preparation of the local authority's Policy Framework and Budget;
- ◆ The preparation of the authority's financial strategy;
- ◆ Setting a clear and realistic direction, reflected in the Council Strategy and financial strategy; setting out clear corporate priorities and ensuring they are reflected in the budget and other planning and decision-making processes; ensuring that decisions of the Executive reflect corporate priorities and plans, including decisions about the allocation of resources; communicating decisions on corporate priorities to the local community;
- ◆ The promotion and pursuit of principles espoused by the Council in respect of social cohesion, and a sustainable environment, in its role as an employer, service provider and the exercise of community leadership;
- ◆ Achieving efficiencies through taking in-year decisions on resources and priorities, together with other stakeholders and partners in the local community, delivering and implementing the budget and policies decided by Full Council;
- ◆ Being the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs;
- ◆ Determining proposals for and variations to the Policy Framework and Budget that are to be proposed to Full Council;
- ◆ Considering reports of Overview and Scrutiny Management Committee, and its Panels (sub-committees) and formulating responses to those;
- ◆ Making any decision in respect of an Executive function which has been delegated where the delegate has decided not to exercise their delegation;
- ◆ In the absence of any Cabinet Member (including the Leader) or where any Cabinet Member (including the Leader) is not available or able to make a decision, Cabinet may, subject to the Leader's agreement, discharge that Executive function in respect of that decision;
- ◆ Subject to the budget, determining the grants to be paid by the Council;
- ◆ The Council's pursuit of efficiencies and Value for Money in its use of resources for the provision of services to citizens of the City and its business community by pursuing a holistic approach through the effective integration of programmes and plans including the Sustainable Community Strategy and Southampton Connect and the Council's customer focus through programmes of continuing improvement;
- ◆ The appointment of any individual:
 - to any office other than an office in which s/he is employed by the authority;
 - to any other body other than (i) the authority (ii) a joint committee of two or more authorities; or to any committee or sub-committee of such a body.and the revoking of any such appointment, to the extent that appointments are usually but not exclusively to outside bodies in connection with functions which are the responsibility of the Executive;
- ◆ The appointment of any panel, body or other grouping of elected Members, officers or other persons, together or in combination, whether or not jointly with any other authority or organisation other than a committee, a sub-committee of the Council or a joint committee of two or more authorities, as defined in Section 101 of the Local Government Act 1972;
- ◆ Matters relating to the Portfolio involving Member contacts with the Government and any Regional or National organisations;
- ◆ The application of national policies locally and any consequent forward planning necessary;

Deleted: his/her

- ◆ Liaison and joint working with other Cabinet Members to ensure the objectives of the Council are met and that Business and Service Plans link with commitments agreed by the Cabinet;
- ◆ Reporting to Full Council and its decision-making and scrutiny functions where appropriate;
- ◆ Seeking comments on Policy development through Cabinet and Scrutiny and issuing statements and bulletins related to matters within the Portfolio;
- ◆ Representing the Council on and exercising any functions in relation to any Partnership Boards or Committees to which they are appointed.

Delegation of Functions

The Chief Executive and Executive Directors.*

LEADER

The Leader shall be responsible for:

- ◆ Appointing a Cabinet of not fewer than three and not more than ten councillors (including the Leader);
- ◆ Determining a scheme of delegation for Executive functions.

The Cabinet Member shall be responsible for and lead on the following functions:

- Leader of the Council;
- Primary spokesperson for the Council;
- Communications and Marketing
- Liaison with the Government and key strategic partners
- Renaissance Board
- Key Projects (ie Climate Assembly)
- Culture, Arts & Heritage, Libraries, inc Cultural Trust
- Corporate Plan and Corporate Policy Development
- Housing Development and Regeneration

Delegation of Functions

The Chief Executive and Executive Directors.*

* Reference should also be made to the [Officers' Scheme of Delegation](#) (available from the Democratic Services Manager) for any additional, supplementary or limits to the delegations set out in this Constitution. In the absence of any reference in the Officers' Scheme of Delegation, any function delegated by virtue of this part of the Constitution is delegated in full, although the delegator and delegatee may exercise that function in totality.

CABINET MEMBER FOR CHILDREN & LEARNING

This Cabinet Member is the Lead Member with responsibilities for children's services under Section 19 of the Children Act 2004

The Cabinet Member shall be responsible for and lead on the following functions:

- Children's Social Care & Safeguarding
- Education, inc Early Years, Music Services, Special Education Needs

Delegation of Functions

The Chief Executive and Executive Directors.*

* Reference should also be made to the [Officers' Scheme of Delegation](#) (available from the Democratic Services Manager) for any additional, supplementary or limits to the delegations set out in this Constitution. In the absence of any reference in the Officers' Scheme of Delegation, any function delegated by virtue of this part of the Constitution is delegated in full, although the delegator and delegatee may exercise that function in totality.

CABINET MEMBER FOR COMMUNITIES & LEISURE

The Cabinet Member shall be responsible for and lead on the following functions:

- Leisure
- Stronger Communities including volunteering and community use of Council assets
- Community Engagement
- Voluntary Organisations

Delegation of Functions

The Chief Executive and Executive Directors.*

* Reference should also be made to the [Officers' Scheme of Delegation](#) (available from the Democratic Services Manager) for any additional, supplementary or limits to the delegations set out in this Constitution. In the absence of any reference in the Officers' Scheme of Delegation, any function delegated by virtue of this part of the Constitution is delegated in full, although the delegator and delegatee may exercise that function in totality.

CABINET MEMBER FOR ECONOMIC DEVELOPMENT

The Cabinet Member shall be responsible for and lead on the following functions:

- Skills & Apprenticeships
- Freeport
- Levelling Up
- Economic Development
- Planning and Development Management
- Key Strategic Developments, Key Property Projects with the Council of the Council
- Property Services, inc Corporate Landlord
- District Centre Regeneration

Delegation of Functions

The Chief Executive and Executive Directors.*

* Reference should also be made to the [Officers' Scheme of Delegation](#) (available from the Democratic Services Manager) for any additional, supplementary or limits to the delegations set out in this Constitution. In the absence of any reference in the Officers' Scheme of Delegation, any function delegated by virtue of this part of the Constitution is delegated in full, although the delegator and delegatee may exercise that function in totality.

CABINET MEMBER FOR FINANCE & CHANGE

The Cabinet Member shall be responsible for and lead on the following functions:

- Strategic Financial Planning and Management
- Transformation and Change in consultation with the Leader of the Council
- Capital Programme
- CIL in consultation with the Leader of the Council
- Commissioning, Procurement & Supplier Management
- Transformation & Change
- Risk & Assurance
- Audit
- Legal & Governance
- Election Services
- HR
- IT
- Customer Contact and Service Support

Delegation of Functions

The Chief Executive and Executive Directors.*

* Reference should also be made to the [Officers' Scheme of Delegation](#) (available from the Democratic Services Manager) for any additional, supplementary or limits to the delegations set out in this Constitution. In the absence of any reference in the Officers' Scheme of Delegation, any function delegated by virtue of this part of the Constitution is delegated in full, although the delegator and delegatee may exercise that function in totality.

CABINET MEMBER FOR HOUSING

The Cabinet Member shall be responsible for and lead on the following functions:

- Council Housing
- Kanes Hill
- Private Rented Sector
- Homelessness & Rough Sleeping

Delegation of Functions

The Chief Executive and Executive Directors.*

* Reference should also be made to the [Officers' Scheme of Delegation](#) (available from the Democratic Services Manager) for any additional, supplementary or limits to the delegations set out in this Constitution. In the absence of any reference in the Officers' Scheme of Delegation, any function delegated by virtue of this part of the Constitution is delegated in full, although the delegator and delegatee may exercise that function in totality.

CABINET MEMBER FOR ADULTS AND HEALTH

The Cabinet Member shall be responsible for and lead on the following functions:

- Public Health
- Health Integration
- Adult Social Care & Safeguarding

Delegation of Functions

The Chief Executive and Executive Directors.*

* Reference should also be made to the [Officers' Scheme of Delegation](#) (available from the Democratic Services Manager) for any additional, supplementary or limits to the delegations set out in this Constitution. In the absence of any reference in the Officers' Scheme of Delegation, any function delegated by virtue of this part of the Constitution is delegated in full, although the delegator and delegatee may exercise that function in totality.

CABINET MEMBER FOR ENVIRONMENT & TRANSPORT

The Cabinet Member shall be responsible for and lead on the following functions:

- Transport & Infrastructure
- Highways
- Car Parks
- Itchen Bridge
- Parks & Open Spaces
- Registration & Bereavement Services
- Flood Management
- Waste Services incl Domestic, Commercial, Recycling, Street Cleansing & Fly Tipping

Green City and Net Zero

Supported by

DEPUTY CABINET MEMBER GREEN CITY AND NET ZERO

Delegation of Functions

The Chief Executive and Executive Directors.*

* Reference should also be made to the [Officers' Scheme of Delegation](#) (available from the Democratic Services Manager) for any additional, supplementary or limits to the delegations set out in this Constitution. In the absence of any reference in the Officers' Scheme of Delegation, any function delegated by virtue of this part of the Constitution is delegated in full, although the delegator and delegatee may exercise that function in totality.

CABINET MEMBER FOR SAFER CITY

The Cabinet Member shall be responsible for and lead on the following functions:

- Community Safety
- Licensing
- Youth Offending
- Domestic Violence
- Environmental and Port Health
- Trading Standards
- Enforcement (lead on co-ordinated approach to “on street” matters with partners and council services such as ASB, Community Wardens, traffic enforcement, fly tipping, litter, environmental health)
- Emergency Planning & Business Continuity
- Gypsies & Travellers not including Kanes Hill

Delegation of Functions

The Chief Executive and Executive Directors.*

* Reference should also be made to the [Officers' Scheme of Delegation](#) (available from the Democratic Services Manager) for any additional, supplementary or limits to the delegations set out in this Constitution. In the absence of any reference in the Officers' Scheme of Delegation, any function delegated by virtue of this part of the Constitution is delegated in full, although the delegator and delegatee may exercise that function in totality.

Schedule 1
FUNCTIONS UNDER THE HAMPSHIRE ACT 1983

Executive Functions

- Sections 18, 19, 20 and 21 – Itchen Bridge – Council has power to make order re demanding, taking and recovery of tolls and may make byelaws re the bridge. Also power to prosecute.
- Sections 22 – 31 – Itchen Bridge – determination of level, type and recovery of toll
- Section 32 – Itchen Bridge – Finance
- Section 35 – Itchen Bridge – Closure of
- Section 36 – 46 – Itchen Bridge – tidal and other works affecting bridge
- Section 70 – Council has power to provide facilities for hovercraft, hydrojuniorvessels etc

Non – Executive Functions

- Section 4 – Hairdressers and Barbers – Application for registration to carry on business on premises. Council to issue certificate of registration. Council can prosecute for non – registration or for failure to display certificate.
- Section 7 – Touting, hawking, photographing etc – Council may designate places and grant consent. Council can prosecute and the aggrieved in respect of consent can appeal to Magistrates Court.
- Section 8 – Control of stray dogs
- Section 9 – Seizure of horses
- Section 10 – Byelaws as to Leisure Centres – Council may make byelaws for specified purposes.
- Sections 11, 12 and 13 – Fire Precautions – Council may reject plans or impose conditions. Any person aggrieved may appeal. Council has power to prosecute.
- Section 34 – Itchen Bridge – Power to make byelaws
- Sections 58 and 59 – Unlawfully parked vehicles re the Common, parks and recreation grounds – Council may prosecute
- Section 60 – Mayflower Park – Council may close the park for 10 consecutive days etc
- Section 61 – Pedestrian ways – Council may by resolution etc declare a pedestrian way and may make byelaws
- Section 68 – Prevention of obstruction of streets

Schedule 2

TERMS OF REFERENCE FOR LICENSING COMMITTEE

GENERAL

- a. This is a committee of the Council appointed by the Council under Section 6 of the Licensing Act 2003.
- b. The Council has arranged under Section 7 of the 2003 Act and Section 101(1) of the 1972 Act for the discharge by the Committee of such of the Council's functions as are within the Committee's terms of reference (set out below).
- c. Certain functions are delegated by this Committee to Officers. Full details may be found in the Officers' Scheme of Delegation which may be obtained [online](#).
- d. Where a function or matter within the Panel's competence has been delegated to an officer, the Committee may exercise that function/matter concurrently with the officer to whom it has been delegated.
- e. The exercise of any function or matter within the Committee's competence is always subject to any relevant requirement of the Council's Constitution including any Special Procedure and Protocol drawn up and approved by the Director of Legal & [Governance](#), in pursuance of Council Procedure Rule 26.2 or which may be prescribed by law.

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Deleted: Business Services

TERMS OF REFERENCE

1. To undertake all licensing functions, powers and duties conferred by the Licensing Act 2003 and as set out in schedule 1B of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (SI 2853 of 2000) as amended and the Local Government Act, 1972 including but not limited to the matters set out below.
2. Approve a framework for the effective discharge by the Council of the statutory licensing function by itself and its sub-committees.
3. Keep under review and publish a Statement of Licensing Policy.
4. Appoint sub-committee(s) to discharge the Council's licensing functions under the Licensing Act 2003.
5. Appoint sub-committee(s) to discharge the Council's licensing functions as set out in schedule 1B of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (SI 2853 of 2000) as amended and the Local Government Act 1972.
6. To set licence fees as appropriate under the Gambling Act 2005.

Deleted: January 2024

TERMS OF REFERENCE FOR LICENSING (LICENSING AND GAMBLING) SUB-COMMITTEE

GENERAL

- a. This is a sub-committee of the Licensing Committee appointed by that Committee under the Licensing Act 2003.
- b. The Committee has arranged under Section 9 of that Act for the discharge by the Sub-Committee of such of the Council's functions as are within the Sub-Committee's terms of reference (set out below).
- c. Certain functions are delegated by this Sub-Committee to Officers. Full details may be found in the Officers' Scheme of Delegation which may be obtained [online](#).
- d. Where a function or matter within the Panel's competence has been delegated to an officer, the Sub-Committee may exercise that function/matter concurrently with the officer to whom it has been delegated.
- e. The exercise of any function or matter within the Sub-Committee's competence is always subject to any relevant requirement of the Council's Constitution including any Special Procedure and Protocol drawn up and approved by the Director of Legal and Governance in pursuance of Council Procedure Rule 26.2 or which may be prescribed by law.

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TERMS OF REFERENCE

Licensing Act 2003

Except for matters of Policy to undertake all functions, powers and duties conferred by the Licensing Act 2003 including but not limited to the matters set out below:

1. Power to determine applications for personal licences.
2. Power to determine applications for premises licences and club premises certificate.
3. Power to determine applications for variation of premises licence and club premises certificates.
4. Power to determine applications for transfer of premises licences.
5. Power to review premises licence and club premises certificates.
6. Power to determine police or environmental health objections to temporary event notices.

Gambling Act 2005

7. a. Where representations on the following applications have been received and not withdrawn to determine applications:
 - i. for premise licences;
 - ii. for variation of premises licences;
 - iii. for transfer of premises licences;
 - iv. for provisional statements;
 - v. for club gaming or machine permits;
 - b. The cancellation of club gaming or club machine permits;
 - c. Decision to give a counter notice to a temporary use notice;
 - d. Take "action" under Section 202 where the review is heard by the sub committee
8. Power to register societies wishing to promote lotteries.
 9. Power to issue premises licences and to receive temporary use notices.

Deleted: January 2024

TERMS OF REFERENCE FOR LICENSING (GENERAL) SUB-COMMITTEE

GENERAL

- a. This Sub-Committee is a Sub-Committee of the Licensing Committee appointed by the Committee under the Local Government Act 1972.
- b. The Committee has arranged under Section 101(1) of that Act for the discharge by the Sub-Committee of such of the Council's functions as are within the Sub-Committee's terms of reference (set out below).
- c. Certain functions are delegated by this Panel to Officers. Full details may be found in the Officers' Scheme of Delegation which may be obtained [online](#).
- d. Where a function or matter within the Sub-Committee's competence has been delegated to an officer, the Sub-Committees may exercise that function/matter concurrently with the officer to whom it has been delegated.
- e. The exercise of any function or matter within the Sub-Committee's competence is always subject to any relevant requirement of the Council's Constitution including any Special Procedure and Protocol drawn up and approved by the Director of Legal and Governance in pursuance of Council Procedure Rule 26.2.

Deleted: from the Head of Service Support

TERMS OF REFERENCE

Except for matters of Policy to undertake all licensing functions, powers and duties conferred by the Local Government Act 1972 including but not limited to the matters set out below:

- | | |
|--|--|
| 1. Power to license hackney carriages and private hire vehicles | (a) as to the hackney carriages, the Town Police Clauses Act, 1847 (10 & 11 Vict.c.89), as extended by section 171 of the Public Health Act 1875 (38 & 39 Vict.c.55), and section 15 of the Transport Act 1985 (c.67); and sections 47, 57,58,60 and 79 of the Local Government (Miscellaneous Provisions) Act 1976(c.57);
(b) as to private hire vehicles, sections 48, 57, 58, 60 and 79 of the Local Government (Miscellaneous Provisions) Act 1976. |
| 2. Power to license drivers of hackney carriages and private hire vehicles | Sections 51, 53, 54, 59, 61 and 79 of the Local Government (Miscellaneous Provisions) Act 1976. |
| 3. Power to license operators of hackney carriages and private hire vehicles | Sections 51, 53, 54, 59, 61 and 69 of the Local Government (Miscellaneous Provisions) Act 1976 |
| 4. Power to license sex shops and sex cinema and sex entertainment venues | Section 2 and Schedule 3 Local Government (Miscellaneous Provisions) Act 1976 |
| 5. Power to license performances of hypnotism | The Hypnotism Act 1952 |

Deleted: January 2024

6. Power to license markets and street trading	Part III of, and Schedule 4 to, the Local Government (Miscellaneous Provisions) Act 1982,
7. Power to license persons to collect for charitable and other causes	Section 5 of the Police, Factories etc. (Miscellaneous Provisions) Act 1916 (c.31) and section 2 of the House to House Collections Act 1939 (c44)
8. Power to license premises for acupuncture, tattooing, ear-piercing and electrolysis	Sections 13 to 17 of the Local Government (Miscellaneous Provisions) Act 1982
9. Power to license pleasure boats and pleasure vessels	Section 94 of the Public Health Acts Amendment Act 1907 (c.53)
10. Duty to keep list of persons entitled to sell non-medicinal poisons	Sections 3(1)(b)(ii), 5,6 and 11 of the Poisons Act 1972 (c.66)
11. Power to register and license premises for the preparation of food	Section 19 of the Food Safety Act 1990 (c.16)
12. Power to issue, amend or replace safety certificates (whether general or special) for sports grounds	The Safety of Sports Grounds Act 1975 (c.52)
13. Power to issue, cancel, amend or replace safety certificates for regulated stands at sports grounds	Part III of the Fire Safety and Safety of Places of Sport Act 1987 (c.27)
<u>Note:</u> The above function is exercised by the Fire Officer.	
14. Power to issue fire certificates	Section 5 of the Fire Precautions Act 1971 (c.40)
15. Power to license premises for the breeding of dogs	Section 1 of the Breeding of Dogs Act 1973 (c.60) and section 1 of the Breeding and Sale of Dogs (Welfare) Act 1999 (c.11)
16. Power to license pet shops and other establishments where animals are bred or kept for the purposes of carrying on a business	Section 1 of the Pet Animals Act 1951 (c.35); section 1 of the Animal Boarding Establishments Act 1963 (c.43); the Riding Establishments Acts 1964 and 1970 (1964c.70 and 1970c.70); section 1 of the Breeding of Dogs Act 1973 (c.60), and sections 1 and 8 of the Breeding and Sale of Dogs (Welfare) Act 1999
17. Power to register animal trainers and exhibitors	Section 1 of the Performing Animals (Regulations) Act 1925 (c.38)
18. Power to license zoos	Section 1 of the Zoo Licensing Act 1981 (c.37)
19. Power to license dangerous wild animals	Section 1 of the Dangerous Wild Animals Act 1976 (c.38)
20. Power to license knackers' yards	Section 4 of the Slaughterhouses Act 1974. See also the Animal By-Products Order 1999 (S.I. 1999/646)
21. Animal Welfare powers	Animal Welfare Act 2006 (all functions insofar as they are non-Executive functions)

22. Power to license the employment of children	Part II of the Children and Young Persons Act 1933 (c33), byelaws made under that part, and part II of the Children and Young Persons Act 1963 (c37)
23. Power to approve premises for the solemnisation of marriages	Section 46A of the Marriage Act 1949 (c.76) and the Marriages (Approved Premises) Regulations 1995 (S.I. 1995/510)
24. Power to grant consent for the operation of a loudspeaker	Schedule 2 to the Noise and Statutory Nuisance Act 1993 (c.40)
25. Power to license agencies for the supply of nurses	Section 2 of the Nurses Agencies Act 1957 (c.16)
26. Power to issue licences for the movement of pigs	Article 12 of the Pigs (Records, Identification and Movement) Order 1995 (S.I. 1995/11)
27. Power to license the sale of pigs	Article 13 of the Pigs (Records, Identification and Movement) Order 1995
28. Power to license collecting centres for the movement of pigs	Article 14 of the Pigs (Records, Identification and Movement) Order 1995
29. Power to issue a license to move cattle from a market	Article 5(2) of the Cattle Identification Regulations 1998 (S.I. 1998/871)
30. Power to sanction use of parts of buildings for storage of celluloid	Section 1 of the Celluloid and Cinematograph Film Act 1922 (c.35)
31. Power to approve meat product premises	Regulations 4 and 5 of the Meat Products (Hygiene) Regulations 1994 (S.I. 1994/3082)
32. Power to approve premises for production of minced meat or meat preparations	Regulation 4 of the Minced Meat and Meat Preparations (Hygiene) Regulations 1995 (S.I. 1995/3205)
33. Power to approve dairy establishments	Regulations 6 and 7 of the Dairy Products (Hygiene) Regulations 1995 (S.I. 1995/1086)
34. Power to approve egg product establishments	Regulation 5 of the Egg Products Regulations 1993 (S.I. 1993/1520)
35. Power to issue licences to retail butchers' shops carrying out commercial operations in relation to unwrapped raw meat and selling or supplying both raw meat and ready-to-eat foods	Schedule 1A to the Food Safety (General Food Hygiene) Regulations 1995 (S.I. 1995/1763)
36. Power to approve fish products premises	Regulation 24 of the Food Safety (Fishery Products and Live Shellfish) (Hygiene) Regulations 1998 (S.I. 1998/994)
37. Power to approve dispatch or purification centres	Regulation 11 of the Food Safety (Fishery Products and Live Shellfish) (Hygiene) Regulations 1998
38. Power to register fishing vessels on board which shrimps or molluscs are cooked	Regulation 21 of the Food Safety (Fishery Products and Live Shellfish) (Hygiene) Regulations 1998
39. Power to approve factory vessels and fishery product establishments	Regulation 24 of the Food Safety (Fishery Products and Live Shellfish) (Hygiene) Regulations 1998

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|---|--|
| 40. Power to register auction and wholesale markets | Regulation 26 of the Food Safety (Fishery Products and Live Shellfish) (Hygiene) Regulations 1998 |
| 41. Duty to keep register of food business premises | Regulation 5 of the Food Premises (Registration) Regulations 1991 (S.I. 1991/2828) |
| 42. Power to register food business premises | Regulation 9 of the Food Premises (Registration) Regulations 1991 |
| 43. Functions under any of the “relevant statutory provisions” within the meaning of Part 1 (health, safety and welfare in connection with work, and control of dangerous substances) of the Health and Safety at Work etc. Act 1974, to the extent that those functions are discharged otherwise than in the authority’s capacity as an employer | Part 1 of the Health and Safety at Work etc. Act 1974 (c.37) |
| 44. Functions relating to sea fisheries | Sections 1, 2, 10 and 19 of the Sea Fisheries Regulation Act 1966 (c.38) |
| 45. Registration of hairdressers and barbers | Section 4 Hampshire Act 1983 |
| 46. Touting, hawking, photography etc | Section 7 Hampshire Act 1983 |
| 47. Control of stray dogs | Section 8 Hampshire Act 1983 |
| 48. Seizure of horses | Section 9 Hampshire Act 1983 |
| 49. Any function relating to contaminated land.
(Except to the extent that the function involves the formulation of a strategic policy, in which case it is an executive function on which the panel should be consulted.) | Part IIA of the Environmental Protection Act 1990 (c43) and subordinate legislation under that part |
| 50. The discharge of any function relating to the control of pollution or the management of air quality.
(Except to the extent that the function involves the formulation of a strategic policy, in which case it is an executive function on which the panel should be consulted.) | Pollution Prevention and Control Act 1999 (c 24);
Pt IV of the Environment Act 1995 (c 25);
Part 1 of the Environmental Protection Act, 1990 (c 43) and the Clean Air Act, 1993 (c 11) |
| 51. The service of an abatement notice in respect of a statutory nuisance. | Section 80(1) of the Environment Protection Act, 1990 |
| 52. The inspection of the Authority’s area to detect any statutory nuisance.
(Except to the extent that the function involves the formulation of a strategic policy, in which case it is an executive function on which the panel should be consulted.) | Section 79 of the Environmental Protection Act, 1990. |

- 53. The investigation of any complaint as to the existence of a statutory nuisance. Section 79 of the Environmental Protection Act, 1990.
- 54. The obtaining of particulars of persons interested in land. Section 16 of the Local Government (Miscellaneous Provisions) Act, 1976.
(Except to the extent that it is necessary to exercise these powers in respect of actions which are preliminary to the exercise of powers to make compulsory purchase orders)
- 55. Determine all matters in relation to scrap metal licences, including the grant and revocation of any licences Scrap Metal Dealers Act 2013

**TERMS OF REFERENCE FOR PLANNING AND RIGHTS OF WAY COMMITTEE
(known as Planning and Rights of Way Panel)**

GENERAL

- a. This Panel is a Committee of the Council appointed by the Council under Section 102(1) of the Local Government Act 1972.
- b. The Council has arranged under Section 101(1) of that Act for the discharge by the Panel of such of the council's functions as are within the Panel's terms of reference (set out below).
- c. Certain functions are delegated by this Panel to Officers. Full details may be found in the Officer's Scheme of Delegation which may be obtained [online](#).
- d. Where a function or matter within the Panel's competence has been delegated to an officer, the Panel may exercise that function/matter concurrently with the officer to whom it has been delegated.
- e. The exercise of any function or matter within the Panel's competence is always subject to any relevant requirement of Contract Standing Orders, Financial Regulations and Council Procedure Rules as amended from time to time including any Special Procedures drawn up and approved by the Director of Legal and Governance in pursuance of Procedure Rule 26.2.

Deleted: from the Head of Service Support

TERMS OF REFERENCE

- | | | |
|----|---|--|
| 1. | To be consulted on the draft development plan. | |
| 2. | Power to determine application for planning permission | Sections 70(1)(a) and (b) and 72 of the Town and Country Planning Act 1990 (c.8) |
| 3. | Power to determine applications to develop land without compliance with conditions previously attached. | Section 73 of the Town and Country Planning Act 1990 |
| 4. | Power to grant planning permission for development already carried out | Section 73A of the Town and Country Planning Act 1990 |
| 5. | Power to decline to determine application for planning permission | Section 70A of the Town and Country Planning Act 1990 |
| 6. | Duties relating to the making of determinations of planning applications | Sections 69, 76 and 92 of the Town and Country Planning Act 1990 and Articles 8, 10 to 13, 15 to 22 and 25 and 26 of the Town and Country Planning (General Development Procedure) Order 1995 (S.I. 1995/419) and directions made thereunder |
| 7. | Power to determine application for planning permission made by a local authority, alone or jointly with another person | Section 316 of the Town and Country Planning Act 1990 and the Town and country Planning General Regulations 1992 (S.I. 1992/1492) |
| 8. | Power to make determinations, give approvals and agree certain other matters relating to the exercise of permitted development rights | Parts 6, 7 ,11, 17, 19, 20, 21 to 24, 26, 30 and 31 of Schedule 2 to the Town and Country Planning (General Permitted Development) Order 1995 (S.I. 1995/418) |
| 9. | Power to enter into agreement regulating | Section 106 of the Town and Country Planning |

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development or use of land	Act 1990
10. Power to issue a certificate of existing or proposed lawful use or development	Sections 191(4) and 192(2) of the Town and Country Planning Act 1990
11. Power to serve a completion notice	Section 94(2) of the Town and Country Planning Act 1990
12. Power to grant consent for the display of advertisements	Section 220 of the Town and Country Planning Act 1990 and the Town and Country Planning (Control of Advertisements) Regulations 1992
13. Power to authorise entry onto land	Section 196A of the Town and Country Planning Act 1990
14. Power to require the discontinuance of a use of land	Section 102 of the Town and Country Planning Act 1990
15. Power to serve a planning contravention notice, breach of condition notice or stop notice	Sections 171C, 187A and 183(1) of the Town and Country Planning Act 1990
16. Power to issue an enforcement notice	Section 172 of the Town and Country Planning Act 1990
17. Power to apply for an injunction restraining a breach of planning control	Section 187B of the Town and Country Planning Act 1990
18. Power to determine applications for hazardous substances consent, and related powers	Sections 9(1) and 10 of the Planning (Hazardous Substances) Act 1990 (c.10)
19. Duty to determine conditions to which old mining permissions, relevant planning permissions relating to dormant sites or active Phase I or II sites, or mineral permissions relating to mining sites, as the case may be, are to be subject	Paragraph 2(6)(a) of Schedule 2 to the Planning and Compensation Act 1991, paragraph 9(6) of Schedule 13 to the Environment Act 1995 (c.25) and paragraph 6(5) of Schedule 14 to that Act
20. Power to require proper maintenance of land	Section 215(1) of the Town and Country Planning Act 1990
21. Power to determine application for listed building consent, and related powers	Sections 16(1) and (2), 17, 27(2) and 33(1) of the Planning (Listed Buildings and Buildings in Conservation Areas) Act 1990 (c.9)
22. Power to determine applications for conservation area consent	Section 16(1) of the Planning (Listed Buildings and Buildings in Conservation Areas) Act 1990, as applied by section 74(3) of that Act
23. Duties relating to applications for listed building consent and conservation area consent	Sections 13(1) and 14(1) and (4) of the Planning (Listed Buildings and Buildings in Conservation Areas) Act 1990 and regulations 3 to 6 and 13 of the Town and Country Planning (Listed Buildings and Buildings in Conservation Areas) Regulations 1990 and paragraphs 8, 15 and 22 of the Department of the Environment Circular 14/97
24. Power to serve a building preservation notice, and related powers	Sections 3(1) and 4(1) of the Planning (Listed Buildings and Buildings in Conservation Areas) Act 1990
25. Power to issue enforcement notice in relation to demolition of unlisted building	Section 38 of the Planning (Listed Buildings and Buildings in Conservation Areas) Act 1990

	in conservation area	
26.	Power to acquire a listed building in need of repair and to serve a repairs notice	Sections 47 and 48 of the Planning (Listed Buildings and Buildings in Conservation Areas) Act 1990
27.	Power to apply for an injunction in relation to a listed building	Section 44A of the Planning (Listed Buildings and Buildings in Conservation Areas) Act 1990
28.	Power to execute urgent works	Section 54 of the Planning (Listed Buildings and Buildings in Conservations Areas) Act 1990
29.	Power to issue licences authorising the use of land as a caravan site ("site licences")	Section 3(3) of the Caravan Sites and Control of Development Act 1960 (c.62)
30.	Power to license the use of moveable dwellings and camping sites	Section 269(1) of the Public Health Act 1936(c.49)
31.	Power to register common land or town or village greens, except where the powers is exercisable solely for the purpose of giving effect to:	
	(a) an exchange of lands effected by an order under section 19(3) of, or paragraph 6(4) of Schedule 3 to , the Acquisition of Land Act 1981 (c.67) or	Regulation 6 of the Commons Registration (New Land) Regulations 1969 (S.I. 1969/1843)
	(b) an order under section 147 of the Inclosure Act 1845 (c.8 & 9 Vict.c.118)	
32.	Power to register variation of rights of common	Regulation 29 of the Commons Registration (General) Regulations 1966 (S.I. 1966/1471)
33.	The obtaining of information as to interests in land. (Except to the extent that it is necessary to exercise these powers in respect of actions which are preliminary to the exercise of powers to make compulsory purchase orders.	Section 330 of the Town and Country Planning Act, 1990.
34.	The making of agreements for the execution of highways works	Section 278 of the Highways Act, 1980 (c.66) substituted by the New Roads and Street Works Act, 1991 (c.22), Section 23
35.	Power to grant a street works licence	Section 50 of the New roads and Street Works Act 1991 (c.22)
36.	Power to permit deposit of builder's skip on highway	Section 139 of the Highways Act 1980 (c.66)
37.	Power to license planting, retention and maintenance of trees etc. in part of highway	Section 142 of the Highways Act 1980
38.	Power to authorise erection of stiles etc. on footpaths or bridleways	Section 147 of the highways Act 1980
39.	Power to license works in relation to buildings etc. which obstruct the highway	Section 169 of the highways Act 1980

40.	Power to consent to temporary deposits or excavations in streets	Section 171 of the Highways Act 1980
41.	Power to dispense with obligation to erect hoarding or fence	Section 172 of the Highways Act 1980
42.	Power to restrict the placing of rails, beams, etc. over highways	Section 178 of the Highways Act 1980
43.	Power to consent to construction of cellars etc. under street	Section 179 of the Highways Act 1980 as amended by Section 22 of the Local Government (Miscellaneous Provisions) Act, 1982 (c.30)
44.	Power to consent to the making of openings into cellars etc. under streets, and pavement lights and ventilators	Section 180 of the Highways Act 1980
45.	Power to create footpath or bridleway by agreement	Section 25 of the Highways Act 1980 (c.66)
46.	Power to create footpaths and bridleways	Section 26 of the Highways Act 1980
47.	Duty to keep register of information with respect to maps, statements and declarations	Section 31A of the Highways Act 1980
48.	Power to stop up footpaths and bridleways	Section 118 of the Highways Act 1980
49.	Power to determine application for public path extinguishment order	Sections 118ZA and 118C(2) of the Highways Act 1980
50.	Power to make a rail crossing extinguishment order	Section 118A of the Highways Act 1980
51.	Power to make a special extinguishment order	Section 118B of the Highways Act 1980
52.	Power to divert footpaths and bridleways	Section 119 of the Highways Act 1980
53.	Power to make a public path diversion order	Sections 119ZA and 119C(4) of the Highways Act 1980
54.	Power to make a rail crossing diversion order	Section 119A of the Highways Act 1980
55.	Power to make a special diversion order	Section 119B of the Highways Act 1980
56.	Power to require applicant for order to enter into agreement	Section 119C(3) of the Highways Act 1980
57.	Power to make an SSSI diversion order	Section 119D of the Highways Act 1980
58.	Duty to keep register with respect to applications under sections 118ZA, 118C, 119ZA and 119C of the Highways Act 1980	Section 121B of the Highways Act 1980
59.	Power to decline to determine certain applications	Section 121C of the Highways Act 1980
60.	Duty to assert and protect the rights of the public to use and enjoyment of highways	Section 130 of the Highways Act 1980
61.	Duty to serve notice of proposed action in relation to obstruction	Section 130A of the Highways Act 1980

62.	Power to apply for variation of order under section 130B of the Highways Act 1980	Section 130B(7) of the Highways Act 1980
63.	Power to authorise temporary disturbance of surface of footpath or bridleway	Section 135 of the Highways Act 1980
64.	Power temporarily to divert footpath or bridleway.	Section 135A of the Highways Act 1980
65.	Functions relating to the making good of damage and the removal of obstructions	Section 135B of the Highways Act 1980
66.	Powers relating to the removal of things so deposited on highways as to be a nuisance	Section 149 of the Highways Act 1980
67.	Power to extinguish certain public rights of way	Section 32 of the Acquisition of Land Act 1981 (c.67)
68.	Duty to keep definitive map and statement under review	Section 53 of the Wildlife and Countryside Act 1981 (c.69)
69.	Power to include modifications in other orders	Section 53A of the Wildlife and Countryside Act 1981
70.	Duty to keep register of prescribed information with respect to applications under section 53(5) of the Wildlife and Countryside Act 1981	Section 53B of the Wildlife and Countryside Act 1981
71.	Duty to reclassify roads used as public paths	Section 54 of the Wildlife and Countryside Act 1981
72.	Power to prepare map and statement by way of consolidation of definitive map and statement	Section 57A of the Wildlife and Countryside Act 1981
73.	Power to designate footpath as cycle track	Section 3 of the Cycle Tracks Act 1984 (c.38)
74.	Power to extinguish public right of way over land acquired for clearance	Section 294 of the Housing Act 1981 (c.68)
75.	Power to authorise stopping-up or diversion of footpath or bridleway	Section 257 of the Town and Country Planning Act 1990
76.	Power to extinguish public rights of way over land held for planning purposes	Section 258 of the Town and Country Planning Act 1990
77.	Power to enter into agreements with respect to means of access	Section 35 of the Countryside and Rights of Way Act 2000 (c.37)
78.	Power to provide access in absence of agreement	Section 37 of the Countryside and Rights of Way Act 2000
79.	Power to make limestone pavement order	Section 34(2) of the Wildlife and Countryside Act 1981 (c.69)
80.	Powers relating to the protection of important hedgerows	The Hedgerows Regulations 1997 (S.I. 1997/1160)
81.	Powers relating to the preservation of trees	Sections 197 to 214D of the Town and Country Planning Act 1990, and the Trees Regulations 1999 (S.I. 1999/1892)

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|-----|---|--|
| 82. | Unlawfully parked vehicles re the Common, Parks and Recreation Grounds | Section 58 & 59, Hampshire Act, 1983 |
| 83. | Pedestrian Ways | Section 61, Hampshire Act 1983 |
| 84. | Fire Precautions- Parking Places: safety requirements | Section 11, Hampshire Act 1983 |
| 85. | Access for Fire Brigade | Section 12, Hampshire Act 1983 |
| 86. | Fire precautions in certain large buildings. | Section 13, Hampshire Act 1983 |
| 87. | Use of Mayflower Park for boat shows etc. | Section 60, Hampshire Act 1983 |
| 88. | Prevention of obstruction of streets. | Section 68, Hampshire Act 1983 |
| 89. | High hedges | Part 8, Anti-Social Behaviour Act 2003 |
| 90. | Determination of Applications for Certificates of Alternative Development | Land Compensation Act 1961 |

TERMS OF REFERENCE FOR GOVERNANCE COMMITTEE

GENERAL

- a. This Committee is a committee of the Council appointed by the Council under the Local Government Act 1972
- b. Certain functions are delegated by this Committee to Officers. Full details may be found in Part 3 of the Council's Constitution
- c. Where a function or matter within the Committee's competence has been delegated to an officer, the Committee may exercise that function/matter concurrently with the officer to whom it has been delegated.
- d. The exercise of any function or matter within the Committee's competence is always subject to any relevant requirement of the Council's Constitution including any Special Procedure and Protocol drawn up and approved by the Director of Legal and Governance in pursuance of Council Procedure Rule 26.2.

TERMS OF REFERENCE

Standards, ethics and probity

1. To lead on the Council's duties under Chapter 7 Localism Act 2011 and to design, implement, monitor, approve and review the standards of ethics and probity of the Council, both for Councillors and employees. The Committee's powers shall include responding to consultation documents and the promulgation of Codes of Conduct but the adoption and revisions to the local Members Code of Conduct shall be reserved to the Council.
2. To promote a culture of openness, ready accountability and probity in order to ensure the highest standards of conduct of Councillors and employees.
3. To lead on all aspects of Corporate Governance by promoting the values of putting people first, valuing public service and creating a norm of the highest standards of personal conduct.
4. To oversee and manage programmes of guidance, advice and training on ethics, standards and probity for Councillors and employees and on the Members Code of Conduct.
5. To be responsible for the Council's register of Members' interests and to receive reports from the Monitoring Officer on the operation of the register from time to time.
6. To be responsible for written guidance and advice on the operation of the system of declarations of Members' Interests and to receive reports from the Monitoring Officer on the operation of the system of declarations from time to time.
7. To establish, monitor, approve and issue advice and guidance to Councillors on a system of dispensations to speak on, or participate in, matters in which they have interests and give dispensation in appropriate cases.
8. To exercise the functions of the Council in relation to the ethical framework, corporate governance and standards of conduct of Joint Committees and other bodies.
9. To establish a Standards Sub-Committee to investigate and determine appropriate action in respect of alleged breaches of the Members Code of Conduct.
10. To support the Monitoring Officer and Executive Director: Corporate Services in their

statutory roles and the issuing of guidance on them from time to time.

11. To receive regular reports on the performance of the Corporate Complaints process, Local Government & Social Care Ombudsman referrals, Annual Governance Statement and Code of Corporate Governance and to recommend revisions to related policies and procedures as appropriate.

Audit role

12. To provide independent assurance on the adequacy of the risk management framework and the internal control and reporting environment, including (but not limited to) the reliability of the financial reporting process and the annual governance statement.
13. To be satisfied and provide assurance that appropriate action is being taken on risk and internal control related issues identified by the internal and external auditors and other review and inspection bodies.
14. To receive, and make recommendations on, such reports as are required in relation to all audit matters including the Annual Audit Plan.
15. The Committee shall specifically have responsibility for oversight of and provision of assurance on the following functions:
 - ensuring that Council assets are safeguarded;
 - maintaining proper accounting records;
 - ensuring the independence, objectivity and effectiveness of internal and external audit;
 - the arrangements made for cooperation between internal and external audit and other review bodies;
 - considering the reports of internal and external audit and other review and inspection bodies;
 - the scope and effectiveness of the internal control systems established by management to identify, assess, manage and monitor financial and non-financial risks (including measures to protect against, detect and respond to fraud).

Employment Matters

General

- a. Certain functions are delegated by this Panel to Officers. Full details may be found in the Officer's Scheme of Delegation which may be obtained [online](#).
- b. Where a function or matter within the Panel's competence has been delegated to an officer, the Panel may exercise that function/matter concurrently with the officer to whom it has been delegated.
- c. The exercise of any function or matter within the Panel's competence is always subject to any relevant requirement of the Council's Constitution including any Special Procedure and Protocol drawn up and approved by the Director of Legal and Governance in pursuance of Council Procedure Rule 26.2.
 1. Power to appoint staff, excluding Chief Officers, and to determine the terms and conditions on which all staff hold office but excluding revisions to pay scales (including procedures for their dismissal). (Section 122 Local Government Act 1972).
 2. The making of agreements with other local authorities for the placing of staff at the disposal of those other authorities, to the extent that the staff are being placed at the disposal of the

other authority in relation to the discharge of functions which are not the responsibility of the Executive of the authority placing the staff. (Section 13(4) and (5) Local Government Act 1972).

3. Functions relating to local government pensions, etc. (Regulations under Section 7, 12 or 24 Superannuation Act 1972).
4. To agree redundancy and severance payments and early release of pension benefits, where added years, enhanced payments or any element of discretion is sought.
5. To determine any appeal against a decision where a right of appeal exists at law, but where there is no specific provision in the terms of reference of any other Committee or Panel for the hearing of such an appeal.
6. To determine school transport and associated appeals.
7. To have oversight and keep under review all the HR policies and procedures.
8. To determine any appeal where, in the opinion of the Director of Legal and Governance , a right of appeal should be conferred to give effect to the operation of the principles of natural justice or the principles contained in the Human Rights Act 1998.

TERMS OF REFERENCE FOR STANDARDS SUB-COMMITTEE

1. To assess written allegations that a member or co-opted member (or former member or co-opted member) of the Council has failed, or may have failed, to comply with the Members Code of Conduct in accordance with Chapter 7 Localism Act 2011 or any amendment or re-enacted thereof and to administer sanctions where appropriate.
 2. To grant dispensations to members under Section 33 Localism Act 2011 or any amendment or re-enacted thereof.
- NB Reference to member, co-opted member or former member includes reference to former independent members of the Governance Committee and Church and Parent Governor representatives.

TERMS OF REFERENCE FOR STANDARDS APPEALS SUB-COMMITTEE

1. To hear an appeal by any member where the Standards Sub Committee has found that the member has failed to comply with the Members Code of Conduct in accordance with Chapter 7 Localism Act 2011 or any amendment or re-enacted thereof and administer sanctions where appropriate.

TERMS OF REFERENCE FOR OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

GENERAL

- a. This Committee is a committee of the Council appointed by the Council under Section 102(1) of the Local Government Act 1972.
- b. The Council has arranged under Section 101(1) of that Act for the discharge by the Committee of such of the Council's functions as are within the Committee's terms of reference (set out below).
- c. Certain functions are delegated by this Committee to Officers. Full details may be found in the Officer's Scheme of Delegation which may be obtained [online](#).
- d. Where a function or matter within the Committee's competence has been delegated to an officer, the Committee may exercise that function/matter concurrently with the officer to whom it has been delegated.
- e. The exercise of any function or matter within the Committee's competence is always subject to any relevant requirement of the Council's Constitution including any Special Procedure and Protocol drawn up and approved by the Director of Legal and Governance in pursuance of Council Procedure Rule 26.2.

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TERMS OF REFERENCE

1. Approve a framework for the effective discharge by the Council of the statutory overview and scrutiny function by itself and its Scrutiny Panels;
2. Prepare and monitor a Scrutiny Programme, to be developed in consultation with members of Scrutiny Panels.
3. Appoint such sub-committees as it considers appropriate to fulfil the overview and scrutiny functions on behalf of the Council;
4. Where matters fall within the remit of more than one overview and scrutiny subcommittee, determine which of those sub-committees will assume responsibility for any particular issue and to resolve any issues of dispute of sub-committees.
5. To be responsible for the scrutiny of all corporate and resource management issues.
6. To exercise the power of call-in.
7. To undertake scrutiny of the Forward Plan.
8. To undertake regular monitoring of the Council's performance and budgets and to assess progress made in delivering services in conjunction with partners.
9. In accordance with the Police and Justice Act 2006 to engage as appropriate with the designated Responsible Authorities in respect of crime and disorder matters.
10. Consider, at least once a year, and make reports or recommendations to the local authority with regards to actions undertaken by the responsible authorities on the Safe City Partnership.
11. To receive matters raised through the Councillor Call to Action, including crime and disorder matters.

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SCRUTINY PANEL TERMS OF REFERENCE

GENERAL

The Health Overview & Scrutiny Panel and Children & Families Scrutiny Panel will have six scheduled meetings per year, with additional meetings organised as required.

TERMS OF REFERENCE

Health Overview and Scrutiny Panel

1. To discharge all responsibilities of the Council for health overview and scrutiny, whether as a statutory duty or through the exercise of a power, including subject to formal guidance being issued from the Department of Health, the referral of issues to the Secretary of State.
2. To undertake the scrutiny of Adult Social Care issues in the City unless they are forward plan items. In such circumstances members of the Health Overview & Scrutiny Panel will be invited to the relevant Overview & Scrutiny Management Committee meeting where they are discussed.
3. To develop and agree the annual health and social care scrutiny work programme.
4. To scrutinise the development and implementation of the Joint Strategic Needs Assessment and Health & Wellbeing Strategy developed by the Health and Wellbeing Board.
5. To provide the membership of any joint committee established to respond to formal consultations by an NHS body on an issue which impacts the residents of more than one overview and scrutiny committee area.
6. To consider Councillor Calls for Action for health and social care matters.
7. To respond to proposals and consultations from NHS bodies in respect of substantial variations in service provision and any other major health consultation exercises.
8. Liaise with the Southampton Healthwatch and to respond to any matters brought to the attention of overview and scrutiny by Southampton Healthwatch.
9. Provide a vehicle for the City Council's Overview & Scrutiny Management Committee to refer recommendations arising from panel inquiries relating to the City's health, care and well-being to Southampton Healthwatch, for further monitoring.
10. Undertake inquiries relating to health and well-being issues in the city.

Children and Families Scrutiny Panel

1. To undertake the scrutiny of Children & Families Services in the City, including the Multi Agency Safeguarding Hub (MASH), Early Help, Specialist & Core Service, looked after children, education and early years and youth offending services, unless they are forward plan items. In such circumstances members of the Children & Families Scrutiny Panel will be invited to the relevant Overview & Scrutiny Management Committee meeting where they are discussed.

Scrutiny of Children & Families Services in the City to include:

2. Monitoring the implementation and challenging the progress of the Council's action plan to address the recommendations made by Ofsted following their inspection of Children's Services in Southampton and review of Southampton Local Safeguarding Children Board (LSCB) in July 2014.
3. Regular scrutiny of the performance of multi-agency arrangements for the provision of early help and services to children and their families.
4. Scrutiny of early years and education including the implementation of the Vision for Learning 2014 – 2024.
5. Scrutiny of the development and implementation of the Youth Justice Strategy developed by the Youth Offending Board.
6. Referring issues to the Chair of the LSCB and the Corporate Parenting Committee.

Scrutiny Inquiry Panel

1. Undertake Inquiries as directed by the Overview & Scrutiny Management Committee.

**TERMS OF REFERENCE FOR CHIEF OFFICER EMPLOYMENT COMMITTEE
(known as Chief Officer Employment Panel)**

GENERAL

- a. The Committee has arranged under Section 101(1) of that Act for the discharge by the Panel of such of the Council's functions as are within the Panel's terms of reference (set out below).
- b. The exercise of any function or matter within the Panel's competence is always subject to any relevant requirement of the Council's Constitution including any Special Procedure and Protocol drawn up and approved by the Director of Legal and Governance in pursuance of Council Procedure Rule 26.2.

TERMS OF REFERENCE

Power to appoint and dismiss on capability grounds as permitted under legislation, the Head of Paid Service, statutory and non-statutory Chief Officers and Deputy Chief Officers in accordance with the Council's Officer Employment Procedure Rules.

NB: COEP has delegated the appointment and dismissal of Deputy Chief Officers to the Chief Executive and Executive Directors as appropriate. The Chief Executive, Executive Directors, Statutory and Chief Officers will continue to be appointed (and where necessary dismissed) by COEP subject to statutory procedures.

Whilst named Members are appointed to the committee, it is agreed locally that the relevant Cabinet Member for the service area to which the officer is being appointed will ordinarily take the place of the Deputy Leader, if appropriate

TERMS OF REFERENCE FOR HEALTH & WELLBEING BOARD

GENERAL

- a) The Health & Wellbeing Board is a committee of the Council under S102 (1) of the Local Government Act 1972.
- b) The Council has arranged under S101 of that Act for the discharge by the Board of such functions as are set out in the terms of reference set out below.
- c) Certain functions under S196 (2) of the Health and Social Care Act 2012 may be delegated by the Board to officers. Full details may be found in the Officer's Scheme of Delegation which may be obtained from the Scrutiny Manager. Other matters falling within these Terms of Reference may be delegated to a Sub Committee of the Board.
- d) Where a function or matter within the Board's competence has been delegated to an officer or a sub-committee, the Board may exercise that function/matter concurrently with the officer to whom it has been delegated.
- e) The exercise of any function or matter within the Council's competencies always subject to any relevant requirement of the Council's Constitution including any Special Procedure and Protocol drawn up and approved by the Director of Legal and Governance in pursuance of Council Procedure Rule 26.2. A Special Procedure giving effect to The Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 has been approved in accordance with Council Procedure Rule 26.2. The Special Procedure disapplies the provisions of the Local Government and Housing Act 1989 relating to the political proportionality on committees and sub-committees and providing that a person who is a member of the Board shall not be treated as a non-voting member unless the full Council directs otherwise, together with other voting and ancillary matters has been approved in accordance with Council Procedure Rule 26.2.

TERMS OF REFERENCE

1. Section 194 (2) (a) of the Health and Social Care Act 2012 requires that the minimum membership of the Health and Wellbeing Board shall be:

- Elected member lead for Health & Social Care (Chair);
- Clinical Director for Southampton (representative of Hampshire, Southampton and Isle of Wight Clinical Commissioning Group), or nominated deputy;
- Opposition member lead for Health & Social care;

Three additional Councillors appointed by Council under the rule of proportionality;

- Executive Director Children & Learning;
- Executive Director Community & Wellbeing;
- Director of Public Health;
- Healthwatch representative, or nominated deputy;
- Local mental health clinician;
- Local Paediatrician with knowledge of the Community;
- Chief Medical Officer at University Hospital Southampton NHS Foundation Trust;
- SCC Clinical Director for Quality and Integration.

The actual membership and composition of the Board will be determined by Council and reviewed on an annual basis.

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The Board shall:

2. Appoint such sub-committees, working groups or time limited groups as it considers appropriate to fulfil the Health and Wellbeing functions on behalf of the Council.
3. For the purpose of advancing the health and wellbeing of the people in its area; encourage persons who arrange for the provision of any health or social care services in that area to work in an integrated manner.
4. Provide such advice, assistance or other support as it thinks appropriate for the purpose of encouraging the making of arrangements under S75 of the National Health Service Act 2006 in connection with the provision of such services.
5. Encourage persons who arrange for the provision of any health related services in its areas to work closely with the Health and Wellbeing Board.
6. Encourage persons who arrange for the provision of any health or social care services in its areas and persons who arrange for the provision of any health related services in its area to work closely together.
7. Exercise the functions of a Local Authority and its partner clinical commissioning groups under sections 116 and 116A of the Local Government and Public Involvement in Health Act 2007.
8. Exercise any functions that are exercisable by the Authority to promote or advance health and wellbeing not otherwise reserved to Council or the Executive.
9. Provide opinion on whether the Local Authority is discharging its duty under section 116B of the 2007 Act.
10. The functions referred to at 8 above do not apply to the functions of the Authority by virtue of Section 244 of the National Health Service Act 2006.

SOUTHAMPTON COVID-19 LOCAL OUTBREAK ENGAGEMENT BOARD

(NOW PART OF HEALTH & WELLBEING BOARD)

Terms of Reference

Purpose

The Southampton Covid-19 Local Outbreak Engagement Board is responsible for strategic oversight of health protection regarding Covid-19 in Southampton, including prevention, surveillance, planning and response to ensure they meet the needs of the population.

The Board will support the local delivery of the primary objectives of the Government's strategy to control the Covid-19 reproduction number (R), reduce the spread of infection and save lives, in doing so help to return life to as normal as possible, for as many people as possible, in a way that is safe, protects our health and care systems and releases our economy.

The response will be delivered at various levels and by various partner organisations, but these will need to be brought together at local authority level through the Executive Director of Wellbeing (Health & Adults), supported by the Director of Public Health as lead officer, to ensure a community focus and appropriately tailored response. In addition to the place-based approach overseen by the Board the levels will include:

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- National - a National Outbreak Control Plans Advisory Board will be established to draw on expertise from across local government and ensure the NHS Test and Trace programme builds on local capability, and to share best practice and inform future programme development;
- Regional - Co-ordination required on a regional level will be provided through the HIOW Local Resilience Forum and Integrated Care System arrangements;
- Local – Southampton COVID-19 Health Protection Board, working through Local Engagement Boards to define measures to contain outbreaks and protect health.

Membership

Chair: Leader of the Council

Deputy Chair: Chair of HWB, Cabinet Member for Adults & Health

Cabinet Member for Children & Learning

Board supported by:

Director of Public Health, SCC

Executive Director Community & Wellbeing, SCC

Executive Director Children and Learning, SCC

CCG Governing Body Chair

Healthwatch & SVS Deputy Chief Executive

Medical Director, University Hospitals Southampton

Director of Meachers Transport – representative of Southampton Chamber of Commerce

Southampton City Council Communications Lead Officer

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The Board will invite representation from other organisations or roles specific to the agenda items under consideration.

Objectives

The Southampton Covid-19 Local Outbreak Engagement Board will:

- Be the public face of Southampton City Council's response in the event of an outbreak of COVID-19
- Provide political oversight of ongoing development and delivery of the Southampton City Local Covid-19 Outbreak Control Plan, including:
- Approving recommendations from the Health Protection Board for allocation of resources to support the effective delivery of the Plan
- Lead engagement with local communities, advising on community engagement, including with vulnerable and/or higher risk communities of interest
- Approve the communications strategy for the Local Outbreak Control Plan
- Approve implementation measures (or make recommendations to other bodies where appropriate) that will prevent virus transmission.
- Monitor the response to local outbreaks and ensure learning informs future practice
- Make recommendations for the wider policy agenda including the recovery workstreams, NHS Recovery and Restoration programme and the Health and Wellbeing Strategy

Accountability

The group will be accountable to Cabinet in its Statutory role, bringing together key partners in the local health and care system.

It will also have reporting relationships to

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- HIOW level governance process for functions delivered at this level
- Southampton's Health and Wellbeing Board

Frequency of Meetings

The Board will meet as and when considered necessary by the Chairman of the Board. Meetings are open to the public. An agenda and papers will be published at least 5 working days before the meeting. Conflicts of interest must be declared by any member of the group.

Quoracy

A quorum for meetings will be a minimum of two people, one of whom will be the Chair or nominated Co-Chair.

Review

Terms of Reference will be reviewed on a bi-monthly basis.

SCHEDULE 3

MEMBERSHIP OF THE EXECUTIVE AND COMMITTEES OF THE COUNCIL

MEMBER APPOINTMENTS MADE BY COUNCIL

CABINET (THE EXECUTIVE)

The Executive shall comprise:

Leader	Councillor Lorna Fielker
Deputy Leader and Finance & Change	Councillor Simon Letts
Adults and Health	Councillor Marie Finn
Children & Learning	Councillor Alexander Winning
Communities & Leisure	Councillor Toqeer Kataria
Economic Development	Councillor Sarah Bogle
Environment & Transport	Councillor Eammon Keogh
Housing	Councillor Andy Frampton
Safer City	Councillor Matt Renyard

COMMITTEES, SUB-COMMITTEES AND PANELS

Chief Officer Employment Panel
Governance Committee
Licensing Committee
 Licensing & Gambling Sub-Committee
 Licensing (General) Sub-Committee
Overview and Scrutiny Management Committee
Planning and Rights of Way Panel
Standards Sub-Committee
 Standards (Appeals) Sub-Committee

SCRUTINY PANELS

Health Overview & Scrutiny Panel
Children & Families Scrutiny Panel
Scrutiny Inquiry Panel

Details of the political make-up and membership of the above Committees and Panels can be found on the Council's website at:

[Councillors \(southampton.gov.uk\)](http://southampton.gov.uk)

PARTNERSHIPS

[South East Employers](#)
[South East Employers \(Local Democracy Network\)](#)
[Joint Commissioning Board](#) (with the CCG)
Domestic Abuse Partnership Board - TBC

JOINT COMMITTEES & PANELS WITH OTHER AUTHORITIES

[Hampshire Fire and Rescue Authority](#)
[Police & Crime Panel](#)
[Hampshire Partnership](#)
[Hampshire & Isle of Wight Joint Scrutiny Panel](#)
[Health and Well-Being Board](#)

[Partnership for South Hampshire](#)
[Solent Transport Joint Committee](#)
[Transport for the South East](#)
[Hampshire County Council's Pension Fund Panel & Board](#)
Major Cities Housing Group

Details of the political make-up and membership of the above Partnership and Joint Committees can be found on the Council's website at:
[Outside bodies | Southampton City Council](#)

MEMBER APPOINTMENTS MADE BY CABINET TO:

REGISTERED CHARITIES, TRUSTS, CORPORATIONS & COMPANIES

[Clinical Commissioning Group](#)
[F W Smith Bequest Purchasing Committee](#)
[Hampshire British Legion Poppy Appeal](#)
[King Edward VI School Governing Board](#)
Solent Freeport Co Ltd
[Solent Skies – Board of Directors](#)
[Southern Health NHS Foundation Trust](#)
[Thorners Homes](#)
[University Hospital Southampton NHS Foundation Trust](#)
[Wulfris Educational Foundation, Southampton](#)

STATUTORY COMMITTEES, PANELS & GROUPS

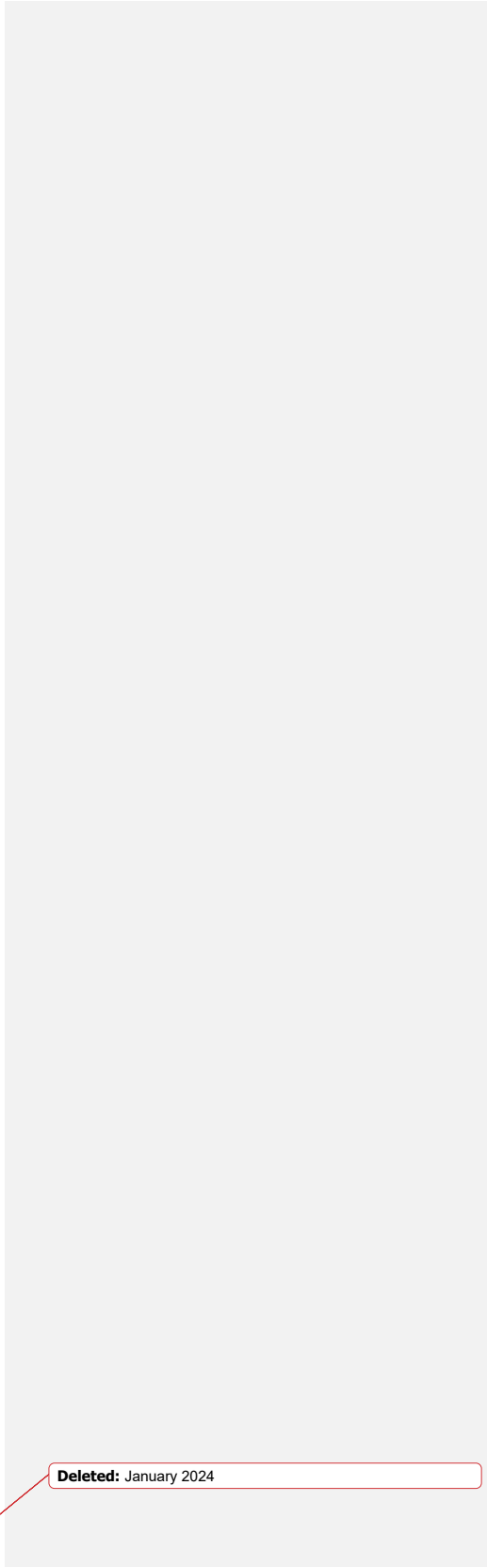
Corporate Parenting
Local Safeguarding Adults Board
Local Safeguarding Children's Board
Safe City Partnership
Schools Forum
Standing Advisory Committee of Religious Education (SACRE)

PARTNERSHIPS

Business Improvement Board
Business South
City Eye
Community Champion for Armed Forces
Community Champion for Heritage
Community Champion for Mental Health
Community Champions for Older Persons
Future of Work Advisory Board
Learning Disabilities Partnership Board
Local Government Association
Local Government Information Unit
Port Health Consultative Board
Project Integra Strategic Board
[Solent Local Enterprise Partnership](#)
Solent LEP – Skills & Advisory Board
Southampton 2025
Southampton Energy Partnership
Southampton International Airport Consultative Committee
Southampton Record Series
Southampton Solent University Board of Governors
Southampton Voluntary Services
Southern Inshore Fisheries and Conservation Authority
Southern Regional Flood & Coastal Committee
Standing Conference on Problems Associated with the Coastline (SCOPAC)

INTERNAL AD HOC
Community Chest Advisory Panel

Details can be found on Cityweb at:
<http://www.southampton.gov.uk/modernGov/mgListOutsideBodies.aspx?bcr=1>



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PART 4: RULES OF PROCEDURE
COUNCIL PROCEDURE RULES
CONTENTS

1. Introduction
2. Meetings of the Council
3. Minutes
4. Appointment of Members to Committees and Sub-Committees
5. Time and place of meetings
6. Notice of and summons to meetings
7. Chair of meeting
8. Quorum
9. Duration of meeting
10. Petitions, Deputations and Questions by the Public
11. Questions by Members
12. Executive Business
13. Motions
14. Rules of debate
15. Honours
16. Previous decisions and motions
17. Voting
18. Committee Recommendations
19. Overview and Scrutiny Management Business
20. Exclusion of public
21. Members' conduct
22. Disturbance by public
23. Adjourned Meetings
24. Terms of Reference for the Council
25. Application to Committees and Sub-Committees
26. Conduct of Business and Debate at Committees or Sub-Committees
27. Rights of Members to Speak at Meetings of Committees and Sub-Committees
28. Urgent Business Sub-Committee

1. INTRODUCTION

1.1 Interpretation

- (a) Throughout these Council Procedure Rules the following words and expressions shall have the under-mentioned meanings respectively assigned to them:

"Cabinet Member" shall mean a member of the Executive appointed by the Leader in accordance with the Council's Constitution.

"Chief Financial Officer" shall mean the officer holding the post of Chief Financial Officer of the City Council who is also designated as the "Chief Financial Officer" responsible for the purposes of Section 151 Local Government Act 1972, Section 73 Local Government Act, 1985, and Section 112 Local Government Act 1988 for monitoring the Council's financial affairs.

"Clear Day" in relation to a meeting excludes the day on which the summons or agenda for a meeting was published, the day on which the meeting was or is to be held and in this context "Day" shall mean a day other than a Saturday or a Sunday, or a day which is a public or Bank Holiday.

"Committee" shall mean a Committee of the Council.

"Constitution" shall mean the Council's Constitution as approved by the Council in accordance with the 2000 Act.

"Council" shall mean Southampton City Council acting through the Full Council, save where applied to a Committee or Sub-Committee where it shall mean that Committee or Sub-Committee.

"Executive" shall mean the Executive of the Council as set out in the Constitution and defined by the 2000 Act.

"Head of Paid Service" shall mean the officer holding the post of Chief Executive in the City Council who is also designated as the Head of Paid Service by virtue of Section 4 Local Government and Housing Act 1989.

"Leader" shall mean the Leader of the Council, elected by the Council in accordance with the Constitution and the 2000 Act.

"Lord Mayor" shall mean the Lord Mayor of the Council or the Person Presiding.

"Meeting" shall mean a meeting of the Full Council or in relation to a Committee or Sub-Committee, a meeting of that body.

"Member" shall mean in relation to a meeting of the Council, a Councillor, and in relation to a Committee or Sub-Committee shall mean a member of that Committee or Sub-Committee, whether a Councillor or a person who is not a Councillor but who is appointed to be a member of the Committee or Sub-Committee under Section 102 of the 1972 Act.

"Motion" includes a recommendation contained in any report concerning an item of business for a meeting and a new motion.

"Panel" is the description and label applied to a regulatory Committee or Sub-Committee of the Council.

"Person Presiding" shall mean the person appointed or entitled to preside at any meeting including the Chair or Vice-Chair where either presides

"Protocol" means a protocol approved by the Director of Legal & Business Services under these Council Procedure Rules.

"Proposition" shall include "Motion".

"Rule" shall mean a Council Procedure Rule.

"Special Procedure" means a procedure approved by the Director of Legal & Business Services under these Council Procedure Rules.

"Specialist Committee" means a Committee or Sub-Committee to which a Special Procedure applies.

"Summons" shall mean the summons for a meeting, or in relation to a Council Procedure Rule applied to a Committee or Sub-Committee, shall mean the agenda for the meeting.

"Sub-Committee" shall mean a Sub-Committee of a Committee of the Council.

"Terms of Reference" shall mean the terms of reference of the Committees, and Sub-Committees as varied from time to time.

"Urgent" means that the matter giving rise to the urgency must be unforeseeable (in an objective sense) and is not attributable to a failing on the part of the Council (and similar expressions shall be construed accordingly).

"Vice-Chair" shall mean the Vice-Chair of a Committee or Sub-Committee and shall encompass the term "Person Presiding" where the Vice-Chair does not preside.

"Voting Member" means either a Councillor or other person appointed as a member of a Committee or Sub-Committee under Section 102 of the 1972 Act who is entitled by law to vote at a meeting of the Committee or Sub-Committee.

"1972 Act" shall mean the Local Government Act 1972.

"1989 Act" shall mean the Local Government and Housing Act 1989.

"2000 Act" shall mean the Local Government Act 2000.

- (b) Unless the context otherwise requires, the singular includes the plural and the plural the singular.
- (c) Any reference in a Council Procedure Rule to a numbered or lettered paragraph is, unless the context otherwise requires, a reference to the paragraph of that Council Procedure Rule.

1.2. Council Procedure Rules

- a. Subject to paragraphs (b), (c) and (h), only the Council may vary, revoke, add to or suspend these Council Procedure Rules.
- b. This Council Procedure Rule and Council Procedure Rule 2.1 (The Annual Meeting), 3 (Minutes), 6 (Notice and Summons to Meetings) and 17 (Voting), are not capable of being suspended.
- c. Any of the other Council Procedure Rules may be suspended by the Council provided that:
 - i. a motion is given with due notice; or
 - ii. notice of intention to move such suspension is embodied within a minute or report referred to in the Summons.
- d. No Council Procedure Rule shall be suspended, revoked or varied by the Council without the consent of the majority of Members present and voting, and there shall be no speeches other than by the mover of the motion whose speech shall be confined to the reasons for moving the suspension of the Council Procedure Rule(s) in question, and no discussion on a motion to suspend a Council Procedure Rule.
- e. Any proposal to permanently alter these Council Procedure Rules, other than a motion to implement a recommendation of the Governance Committee, shall be in the form of a motion instructing the Governance Committee to report upon

such proposals. Any such motion upon being seconded shall be put to the vote without discussion. The Governance Committee shall report to the next ordinary Council meeting upon any matter referred to it under this Council Procedure Rule.

- f. These Council Procedure Rules embody the requirements of the mandatory Standing Orders, as provided for by the Local Government Act 1972, Local Government and Housing Act 1989 and the Local Government Act 2000, together with secondary legislation, where appropriate. These Council Procedure Rules, therefore, constitute the Council's statutory procedural standing orders, and should be interpreted accordingly.
- g. Subject to Council Procedure Rule 26(2), a Special Procedure or Protocol may vary, revoke, add to or suspend these Council Procedure Rules.
- h. Where any step or action under these Council Procedure Rules is prescribed to be performed by a designated officer, that officer may nominate or authorise another officer in their place.

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- 1.3 Save as in respect of any notice that has to be signed to be valid (Council Procedure Rule 13.1(a) and 13.1(d)) any other notice may be given by email to the address as prescribed by the Director of Legal & Business Services as designated for the receipt of such communications.

1.4 Lord Mayor's Decision Final

The Lord Mayor's ruling on any point of order, interpretation of these Council Procedure Rules, matters arising during the debate or with regard to the admissibility of an explanation, or otherwise, including any logistical arrangements for any meetings, shall be final and not open to discussion. The Lord Mayor may, from time to time, issue guidance as to how they will discharge their responsibility in chairing Full Council.

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2. MEETINGS OF THE COUNCIL

2.1 The Annual Meeting

a. Timing and business

In a year when there is an ordinary election of Councillors, the annual meeting will take place within 21 days of the retirement of the outgoing Councillors. In any other year, the annual meeting will take place in March, April or May.

The annual meeting will:

- i. elect a person to preside if the Lord Mayor is not present;
- ii. elect the Lord Mayor;
- iii. elect the Sheriff;
- iv. approve the minutes of the last meeting;
- v. receive any announcements or reports from the Head of the Paid Service, Monitoring Officer, Chief Financial Officer or Lord Mayor;
- vi. elect the Leader;
- vii. appoint the Overview and Scrutiny Management Committee, the Governance Committee and such other committees as the Council considers appropriate to deal with matters which are neither reserved to the Council nor are Executive functions (as set out in Part 3, Table 1 of this Constitution);

- viii. agree the scheme of delegation or such part of it as the Constitution determines it is for the Council to agree (as set out in Table 3 of this Constitution);
 - ix. approve a programme of ordinary meetings of the Council for the year; and
 - x. consider any business set out in the notice convening the meeting (including Motions and Questions).
- b. Selection of Councillors on Committees and Outside Bodies
 At the annual meeting, the council meeting will:
- i. decide which committees to establish for the municipal year;
 - ii. decide the size and terms of reference for those committees;
 - iii. decide the allocation of seats and substitutes to political groups in accordance with the political balance rules;
 - iv. receive nominations of Councillors to serve on each committee and outside body; and
 - v. appoint to those committees and outside bodies except where appointment to those bodies has been delegated by the Council or is exercisable only by the Executive.
- c. Sub-Committees may be appointed by a special meeting of Committees held immediately following their appointment during the proceedings of annual, Council, subject to the powers of Committees to appoint Sub-Committees, Members to those Sub-Committees and Chairs and Vice-Chairs.

2.2 Ordinary Meetings

- a. Ordinary meetings of the Council will take place in accordance with a programme decided at the Council's annual meeting. Ordinary meetings will:
- i. elect a person to preside if the Lord Mayor and Sheriff are not present;
 - ii. approve the minutes of the last meeting;
 - iii. matters arising from the minutes of the last meeting;
 - iv. receive any declarations of interest from Members;
 - v. receive any announcements or reports from the Lord Mayor, Leader, the Head of Paid Service, Monitoring Officer or Chief Financial Officer;
 - vi. receive deputations, petitions and requests from and provide answer to the public in relation to matters which in the opinion of the person presiding at the meeting are relevant to the business of the Council;
 - viii. receive reports from the Executive and receive questions and answers on any of those reports;
 - vii. deal with any business from the last Council meeting;
 - ix. consider any other business specified in the summons to the meeting, including consideration of proposals from the Executive in relation to the Council's Budget and Policy Framework;
 - x. receive reports about and receive questions and answers on the business of joint arrangements and external organisations; and
 - xi. receive reports from Overview and Scrutiny and receive questions and answers on any of those reports.
 - xii. consider motions;
 - xiii. receive questions on notice to any chair or the Lord Mayor;

- b. The order of business in this Council Procedure Rule may only be varied by:
 - i. direction of the Lord Mayor, made with the unanimous consent of the Members present; or
 - ii. a resolution of the Council, moved, seconded and put without comment but not so as to preclude the consideration of any business required by law or to override the provisions of Council Procedure Rule 3.

However, the content of the Summons may be differentiated and subject to any legal requirements, the order and nature of business may vary from meeting to meeting.

- c. Matters brought forward by the Lord Mayor

The Lord Mayor may bring forward without notice at any meeting any business judged by the Lord Mayor to be sufficiently urgent to warrant so doing and such business shall have precedence over any notice of motion on the summons. The special circumstances which warrant inclusion of an item without notice shall be specified in the minutes.

2.3 Extraordinary Meetings

Calling extraordinary meetings

- a. Those listed below may request the Director of Legal & ~~Governance~~, to call Council meetings in addition to ordinary meetings:
 - i. the Council by resolution;
 - ii. the Lord Mayor of the Council;
 - iii. The Leader;
 - iv. the Chief Executive;
 - v. the Monitoring Officer;
 - vi. the Executive Director: Corporate Services; and
 - vii. any five Members of the Council if they have signed a requisition presented to the Lord Mayor and ~~they they have~~, refused to call a meeting or has failed to call a meeting within seven days of the presentation of the requisition.

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- b. The Director of ~~Legal & Governance~~, shall, in calling an Extraordinary Meeting of the Council, restrict the business on the summons to that required by law, any matter or matters that the Chief Executive, Monitoring Officer or Chief Financial Officer wish to raise and the business for which the Extraordinary Meeting has been called.

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Timing and Logistics of Extraordinary Meetings

- c. The Director of ~~Legal & Governance~~ shall determine the time and day of any Extraordinary Meeting in accordance with the Constitution and following consultation with the group leaders, but shall endeavour to arrange any such meeting to be held, where possible, at 6:00 pm on a Wednesday.
- d. The Lord Mayor shall, following consultation with the Group Leaders, subject to any legal obligations and provided that the Director of ~~Legal & Governance~~, ~~is satisfied as to its legality~~, be entitled to vary any process or procedure at Full Council and/or introduce new procedures or processes for the purpose of experimenting or trialling new initiatives.
- e. If, following either annual elections or a by election, the political control of the authority changes, as a direct result no meetings of Council can be called, or

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the Urgent Business Sub Committee convened to enable significant decisions to be taken until the next meeting of Council.

- f. Such changes will not affect the Council's ability to react to any time limited or emergency matters, in the rare event that they should they arise as there are existing powers under the Officer Scheme of Delegation to permit the Chief Executive or Director of Legal & Governance to act.

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2.4 **Budget Meeting**

The Budget Meeting, which shall commence at 2:00 pm, shall transact such business as:

- a. in the opinion of the Executive Director: Corporate Services, is necessary to enable the Council to comply with its legal obligations in terms of setting a budget and other legal matters associated with the determination of the Council Tax, etc;
- b. is necessary to approve, review, refresh or otherwise consider in the opinion of the Chief Executive, the Medium Term Plan; and
- c. any other business which the Chief Executive, Executive Director: Corporate Services or Monitoring Officer consider should be placed before Members.

3. **MINUTES**

- 3.1 Minutes of every meeting of the Council, of any Committee or of any Sub-Committee shall be submitted to, and signed at that meeting or at the next following meeting of the body concerned.
- 3.2 The Lord Mayor shall put the question that the minutes submitted to the meeting be approved as a correct record of that meeting, or of a specified former meeting, as the case may be.
- 3.3 Any question on their accuracy shall be raised by motion, and shall be duly seconded. If no such question is raised, or if it is raised, then as soon as it has been dealt with, the Lord Mayor shall sign the minutes ("the Approved Minutes").
- 3.4 The Lord Mayor shall ask if there are any matters arising upon the Approved Minutes, pursuant to which any member may ask as to the current position or progress made on any item contained in the Approved Minutes. The Lord Mayor shall avoid any debate or discussion that could be construed as attempting to change or vary a previous decision and shall not allow any debate or discussion to transgress the statutory rule that only business specified in the Council Summons may be disposed of at a Council meeting. Information provided under this Rule shall not be minuted.
- 3.5 Where in relation to any meeting of the Council the next such meeting is a meeting called under Paragraph 3 (extraordinary meetings) of Schedule 12 to the 1972 Act, the next following meeting of the Council (being a meeting called otherwise than under that Paragraph of the 1972 Act) shall be treated as a suitable meeting for the purposes of Paragraphs 41(1) and (2) (signing of minutes) of that Schedule.

4. **APPOINTMENT OF MEMBERS TO COMMITTEES AND SUB-COMMITTEES**

4.1 **Allocation**

The Council will allocate seats on the Committees and Sub-Committees of the Council in accordance with the 1989 Act and secondary legislation.

4.2 Appointment of Members to Seats

The Director of Legal & Governance, shall be the Proper Officer for the purposes of the 1989 Act and associated secondary legislation in respect of appointing members to seats on behalf of political groups in accordance with the wishes of political groups as prescribed by the law.

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4.3 Replacement Members on Committees and Sub-Committees

In the event that a member of a Committee or Sub-Committee resigns from that Committee or Sub-Committee, the Director of Legal & Governance, shall be the Proper Officer for the purposes of the 1989 Act and secondary legislation for the purposes of appointing a replacement member, in accordance with the wishes of the political group to whom that seat has been allocated.

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4.4 Procedure

The Director of Legal & Governance, shall, following consultation with the Group Leaders, issue such procedures, protocols and other guidance associated with this Council Procedure Rule as they they deem necessary.

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5. TIME AND PLACE OF MEETINGS

The time and place of meetings will be determined by the Director of Legal & Governance, and notified in the summons.

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6. NOTICE OF AND SUMMONS TO MEETINGS

The Director of Legal & Governance, will give notice to the public of the time and place of any meeting in accordance with the Access to Information Rules. At least five Clear Days before a meeting, the Director of Legal & Governance, will send a summons signed by themselves, by post to every Member of the Council or leave it at their usual place of residence. The summons will give the date, time and place of each meeting and specify the business to be transacted, and will be accompanied by such reports as are available.

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7. CHAIR OF MEETING

The person presiding at the meeting may exercise any power or duty of the Lord Mayor. Where these rules apply to committee and sub-committee meetings, references to the Lord Mayor also include the Chair of committees and sub-committees.

8. QUORUM

The quorum of a meeting will be one third of the whole number of Members. During any meeting, the Lord Mayor shall conduct a count if any Member present so requests or if the Lord Mayor so determines of their, own volition. If the Lord Mayor counts the number of Members present and declares there is not a quorum present, then the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed by the Lord Mayor. If they do, not fix a date, the remaining business will be considered at the next ordinary meeting.

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9. DURATION OF MEETING

9.1 Interruption of the meeting

- a. At a time when a period of not less than four hours excluding adjournments has elapsed since the commencement of a meeting of the Council a Member of the Council may move, without comment, that the meeting shall end at a time to be specified in the motion;
- b. The Lord Mayor may refuse to accept the motion and must do so if a similar motion has been rejected earlier in the same meeting;
- c. If the motion is accepted, it shall be seconded and put without comment.

9.2 Motions and recommendations not dealt with

If the motion is passed, when the time specified arrives, if there are other motions or recommendations on the agenda that have not been dealt with, they are deemed formally moved and seconded (together with any amendments). No speeches will be allowed on these items and the vote(s) will be taken in the usual way.

9.3 Recorded vote

If a recorded vote is called for during this process it will be taken immediately.

9.4 Motions which may be moved

During the process set out in Rules 9.1 – 9.3, the only other motions which may be moved are that a matter be withdrawn or that a matter be delegated or referred to an appropriate body or individual for decision or report.

9.5 Close of the meeting

When all motions and recommendations have been dealt with, the Lord Mayor will declare the meeting closed.

9.6 Presumption in favour of meetings ending by 6:30 pm

There is a presumption in favour of all meetings of the Council, Committees and Sub-Committees that start at 2:00 pm will finish by 6:30 pm. When a meeting reaches that time, any member of the Council, Committee or Sub-Committee may move, without comment that the meeting shall end. If the motion is accepted and seconded, it shall be put without comment and if passed, if there are any other motions or recommendations on the agenda that have not been dealt with, the Lord Mayor or person presiding may determine either to deal with them in accordance with this Council Procedure Rule, or to defer remaining business to the next meeting, but in doing so shall take particular account of any advice from the Chief Executive, Executive Director: Corporate Services and/or Monitoring Officer as to any business that, in their view, the Council or the meeting of the Council should determine at that meeting. In the event of a motion being put to the meeting under this Council Procedure Rule, it will be necessary for two thirds of the members present and voting at the meeting to support a proposal that the meeting should carry on for the meeting to proceed beyond 6:30 pm.

10. PETITIONS, DEPUTATIONS AND QUESTIONS BY THE PUBLIC

10.1 Petitions

Petitions shall be managed in accordance with the Petition Scheme set out in Part 11 of this Constitution save as provided elsewhere within the Constitution or as provided by law. At a meeting of the Council any Member or member of the public may present a petition which is submitted in accordance with the Council's scheme for handling petitions as annexed to Part 11 of this Constitution.

10.2 Action

- a. Petitions containing 1500 signatures or more (a qualifying petition) will require a debate at a Council meeting;
- b. Petitions with less than 1500 signatories (non-qualifying) shall be presented to the Council meeting and be received without discussion and shall be included on the agenda for the next available meeting of the Cabinet. The Member of the Council or member of the public presenting the petition shall be invited to attend any meeting to which it is referred; and shall be informed subsequently of any action taken or proposed in accordance with the requirements of the Council's Petitions Scheme;
- c. Petitions containing a minimum of 750 signatures but less than 1500 signatures and requesting a senior officer to give evidence will be referred to a public meeting of the Overview and Scrutiny Committee in the first instance;
- d. Petitions with more than 50 signatories will be treated as a petition that requires a response in accordance with the Council's Scheme for Handling Petitions; and
- e. The Council will take a more flexible approach on a case by case basis in responding to Petitions with less than 50 signatories.

10.3 Presentation

The presentation of non-qualifying petitions shall be confined to reading out, or summarising the petition and indicating the number and description of the signatories. Petitions shall be presented in the order in which notice of them is received by the Lord Mayor.

10.4 Debate on Petitions

A qualifying petition will require a debate at Full Council, if timescales permit, except where the petition is asking for a senior officer to give evidence. Where timescales do not allow a debate at Full Council, the matter will be referred to the first available meeting of the appropriate decision-maker or relevant committee. The length of debate shall be at the discretion of the Lord Mayor and in accordance with the Council's procedure rules, after which a vote will be put.

10.5 Response to Petitions

The Council will decide how to respond to the petition and shall decide either:

- a. To take the action the petition requests;
- b. Not to take the action the petition requests for reasons stated in the debate;
- c. To commission further investigation into the matter prior to consideration at a future meeting of the Council, which may include holding an inquiry or public meeting, commissioning research or reference to a particular committee or body for their views;

- d. To refer the petition to Cabinet or the relevant Cabinet Member meeting where the matter relates to an Executive function, in which case the Council may make recommendations to the relevant Executive decision.

10.6 Officer Evidence

The senior officers to be called to give evidence at a public meeting under section 16 Local Democracy, Economic Development and Construction Act 2009 and pursuant to the Council's Scheme for Handling Petitions are:

- The Chief Executive
- Executive Directors
- ~~Directors~~

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10.7 Deputations

- a. Persons wishing to make a deputation to the Council shall give at least seven Clear Days' notice in writing to the Director of ~~Legal & Governance~~, explaining the subject of the deputation, unless in the opinion of the Lord Mayor the matter is one of significance and urgency, such that it would not have been possible for the above timetable to be complied with. In such circumstances the Lord Mayor may, at ~~their~~ sole discretion, either permit the deputation to be heard or alternatively ask Council by vote without discussion to determine whether it wishes the deputation to be heard. All requests shall be referred to the Lord Mayor for consideration. The Lord Mayor shall have the discretion to reject or refuse any request or may determine that such a request should be redirected to the Executive, a committee or sub-committee of the Council or, by agreement, a third party (eg a partner). Petitions presented as part of or with a deputation will be dealt with in accordance with the provisions of the Council's Constitution and Scheme for Handling Petitions.

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- b. A deputation to be received by the Council shall be read by the Director of ~~Legal & Governance~~ or other officer, and immediately after having done so, any proposal to receive the person or persons or the deputation shall be formally moved and seconded without discussion and shall be put to the vote. If the motion is carried, the person or persons shall be conducted into the meeting and shall present their deputation.

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- c. A deputation may comprise between one and three persons all of whom may address the Council. The deputation shall not exceed seven minutes in duration, such time to include any time taken by the deputation to read any petition or other document.

If in the view of the Lord Mayor the deputation is duplicatory or overlaps with other deputation(s) to be considered at the same meeting, the Lord Mayor may move that the deputations be consolidated and the time limit for the deputation varied accordingly.

- d. Subject to this Council Procedure Rule, the Director of ~~Legal & Governance~~, shall deal with requests for deputations in accordance with the following:

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i. **Where the issue is the subject of a recommendation or notice of motion to the next meeting of the Council**

The request shall be placed on the agenda for that Council meeting and the Council shall be asked whether it is willing to receive the deputation.

When a deputation has been received by the Council, there shall be no discussion on the points raised and the matter shall stand deferred until the relevant recommendation or notice of motion is presented to the Council.

ii. **Where the issue is the subject of a previous deputation or resolution of the Council within the previous six months and is not covered by (a) above**

The deputation shall not be entertained by the Council, when the Council has considered a previous deputation within the previous six months.

iii. **Where the issue is not before the Council and has not been resolved upon in the previous six months**

The request shall be placed on the agenda for that Council meeting and the Council shall be asked if it is willing to receive the deputation.

When a deputation has been received by the Council, the Lord Mayor shall refer the matter to the Leader or appropriate Cabinet Member for a response. In the absolute discretion of the Lord Mayor, Members may thereafter be permitted to comment or ask questions in relation to the Leader or Cabinet Member's response. Where the Lord Mayor permits such questions or responses to be raised, the Lord Mayor shall allow the Leader or appropriate Cabinet Member a right of reply at the end of the debate on the deputation.

iv. **Where**

- a. the issue is within the terms of reference of a Specialist Committee; or
- b. the issue is or relates to matters of a quasi-judicial nature; or
- c. where the issue is defamatory, frivolous or offensive; or
- d. where the issue refers to legal proceedings being taken or being anticipated by or against the Council;
- e. where the issue relates to the provision of personal (eg a care package, housing) services; or
- f. where the deputee has a commercial or financial interest in the issue

the deputation shall not be entertained and the deputee shall be advised accordingly by the Director of Legal & Governance.

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10.8 Questions

a. General

Members of the public (who are not Councillors or Officers) may ask questions of the Lord Mayor, Chairs of Committees and Members of the Executive at ordinary meetings of the Council.

b. Order of questions

Questions will be asked in the order notice of them was received, except that the Lord Mayor may group together similar questions.

c. Notice of questions

A question may only be asked if notice has been given by delivering it in writing to the Director of Legal & Governance, no later than midday seven Clear Days before the day of the meeting. Each question must give the name and address of the questioner and must name the Member of the Executive or Chair to whom it is to be put.

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d. Number of questions

At any one meeting no person may submit more than three (3) questions and no more than three (3) such questions may be asked on behalf of one organisation.

e. Scope of questions

The Director of Legal & Governance may reject a question if it:

- i. is within the terms of reference of a Specialist Committee; or
- ii. is or relates to matters of a quasi-judicial nature; or
- iii. is defamatory, frivolous or offensive; or
- iv. refers to legal proceedings being taken or being anticipated by or against the Council; or
- v. is substantially the same as a question which has been put at a meeting of the Council in the past six months; or
- vi. requires the disclosure of confidential or exempt information; or
- vii. relates to the provision of personal (e.g. a care package) services; or
- viii. where the questioner has a commercial or financial interest in the issue

If rejected, the questioner shall be advised accordingly by Director of Legal & Governance.

f. Record of questions

The Director of Legal & Governance will enter each question in a book open to public inspection and will immediately send a copy of the question to the Member to whom it is to be put. Rejected questions will include reasons for rejection. Copies of all questions to be asked will be circulated to all Members and will be made available to the public attending the meeting.

g. Asking the question at the meeting

The Lord Mayor will invite the questioner to put the question to the Member named in the notice. If a questioner who has submitted a written question is unable to be present, they may ask the Lord Mayor to put the question on their behalf. The Lord Mayor may ask the question on the questioner's behalf, indicate that a written reply will be given or decide, in the absence of the questioner, that the question will not be dealt with.

h. Supplemental question

A questioner who has put a question in person may also put one supplementary question without notice to the Member who has replied to his or her original question. A supplementary question must arise directly out of the original question or the reply. The Lord Mayor may reject a supplementary question on any of the grounds in Rule 10.4.

i. Written answers

Any question which cannot be dealt with during public question time, either because of lack of time or because of the non-attendance of the Member to whom it was to be put, will be dealt with by a written answer.

j. Reference of question to the Executive or a committee

Unless the Lord Mayor decides otherwise, no discussion will take place on any question, but any Member may move that a matter raised by a question be referred to the Executive or the appropriate committee or sub-committee. Once seconded, such a motion will be voted on without discussion.

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10.9 Representations on an Item of Business

At the sole discretion of the Chair, members of the public may be invited to address the Council, a Committee or Sub-Committee on any report in which they have a genuine or relevant interest. This includes (but is not limited to) the presentation of petitions by the public.

10.10 Aldermen

At the discretion of the Lord Mayor Honorary Aldermen shall be entitled to speak on any item of business up to a maximum of 5 minutes per item (save this does not apply to any confidential business or exempt items).

10.11 Application and Variation of this Council Procedure Rule

The Director of Legal & Governance may, at their discretion, in exceptional circumstances, vary the procedure set out in this Council Procedure Rule and a Special Procedure or Protocol may regulate whether and the manner in which representations by Members, officers of the Council or other organisations and individuals may be made.

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11. QUESTIONS BY MEMBERS

11.1 On reports of the business of the Executive

Subject to Rule 11.4, a Member of the Council may ask the Leader or Cabinet Member any question on notice during the Report of the Executive when that item of business is under consideration by the Council.

11.2 Questions to the Lord Mayor, Cabinet Members or Chairs

A Member of the Council may ask:

- i. the Lord Mayor;
- ii. Cabinet Members; or
- iii. the Chair of any committee or sub-committee
 - a. a question on any major policy, project or strategic matter related to their role, responsibilities and/or office, or which is not similar to any question asked in the preceding Council meeting
 - b. Questions on matters relating to the day-to-day provision, management and administration of services will not be permitted. This includes any requests for data or any other operational information where Members should seek this information from officers.
- iv. The Lord Mayor will be the final arbiter on whether any Question is to be tabled after consultation with the Director of Legal & Governance. No Question will be struck out without consultation with the tabler and/or Group Leader.

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There is a limit of ten (10) questions per Council meeting and two (2) supplementary questions at the discretion of the Lord Mayor. The questions can only be submitted by opposition members and will be divided pro rata depending upon political proportionality.

11.3 Questions on notice at committees and sub-committees

Subject to Rule 11.4, a Member of a committee or sub-committee may ask the Chair of it a question on any matter in relation to which the Council has powers or duties or which affect the area and which falls within the terms of reference of that committee or sub-committee.

11.4 Notice of questions

A Member may only ask a question under Rule 11.1, 11.2 or 11.3 if:

- a. the question is given in writing to the Director of Legal & Governance, by noon five (5) Clear Days before the meeting. The Director of Legal & Governance, will acknowledge receipt of such questions; or
- b. if the question relates to urgent matters, they have the consent of the Lord Mayor and the content of the question is given to the Director of Legal & Governance, prior to the commencement of the meeting. The Lord Mayor must seek the advice of the Director of Legal & Governance, before deciding whether to permit the Question to be asked.
- c. for the Annual General Meeting in May each year, the question is given in writing to the Director of Legal & Governance, by noon six Clear Days before the meeting. Director of Legal & Governance, will acknowledge receipt of such questions;
- d. in the event that the decision on whether or not to allow a question, the Director of Legal & Governance, will consult with the Lord Mayor.

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11.5 Form of Response

An answer may take the form of:

- a. a written answer tabled at the meeting
- b. a direct oral answer;
- c. where the desired information is in a publication of the Council or other published work, a reference to that publication; or
- d. where the reply cannot conveniently be given orally, a written answer circulated later to the questioner.

11.6 Transferring the Response

Every question shall be put and answered without discussion, but the person to whom a question has been put may ask another Member to respond or may decline to answer.

11.7 Supplementary question

Any Member, following a question asked under Rules 11.1, 11.2 or 11.3 may ask one or more supplementary questions without notice to the Member to whom the first question was asked at the discretion of the Lord Mayor and subject to Rule 12. The supplementary questions must arise directly out of the original question or the reply.

11.8 Written Answers

On request from the Member asking a question, a brief summary of key points in an oral answer shall be provided within 10 working days.

11.9 Record of Questions and Answers on Notice at Full Council

Questions asked on Notice at Full Council under Rule 11.1 or 11.2 will be recorded in the minutes, as will any answer. For the avoidance of doubt, neither supplementary questions nor answers shall be recorded. Where a verbal answer is given to a question asked under Rule 11.1 or 11.2, the precise wording of the answer to be included in the minutes shall be agreed with the Member giving the response.

12. EXECUTIVE BUSINESS

- 12.1 The Leader shall present a verbal report of the Business of the Executive for each ordinary meeting of the Council. In presenting the report, the Executive shall have fifteen minutes to make any statements that they wish, either relating to the report before Council or in relation to any other item, topic or subject that they feel should be drawn to the attention of Council.
- 12.2 Following the presentation of the Report of the Business of the Executive, any member may ask a question of the Leader or a Cabinet Member arising from either the written report or a verbal statement made by a member of the Executive provided that the question is not one which is to be put under Council Procedure Rule 12.3. This item of business shall not last longer than fifteen minutes unless in the view of the Lord Mayor, or on a motion moved by a Member, seconded and approved by Council, it is deemed appropriate to extend the time. In this event, the Lord Mayor shall specify the duration of any extension."
- 12.3 Following the presentation of the report and questions arising on that, the Lord Mayor shall, subject to Rule 12.6, call Members to ask questions for which due notice has been given of the Leader or a Cabinet Member submitted pursuant to Rule 11.1.
- 12.4 Where possible, the answer to the question shall be made available in writing to Members and the public prior to the meeting and, in that case, the Executive Member shall not read the answer out in full.
- 12.5 Following any question asked pursuant to Rule 12.3, subject to Rule 12.6, any Member may ask one or more supplementary questions provided the supplementary question arises directly out of the original question or reply.
- 12.6 The Lord Mayor, in ~~their~~ absolute discretion, shall determine the order of speaking, the order in which questions are put, and shall endeavour to ensure the widest possible debate between the Executive and the Council on issues relating to the business of the Executive. The Lord Mayor may also determine that a question should not be put, or does not warrant or justify a supplementary.
- 12.7 The Lord Mayor, in ~~their~~ absolute discretion, may allow a Member to ask a question not on notice if in the opinion of the Lord Mayor the matter is one which should be raised, whether it has been referred to by the Executive in their report or not.
- 12.8 Members shall ensure that questions and answers are concise, relevant and to the point.

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13. MOTIONS

13.1. Motions on Notice

a. Notice

Except for motions which can be moved without notice under Rule 13.2, written notice of every motion, signed by at least one (1) Member, must be delivered to the Director of ~~Legal & Governance~~, not later than 10:00 am on the Monday in the week preceding the next meeting of the Council (or if the Council meeting is held on a day other than a Wednesday, by 10:00 am six Clear Days before the meeting). These will be entered in a book open to public inspection.

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b. Motion set out in agenda

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

c. Scope

Motions must be about matters for which the Council has a responsibility or which affect the City of Southampton.

d. **Notice of Motion to Amend**

Members shall use their best endeavours to ensure that notices of motion to amend shall be in writing, signed by the Member giving the notice, and delivered not later than 12:00 pm (noon) on the day before the day of the meeting to the Director of Legal & Governance.

- e. If notice is given of any Motion that the Director of Legal & Governance considers proposes action which is ultra vires, unconstitutional or otherwise illegal, said motion shall not be printed in the Council Summons. If Director of Legal & Governance, considers that a motion is otherwise out of order, such Motion shall be submitted forthwith to the Lord Mayor. The Lord Mayor shall, in their absolute discretion, have the right to either rule the Motion out of order or place it on the Council Summons if, in hir opinion, it is one that ought properly to be considered by the Members of the Council with a view to determining its validity. In the event of a Motion being rejected, the Director of Legal & Governance shall so inform the Member giving notice as soon as reasonably practicable.

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13.2 **Motions without Notice**

- a. The following motions may be moved without notice:
- i. to appoint a Chair of the meeting at which the motion is moved;
 - ii. in relation to the accuracy of the minutes;
 - iii. to change the order of business in the agenda;
 - iv. to refer something to an appropriate body or individual;
 - v. to appoint a committee or Member arising from an item on the summons for the meeting;
 - vi. to receive reports or adoption of recommendations of committees or Officer and any resolutions following from them;
 - vii. to withdraw a motion;
 - viii. subject to Rule 13.1(d), to amend a motion;
 - ix. to proceed to the next business;
 - x. that the question be now put;
 - xi. to adjourn a debate;
 - xii. to adjourn a meeting;
 - xiii. any matter arising under Rule 9;
 - xiv. to suspend a particular Rule;
 - xv. to exclude the public and press in accordance with the Access to Information Rules;
 - xvi. to not hear further a Member named under Rule 21.3 or to exclude them from the meeting under Rule 21.4;
 - xvii. to give the consent of the Council where its consent is required by this Constitution; and
 - xviii. in any other circumstances where the Lord Mayor considers it appropriate.

14. **RULES OF DEBATE**

14.1 **No speeches until motion seconded**

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

14.2 Right to require motion in writing

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

14.3 Secunder's speech

When seconding a motion or amendment, a Member may reserve their speech until later in the debate.

14.4 Content and length of speeches

Speeches must be directed to the question under discussion or to a personal explanation or point of order. Without the consent of the Lord Mayor, save where otherwise specified, the maximum length of speeches shall be as follows:

Movers of motions	7 minutes
Movers of amendments	7 minutes
The Leader or appropriate Cabinet Member	7 minutes
All other speakers	4 minutes
All rights of reply	4 minutes

14.5 When a Member may speak again

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

- a. to speak once on an amendment moved by another Member;
- b. to move a further amendment if the motion has been amended since **they** last spoke;
- c. if **their** first speech was on an amendment moved by another Member, to speak on the main issue (whether or not the amendment on which **they** spoke was carried);
- d. in exercise of a right of reply;
- e. on a point of order; and
- f. by way of personal explanation.

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14.6 Amendments to Motions

- a. An amendment to a motion must be relevant to the motion and will either be:
 - i. to refer the matter to an appropriate body or individual for consideration or reconsideration;
 - ii. to leave out words;
 - iii. to leave out words and insert or add others; or
 - iv. to insert or add words.as long as the effect of (ii) to (iv) is not to negate the motion.
- b. Only one amendment may be moved and discussed at any one time. No further amendment may be moved until the amendment under discussion has been disposed of.
- c. If an amendment is not carried, other amendments to the original motion may be moved.
- d. If an amendment is carried, the motion as amended takes the place of the original motion. This becomes the substantive motion to which any further amendments are moved.

- e. After an amendment has been carried, the Lord Mayor will read out the amended motion before accepting any further amendments, or if there are none, put it to the vote.

14.7 Alteration of motion

- a. A Member may alter a motion of which ~~they have~~ given notice with the consent of the meeting. The meeting's consent will be signified without discussion.
- b. A Member may alter a motion which ~~they have~~ moved without notice with the consent of both the meeting and the seconder. The meeting's consent will be signified without discussion.
- c. Only alterations which could be made as an amendment may be made.

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14.8 Withdrawal of motion

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

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14.9 Right of Reply

- a. The mover of a motion has a right to reply which shall be heard prior to any vote.
- b. If an amendment is moved, the mover of the original motion has the right of reply at the close of the debate on the amendment, but may not otherwise speak on it.
- c. The mover of the amendment has no right of reply to the debate on his or her amendment.

14.10 Motions which may be moved during debate

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

- a. to withdraw a motion;
- b. to amend a motion;
- c. to proceed to the next business;
- d. that the question be now put;
- e. to adjourn a debate;
- f. to adjourn a meeting;
- g. any matter arising under Rule 9;
- h. to exclude the public and press in accordance with the Access to Information Rules; and
- i. to not hear further a Member named under Rule 21.3 or to exclude them from the meeting under Rule 21.4.

14.11 Closure motions

- a. A Member may move, without comment, the following motions at the end of a speech of another Member:
 - i. to proceed to the next business;
 - ii. that the question be now put;
 - ii. to adjourn a debate; or

- iv. to adjourn a meeting.
- b. If a motion to proceed to next business is seconded and the Lord Mayor thinks the item has been sufficiently discussed, they will give the mover of the original motion a right of reply and then put the procedural motion to the vote.
- c. If a motion that the question be now put is seconded and the Lord Mayor thinks the item has been sufficiently discussed, they will put the procedural motion to the vote.
- d. If it is passed they will give the mover of the original motion a right of reply before putting their motion to the vote.
- e. If a motion to adjourn the debate or to adjourn the meeting is seconded and the Lord Mayor thinks the item has not been sufficiently discussed and cannot reasonably be so discussed on that occasion, they will put the procedural motion to the vote without giving the mover of the original motion the right of reply.

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14.12 Point of order

A Member may raise a point of order at any time. The Lord Mayor will hear them immediately. A point of order may only relate to an alleged breach of these Council Rules of Procedure or the law. The Member must indicate the rule or law and the way in which they consider it has been broken. The ruling of the Lord Mayor on the matter will be final.

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14.13 Point of Information

A Member, whether or not they have spoken on the question under discussion, may rise whilst another Member is speaking, in order to provide information of assistance to the Council on the subject matter of that other Member's speech and shall, upon rising, say "Point of Information please, Mr/Madam Lord Mayor". It shall then be for the Member who is speaking to decide whether or not to give way to the Member wishing to provide information.

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If it appears to the Lord Mayor that the Member who is addressing the Council does not intend to give way, the Lord Mayor shall have absolute discretion as to who speaks and in what order.

14.14 Personal explanation

A Member may make a personal explanation at any time. A personal explanation may only relate to some material part of an earlier speech by the Member which may appear to have been misunderstood or which contained a reference to that Member in the course of a speech by another Member in the present debate. The ruling of the Lord Mayor on the admissibility and timing of a personal explanation will be final.

14.15 Inappropriate or Excessive Interventions

Any use of Rules 14.12, 14.13, 14.14 which the Lord Mayor shall judge to be excessive shall be deemed to be a breach of order under Rule 21.

14.16 Disclosure of Interests and Participation

Where a member has a disclosable pecuniary interest under the Localism Act 2011 or a personal and pecuniary interest under Part 4 of the Code of Conduct for Members in any matter being discussed, then the member must declare that interest and withdraw from the room where the meeting is being held immediately after making representations, answering questions or giving evidence unless a dispensation to remain has been obtained from the Council's Governance Committee.

15. HONOURS

15.1 Where there is any proposal, howsoever it arises, to grant the status of Honorary Alderman or Freeman of the City to any citizen or group of citizens, it is a requirement of the person proposing that such an honour is conferred that the proposal shall be referred, without any further consideration, in confidence, to the Director of Legal & Business Services. There shall be no public statement whatsoever by the proposer as to this matter at this stage. The Director of Legal & Governance shall determine whether and if such a proposal is to be taken forward to Council, in consultation with the Group Leaders.

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15.2 The Director of Legal & Governance shall, following consultation with the Group Leaders, operate a process and bring forward nominators for the Council to bestow recognition on citizens or groups of citizens for service and the City.

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16. PREVIOUS DECISIONS AND MOTIONS

16.1 Motion to rescind a previous decision

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

16.2 Motion similar to one previously rejected

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

17. VOTING

17.1 Majority

Unless the law or this Constitution provides otherwise, any matter will be decided by a simple majority of those Members voting and present in the room at the time the question was put.

17.2 Lord Mayor's casting vote

If there are equal numbers of votes for and against, the Lord Mayor will have a second or casting vote. There will be no restriction on how the Lord Mayor chooses to exercise a casting vote.

17.3 Show of hands

Unless a vote is demanded under Rule 17.4, the Lord Mayor will take the vote by show of hands, or if there is no dissent, by the affirmation of the meeting.

17.4 Recorded vote

If 10 Members present at the meeting demand it, the names for and against the motion or amendment or abstaining from voting will be taken down in writing and entered into the minutes.

17.5 Right to require individual vote to be recorded

Where any Member requests it immediately after the vote is taken, their vote will be so recorded in the minutes to show whether they voted for or against the motion or abstained from voting.

17.6 Voting at Budget Meeting

Immediately after any vote is taken at a budget decision meeting of an authority there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision or against the decision or who abstained from voting”

18. COMMITTEE RECOMMENDATIONS

18.1 Upon a motion for the determination of minutes of a Committee containing recommendations of that Committee to Council, the Lord Mayor will ask the Chair and Vice-Chair or such other members as appropriate to move and second the minute. If the Chair wishes to move an amendment it should be moved at this time otherwise it is taken that the Chair has reserved their introductory speech. The Lord Mayor shall put that minute to the meeting following which it shall be open for general discussion.

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18.2 If there is more than one minute of a Committee containing recommendations of that Committee to Council, it shall be dealt with once the first minute has been disposed of.

19. OVERVIEW AND SCRUTINY BUSINESS

19.1 The Chair of the Overview and Scrutiny Management Committee or another Member in their place, may move a motion relating to the business of Overview and Scrutiny and/or of the findings of a Panel, or a matter that Overview and Scrutiny consider should be debated by Full Council.

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19.2 For the avoidance of doubt, the Council does not have the legal power to overrule, vary or change an Executive decision, save as provided in the Constitution.

19.3 The normal rules of debate for motions shall apply to this item of business.

19.4 This item of business shall not last longer than one hour unless in the view of the Lord Mayor, or on a motion moved by a Member, seconded and approved by Council, it is deemed appropriate to extend the time. In this event, the Lord Mayor shall specify the duration of any extension.

20. EXCLUSION OF PUBLIC

20.1 Members of the public and press may only be excluded either in accordance with the law, the Access to Information Rules in Part 4 of this Constitution or Rule 22 (Disturbance by Public).

21. MEMBERS' CONDUCT

21.1 Standing to speak

When a Member speaks at full Council they must stand (if they are able to) and address the meeting through the Lord Mayor. If more than one Member stands, the Lord Mayor will ask one to speak and the others must sit. Other Members must remain seated whilst a Member is speaking unless they wish to make a point of order, information or personal explanation.

21.2 Lord Mayor standing

When the Lord Mayor stands during a debate, any Member speaking at the time must stop and sit down. The meeting must be silent.

21.3 Member not to be heard further

If a Member persistently disregards the ruling of the Lord Mayor by behaving improperly or offensively or deliberately obstructs business, the Lord Mayor may move that the Member be not heard further. If seconded, the motion will be voted on without discussion.

21.4 Member to leave the meeting

If the Member continues to behave improperly after such a motion is carried, the Lord Mayor may move that either the Member leaves the meeting or that the meeting is adjourned for a specified period. If seconded, the motion will be voted on without discussion.

21.5 General disturbance

If there is a general disturbance making orderly business impossible, the Lord Mayor may adjourn the meeting for as long as ~~they~~ think ~~is~~ necessary.

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22. DISTURBANCE BY PUBLIC

22.1 Removal of Member of the public

If a Member of the public interrupts proceedings, the Lord Mayor will warn the person concerned. If they continue to interrupt, the Lord Mayor will order their removal.

22.2 Clearance of part of room

If there is a general disturbance in any part of the room open to the public, the Lord Mayor may call for that part to be cleared.

23. ADJOURNED MEETINGS

When a meeting is adjourned to a future day, notice of the adjourned meeting shall be sent to each Member specifying the business to be transacted thereat, but it shall not be necessary to send with any such notice a second print of any Committee minutes or reports referred to therein. Only new business of an urgent nature may be introduced at an adjourned meeting.

24. TERMS OF REFERENCE FOR THE COUNCIL

The Council may discuss any matter relevant to it, including its Constitution, election, powers and duties, and the City of Southampton.

25. APPLICATION TO COMMITTEES AND SUB-COMMITTEES

- 25.1 All of the Council Rules of Procedure apply to meetings of full Council. None of the rules apply to meetings of the Executive. Only Rules 1, 5–9, 11–14 (but not 12), 16–18, 20–28 (but not Rule 21.1 in so far as it relates to standing) apply to meetings of committees and sub-committees subject to:
- a. in relation to Rules 5 and 6, the Director of Legal & Business Services shall determine the time and place and be responsible for issuing Committee and Sub-Committee summonses and agendas; and
 - b. in relation to Rule 17.4, the number of Members present at a meeting requisite to call a recorded vote, shall be three (3) or one third of the full membership of the Committee or Sub-Committee, whichever is greater.

25.2 Whenever a casual vacancy arises in relation to a person appointed other than a Member to a Committee or Sub-Committee, the Director of Legal & Business Services shall make that appointment.

25.3 Special Meetings of Committees and Sub-Committees

- a. The Chair of a Committee or Sub-Committee may call a special meeting of that Committee or Sub-Committee at any time.
- b. If
 - i. a requisition for a special meeting of a Committee or Sub-Committee, signed by at least three, or one-third of the total number of the voting Members of a Committee or Sub-Committee, whichever is the greater, has been presented to the person appointed to preside at their meetings, and
 - ii. either ~~they have refused to call a meeting or, without him/her so refusing, no special meeting has been called within five Clear Days of the presentation of the requisition.~~ then any three, or one-third of the number of the members of the Committee or Sub-Committee, whichever is the greater, may forthwith call a special meeting of the Committee or Sub-Committee.
- c. If a meeting of a Committee or Sub-Committee is requisitioned under this Council Procedure Rule, the person doing so shall forthwith give notice in writing that they have done so to the ~~Director of Legal & Governance~~, specifying the business proposed to be transacted. The ~~Director of Legal & Governance~~ shall forthwith give notice to all Members of the Committee or Sub-Committee and all persons entitled to receive the papers.
- d. Any requisition under this Council Procedure Rule may be presented by being left with the ~~Director of Legal & Governance~~.

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26. CONDUCT OF BUSINESS & DEBATE AT COMMITTEES OR SUB-COMMITTEES

26.1 Terms of Reference

Subject to and in accordance with the provisions of these Council Procedure Rules, and to any directions of the Council, the terms of reference of the various Committees and Sub-Committees shall be as set out in Part 3 of this Constitution.

26.2 Special Procedures and Protocols

- a. Any Committee or Sub-Committee shall follow a Special Procedure or Protocol, where one exists, for the transaction of the whole or part their business which has been approved by the Director of Legal & Governance .
- b. The Director of Legal & Governance may direct that a Special Procedure or Protocol shall apply to the transaction of the whole or part of business at other Committees or Sub-Committees or in respect of other functions or activities of the Council in order to comply with the Human Rights Act 1998 or any rule of law or to avoid maladministration by the Council or for the efficient despatch of business.
- c. Subject always to any legal requirements, a Special Procedure or Protocol may:
 - i. vary, revoke or add to or suspend any of these Council Procedure Rules in respect of the rules and procedures to be followed by such Committees and Sub-Committees; and
 - ii. allow the Chair to waive or vary a Special Procedure or Protocol in exceptional circumstances where to do so would be in the interests of fairness or natural justice.

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26.3 Committee Business Restricted to Agenda Items

Except by reason of urgent circumstances, of which the Chair of the Committee or Sub-Committee shall be judge, no business shall be transacted at any meeting of a Committee or Sub-Committee except such as is set out on the agenda which shall be available to the public five clear days before the meeting concerned.

26.4 Reports to Contain Recommendations

Subject to any Special Procedure or Protocol, all reports relating to items of business on the agenda shall contain a recommendation or recommendations that shall be the original motion for determination by the meeting, and which shall be open to amendment.

26.5 Matters on the agenda raised by Members

Any Member requiring a report on a matter within the terms of reference of a Committee or Sub-Committee to be included on the agenda of that Committee or Sub-Committee must advise the Director of Legal & Governance in writing twelve Clear Days prior to the meeting of this request.

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- 26.6 Any Member wishing to urgently raise a matter in the Committee or Sub-Committee after the agenda has been published may do so on giving to the Director of Legal & Governance reasonable notice in writing stating the reason for urgency. Such matter may only be discussed if the Chair of the Committee or Sub-Committee considers the nature of the business of sufficient urgency to warrant inclusion at the meeting.

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27. RIGHTS OF MEMBERS TO SPEAK AT MEETINGS OF COMMITTEES AND SUB-COMMITTEES

- 27.1 Save where the law or this Constitution provides to the contrary:
- a. the Lord Mayor and Sheriff of the Council, the Leader or any Cabinet Member may speak (but may not vote) at a meeting of a Committee or Sub-Committee of which they are not Voting Members.
 - b. the Chair and Vice-Chair of a Committee may speak at a meeting of any Sub-Committee appointed by that Committee, but may not vote unless appointed as a Voting Member.
 - c. a Member of the Council who is not otherwise entitled to speak at a Committee or Sub-Committee shall be entitled to do so (but not to vote) at a meeting of the Committee or Sub-Committee:
 - i. during the consideration of any motion of which notice has been given which they have, moved or seconded at a meeting of the Council and which has been referred to that Committee or Sub-Committee; or
 - ii. with the prior agreement of the Chair; or
 - iii. during the consideration of any matter which affects their ward differently from other wards.
 - d. This Council Procedure Rule shall apply equally to meetings or parts of meetings of Committees and Sub-Committees to which the press and public are not admitted under the access to information provisions of the 1972 Act.
 - e. A Special Procedure may exclude Rule 27.1(a) above and regulate the manner in which Rules 27.1(b) and (c) are exercised.

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28. URGENT BUSINESS SUB COMMITTEE

- 28.1 The Chair and Vice-Chair of each Committee and Sub-Committee of the Council and a representative of the Opposition Party(s) for each Committee or Sub-Committee shall constitute a Sub-Committee with power to deal with any urgent business arising at any time which cannot await the next scheduled meeting of the Committee or Sub-Committee. The quorum for such a meeting shall be two. The reason for urgency shall be included on the agenda, in the report and in the Minutes of the meeting.
- 28.2 Where an Urgent Business Sub-Committee involves more than one Committee or Sub-Committee then the Chairs and Vice-Chairs of those Committees or Sub-Committees together with one representative from each of the Opposition Parties for each parent Committee or Sub-Committee shall constitute the Urgent Business Joint Meeting.
- 28.3 Any Chair or Vice-Chair may nominate a Member of the Committee or Sub-Committee of which they are the Chair and Vice-Chair to act for the purposes of (1) or (2) above whenever they are absent or otherwise unable to act.
- 28.4 Every Urgent Business Sub-Committee shall, when acting in pursuance of Rule 28.1 or 28.2 above, do so subject to the provisions of these Council Procedure Rules and the respective terms of reference of the Committee or Sub-Committee concerned, and in accordance with the appropriate Committee's general policies.
- 28.5 Every decision of an Urgent Business Sub-Committee acting in pursuance of Rule 28.1 or 28.2 above shall be reported to the next following meeting of the Committee or Sub-Committee if time permits or direct to Council.

28.6 An Agenda shall be published 5 clear days before the date set for the Urgent Business Sub-Committee's meeting or (if the meeting is called on less than 5 clear days' notice) at the time the meeting is convened. Copies of the agenda shall be made available to the Leaders of the Political Group(s) or their nominated representatives and to the public at the time the agenda is published.

28.7 The public shall have access to an Urgent Business Sub-Committee meeting but may be excluded by resolution if the urgent business relates to confidential or 'exempt' information as defined in Local Government Act 1972 as amended. The public will be automatically excluded if the business of the meeting is 'confidential' as defined by the Act.

Note: Urgent Business Sub-Committees shall only be called where it is impracticable to either (1) add the report to the agenda of a scheduled Committee or Sub-Committee meeting as a "late urgent item" or (2) to call a Special Meeting of the Committee or Sub-Committee in question.

28.8 In the case of any business which is included in the meeting of the Committee, Sub-Committee or Urgent Business Sub-Committee by reason of its urgency there shall be within the Minutes of such meeting a note specifying the special circumstances which warranted that the item be included.

28.9 For the avoidance of doubt, no business other than urgent business shall be conducted at an Urgent Business Sub-Committee.

Access to Information Procedure Rules

1. SCOPE

These rules apply to all meetings of the Council, its Committees and Sub-Committees (including but not limited to the Overview and Scrutiny Committees, area committees (if any), the Governance Committee and regulatory committees and panels and public meetings of the Executive (together called “meetings”).

2. PRINCIPLES

These rules will be interpreted, where possible, in accordance with the following guiding principles / presumptions:

- a. Openness: the right of the public to gain access to meetings and documents;
- b. Transparency: the provision of information so that the public know who is responsible for making a particular decision, when and where, and have an explanation or justification for a decision;
- c. Accountability: the public can measure the actions taken against policies and plans on which those responsible were elected to office.

3. RIGHTS TO ATTEND MEETINGS

Members of the public may attend all meetings subject only to the exceptions in these rules.

4. NOTICES OF MEETING

The Council will give at least five clear days’ notice of any meeting by posting details of the meeting at the designated office and publishing on its website.

5. RIGHTS TO PAPERS

The Council will make copies of the agenda and reports open to the public available for inspection at the designated office and online at least five clear days before the meeting. If an item is added to the agenda later, the revised agenda (where reports are prepared after the agenda has been sent out, the designated officer shall make each such report available to the public as soon as the report is completed and sent to Councillors) will be open to inspection for the time the item was added to the agenda.

6. SUPPLY OF COPIES

The Council will supply copies of:

- a. any agenda and reports which are open to public inspection;
- b. any further statements or particulars necessary to indicate the nature of the items in the agenda; and
- c. if the Director of Governance, Legal & HR thinks fit, copies of any other documents supplied to Councillors in connection with an item to any person on payment of a charge for postage and any other costs.

7. ACCESS TO PAPERS AFTER THE MEETING

The Council will make available copies of the following for six years after a meeting:

- a. the minutes of the meeting or records of decisions taken, together with reasons, for all meetings of the Executive, excluding any part of the minutes of proceedings when the meeting was not open to the public or which disclose exempt or confidential information;
- b. a summary of any proceedings not open to the public where the minutes open to inspection would not provide a reasonably fair and coherent record;
- c. the agenda for the meeting; and
- d. reports relating to items when the meeting was open to the public.

8. BACKGROUND PAPERS

8.1 List of background papers

The officer with responsibility for the report (usually the report author) will set out in every report a list of those documents (called background papers) relating to the subject matter of the report which in his/her opinion:

- a. disclose any facts or matters on which the report or an important part of the report is based; and
- b. which have been relied on to a material extent in preparing the report but does not include published works or those which disclose exempt or confidential information (as defined in Rule 10).

8.2 Public inspection of background papers

The Council will make available for public inspection for four years after the date of the meeting one copy of each of the documents on the list of background papers.

9. SUMMARY OF PUBLIC'S RIGHTS

A written summary of the public's rights to attend meetings and to inspect and copy documents will be kept at and available to the public at the Civic Centre – from the Director of Governance, Legal & HR.

10. EXCLUSION OF ACCESS BY THE PUBLIC TO MEETINGS

10.1 Confidential information – requirement to exclude public

The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.

10.2 Exempt information – discretion to exclude public

The public may be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed. Where the meeting will determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the Human Rights Act 1998 establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in Article 6.

10.3 Meaning of confidential information

Confidential information means information given to the Council by a Government Department on terms which forbid its public disclosure or information which cannot be publicly disclosed by Court Order.

10.4 Meaning of exempt information

Exempt information means information falling within the following seven categories (subject to any condition):

CATEGORY		CONDITION
1.	Information relating to any individual.	This means any individual person and relates back to the Data Protection Act 1998 (DPA).
2.	Information which is likely to reveal the identity of an individual.	This again relates back to DPA.
3.	Information relating to the financial or business affairs of any particular person (including the Authority holding that information).	Includes information relating to the Authority's own financial or business affairs. It does not include information which is required to be registered under the Companies Act 1985, the Friendly Society Acts 1974 and 1992, the Industrial and Provident Societies Acts 1965-1978, the Building Societies Act 1986 or the Charities Act 1993 as such information will be in the public domain in any event. The "financial affairs or business affairs" include past, present and contemplated activities.
4.	Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the Authority or a Minister of the Crown and employees of, or office holders under, the Authority.	"Employee" means a person employed under a contract of service with the Council and would not therefore include a consultant or a temporary member of staff employed through an agency or a company. Information about such a person, however, may well be covered under the exemptions in paragraphs 1, 2 and 3 but it will depend on the individual matter. "Labour relations matter" means matters which may be the subject of a trade dispute within the meaning of Section 218(1) of the Trade Union and Labour Relations (Consolidation) Act 1992 or any dispute about such a trade dispute. This is therefore fairly narrow and does not appear to include normal staff negotiations which are not part of a dispute.

CATEGORY		CONDITION
5.	Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.	
6.	Information which reveals that the Authority proposes – (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person, or (b) to make an order or direction under any enactment.	
7.	Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime	
7(A)	Information which is subject to any obligation of confidentiality	
7(B)	Information which relates in any way to matters concerning national security	
7(C)	The deliberations of a Standards Committee or of a sub committee of the Standards Committee established under the provisions of Part 3 of the Local Government Act 2000 in reaching any finding on a matter referred under the provisions of Section 60(2) or (3), 64(2), 70(4) or (5) or 71(2) of that Act	

Information is **not exempt** if it relates to proposed development for which the Local Planning Authority may grant itself planning permission pursuant to Regulation 3 of the Town and Country Planning (General) Regulations 1992.

10.5 Public Interest Test

Paragraphs 1-7 of the exceptions (Rule 10.4) are subject to the public interest test. In determining whether this information should remain exempt, the report writer and the decision-maker will have to decide whether the public interest in maintaining the exemption outweighs the public interest in disclosing the information. All report writers will, therefore, give consideration to this and explain why they consider the public interest test is best served by the information remaining exempt. The final officer determination as to disclosure will be made by the Proper Officer for Freedom of Information decisions (the Director of Governance, Legal & HR) who is also the Proper Officer for decision-making. This determination, together with reasons, will appear in the report and the agenda as well in relation to that item.

10.6 Governance Committee

All the exemptions may apply to the Governance Committee (and any sub-committees of that) although 7(A), (B) and (C) are specifically applicable to Governance sub-committees when determining complaints alleging breaches of the Members' Code of Conduct.

10.7 Executives

The Local Authorities (Executive Arrangements) (Access to Information) (Amendment) (England) Regulations 2006 taken cumulatively with previous regulations and primary legislation provide that exempt information does not need to be made available for all Members unless it comes within paragraph 3 and 6 of the table set out in rule 10.4. However, in relation to information under paragraph 3 of the table in rule 10.4, this can remain exempt if the information relates to any terms proposed or to be proposed by or to the Authority in the course of negotiations for a contract.

11. **EXCLUSION OF ACCESS BY THE PUBLIC TO REPORTS**

If the Director of Governance, Legal & HR thinks fit, the Council may exclude access by the public to reports which in his or her opinion relate to items during which, in accordance with Rule 10, the meeting is likely not to be open to the public. Such reports will be marked "Not for publication" together with the category of information likely to be disclosed.

12. **APPLICATION OF RULES TO THE EXECUTIVE**

Rules 13 – 24 apply to the Executive and its committees. If the Executive or its committees meet to take a Key Decision, then it must also comply with Rules 1 – 11 unless Rule 15 (general exception) or Rule 16 (special urgency) apply. A Key Decision is as defined in Article 13.03 of this Constitution. If the Executive or its committees meet to discuss a Key Decision to be taken collectively, with an officer other than a political assistant present, within 28 days of the date according to the Forward Plan by which it is to be decided, then it must also comply with Rules 1 – 11 unless Rule 15 (general exception) or Rule 16 (special urgency) apply. This requirement does not include briefings, whose sole purpose is for Officers to brief Members.

13. **PROCEDURE BEFORE TAKING KEY DECISIONS**

Subject to Rule 10 (general exception) and Rule 11 (special urgency), a Key Decision may not be taken unless:

- a. a notice (called here a Forward Plan) has been published in connection with the matter in question;
- b. at least twenty-eight (28) Clear days have elapsed since the publication of the Forward Plan in which the decision was first included; and
- c. where the decision is to be taken at a meeting of the Executive or its committees, notice of the meeting has been given in accordance with Rule 4 (notice of meetings).

14. THE FORWARD PLAN

14.1 Period of Forward Plan

Forward Plans will be prepared by the Leader to cover a period of four months, beginning with the first day of any month. They will be prepared on a monthly basis and published 28 clear days prior to any regularly scheduled meeting of the Executive.

14.2 Contents of Forward Plan

The Forward Plan will contain matters which the Leader has reason to believe will be subject of a Key Decision to be taken by the Executive, a committee of the Executive, individual members of the Executive, Officers, or under joint arrangements in the course of the discharge of an Executive function during the period covered by the plan. It will describe the following particulars in so far as the information is available or might reasonably be obtained:

- a. the matter in respect of which a decision is to be made;
- b. where the decision taker is an individual, his/her name and title, if any and where the decision taker is a body, its name and details of membership;
- c. the date on which, or the period within which, the decision will be taken;
- d. the identity of the principal groups whom the decision taker proposes to consult before taking the decision;
- e. the means by which any such consultation is proposed to be undertaken;
- f. the steps any person might take who wishes to make representations to the Executive or decision taker about the matter in respect of which the decision is to be made, and the date by which those steps must be taken; and
- g. a list of the documents submitted to the decision taker for consideration in relation to the matter.

The Forward Plan must be produced and disseminated at least 28 days before the start of the period covered.

15. GENERAL EXCEPTION

If a matter which is likely to be a Key Decision has not been included in the Forward Plan, then subject to Rule 11 (special urgency), the decision may still be taken if:

- a. the decision must be taken by such a date that it is impracticable to defer the decision until 28 clear days notice has been given on the Forward Plan;
- b. the Director of Governance, Legal & HR has informed the chair of the Overview and Scrutiny Management Committee, or if there is no such person, the Lord Mayor or in his/her absence the Sherriff, by notice, of the matter to which the decision is to be made;
- c. the Director of Governance, Legal & HR has made copies of that notice available to the public at the offices of the Council; and
- d. at least 5 (five) clear days have elapsed since the Director of Governance, Legal & HR complied with (b) and (c).

Where such a decision is taken collectively, it must be taken in public subject to the provisions of Rule 10 and Rule 19.

16. SPECIAL URGENCY

If by virtue of the date by which a decision must be taken Rule 10 (general exception) cannot be followed, then the decision can only be taken if the Director of Legal & Business Operations, on behalf of the decision taker, obtains the agreement of the Chair of the Overview and Scrutiny Management Committee that the taking of the decision cannot be reasonably deferred. If the Chair is unable to act, then the agreement of the Lord Mayor, or in his/her absence, the Sheriff will suffice.

17. REPORT TO COUNCIL

17.1 Overview and Scrutiny Management Committee can require a report

- a. if the committee thinks that a Key Decision has been taken which was not:
 - i. included in the Forward Plan; or
 - ii. the subject of the general exception procedure; or
 - iii. the subject of an agreement under Rule 11;

the committee may require the Executive to submit a report to the Council within such reasonable time as the committee specifies. The power to require a report rests with the committee, but is also delegated to the Director of Governance, Legal & HR, who shall require such a report on behalf of the committee when so requested by the Chair or any five Members; or

- b. the requirement may be raised by resolution passed at a meeting of the Overview and Scrutiny Management Committee.

17.2 Executive's report to Council

The Executive will prepare a report for submission to the next available meeting of the Council. However, if the next meeting of the Council is within 7 days of receipt of the written notice, or the resolution of the committee, then the report may be submitted to the meeting after that. The report to Council will set out particulars of the decision, the individual or body making the decision, and if the Leader is of the opinion that it was not a Key Decision the reasons for that opinion.

17.3 Quarterly reports on special urgency decisions

In any event the Leader will submit quarterly reports to the Council on the Executive decisions taken in the circumstances set out in Rule 11 (special urgency) in the preceding three months. The report will include the number of decisions so taken and a summary of the matters in respect of which those decisions were taken.

18. RECORD OF DECISIONS

After any meeting of the Executive or any of its committees, whether held in public or private, the Director of Governance, Legal & HR or, where no officer was present, the person presiding at the meeting, will produce a record of every decision taken at that meeting as soon as practicable. The record will include a statement of the reasons for each decision and any alternative options considered and rejected at that meeting.

19. PROCEDURES PRIOR TO PRIVATE MEETINGS OF THE EXECUTIVE

- 19.1 A private meeting of the Executive shall include any meeting or part of a meeting at which members of the public are to be excluded in accordance with Rule 10.
- 19.2 At least 28 clear days prior to any private meeting of the Executive, the Director of Governance, Legal & HR shall publish Notice of the Executive's intention to hold all or part of the meeting in private, together with a statement of reasons for the meeting to be held in private.
- 19.3 At least five clear days prior to any private meeting of the Executive, the Director of Governance, Legal & HR shall publish a further Notice on the agenda for the meeting and the Council's website confirming the Executive's intention to hold all or part of the meeting in private, a statement of the reasons for privacy and details of any representations received by the Council as to why the meeting should be held in public and the Executive's response to those representations.
- 19.4 Where the date by which a meeting must be held makes compliance with Rules 19.2 and 19.3 impracticable, the meeting may still be held in private where:
- a. the Director of Governance, Legal & HR has obtained the agreement of the Chairman of the relevant Overview and Scrutiny Committee; or
 - b. if there is no such person or such a person is unable to act, the agreement of the Lord Mayor; or
 - c. if the Lord Mayor is unable to act, the agreement of the Sheriff.

20. NOTICE OF PRIVATE MEETING OF THE EXECUTIVE

Members of the Executive or its committees will be entitled to receive five clear days notice of a meeting to which they are summoned, unless the meeting is convened at shorter notice as a matter of urgency.

21. ATTENDANCE AT PRIVATE MEETINGS OF THE EXECUTIVE

- a. All Members of the Executive will be served notice of all private meetings of committees of the Executive, whether or not they are Members of that committee.
- b. All Members of the Executive are entitled to attend a private meeting of any committee of the Executive.
- c. Members other than Executive Members will not be entitled to attend private meetings of the Executive, and its committees.
- d. The Head of the Paid Service, the Chief Financial Officer and the Monitoring Officer, and their nominees are entitled to attend any meeting of the Executive and its committees. The Executive may not meet unless the Director of Governance, Legal & HR has been given reasonable notice that a meeting is to take place.
- e. A private Executive meeting may only take place in the presence of the Director of Governance, Legal & HR or his/her nominee with responsibility for recording and publicising the decisions

22. DECISIONS BY INDIVIDUAL MEMBERS OF THE EXECUTIVE

22.1 Reports intended to be taken into account

Where an individual Member of the Executive receives a report which s/he intends to take into account in making any Key Decision, then s/he will not make the decision until at least five clear days after receipt of that report.

22.2 Provision of copies of reports to overview and scrutiny committees

On giving of such a report to an individual decision maker, the person who prepared the report will give a copy of it to the Chair and Vice-Chair of the Overview and Scrutiny Management Committee as soon as reasonably practicable and make it publicly available at the same time.

22.3 Record of individual decision

As soon as reasonably practicable after an Executive decision has been taken by an individual Member of the Executive or a Key Decision has been taken by an officer, s/he will prepare, or instruct the Director of Governance, Legal & HR to prepare, a record of the decision, a statement of the reasons for it and any alternative options considered and rejected. The provisions of Rules 7 and 8 (inspection of documents after meetings) will also apply to the making of decisions by individual members of the Executive. This does not require the disclosure of exempt or confidential information or advice from a political assistant.

23. OVERVIEW AND SCRUTINY COMMITTEES ACCESS TO DOCUMENTS

23.1 Rights to copies

Subject to Rule 23.2 below, Overview and Scrutiny Management Committee (and its sub-committees) will be entitled to copies of any document which is in the possession or control of the Executive (or its committees) and which contains material relating to

- a. any business transacted at a public or private meeting of the Executive or its committees; or
- b. any decision taken by an individual Member of the Executive; or
- c. any decision taken by an officer of the authority exercising an Executive function.

23.2 Limit on rights

An overview and scrutiny committee will not be entitled to:

- a. any document that is in draft form;
- b. any part of a document that contains exempt or confidential information, unless that information is relevant to an action or decision they are reviewing or scrutinising or intend to scrutinise; or
- c. the advice of a political adviser.

23.3 Copies of documents requested under Rule 23 must be supplied within 10 clear days of receipt of the request.

24. ADDITIONAL RIGHTS OF ACCESS FOR MEMBERS

24.1 Material relating to previous business

All Members will be entitled to inspect any document which is in the possession or under the control of the Executive or its committees and contains material relating to any business previously transacted at a private meeting unless either (a), (b) or (c) below applies:

- a. it contains exempt information falling with paragraphs 1-2, 4-5 and 7 of the categories of exempt information; or
- b. Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) to the extent that the information relates to any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract; or
- c. it contains the advice of a political adviser.

24.2 Material relating to Decisions

All members of the Council will be entitled to inspect any document (except those available only in draft form) in the possession or under the control of the Executive or its committees which relates to any decision of the Executive made at a public meeting unless paragraph (a), (b) or (c) above applies.

24.3 Nature of rights

These rights of a Member are additional to any other right s/he may have.

25. CONFIDENTIALITY OF COUNCIL BUSINESS

25.1 Any item of business at Full Council, a Committee or Sub-Committee which falls to be dealt with as confidential and the relevant body's discussion in relation to the item shall be kept confidential and may only be disclosed to and discussed by the following:

- a. Councillors;
- b. other persons appointed under Section 102 of the 1972 Act as members of Committees or Sub-Committees;
- c. such officers of the Council as are concerned with the matter in the course of their duties;
- d. the Designated Independent Person (in respect of Members complaints under the Code of Conduct)
- e. such other persons to whom in the Director of Governance, Legal & HR opinion the item of business or report ought to be disclosed in order to comply with the Human Rights Act 1998 or any rule of law or to avoid maladministration by the Council;

and there shall be no further disclosure of such report, item of Council business or discussion thereof to any other person whatsoever.

- 25.2 The business referred to in Council Procedure Rule 25.1 consists of any report marked "not for publication" in accordance with the requirements of the 1972 Act or an item of Council business which has been agreed as being confidential by the Committee or Sub-Committee concerned, or by the Council in accordance with the 1972 Act.
- 25.3 Subject to the Council Procedure Rules, a member of a working party or panel set up by the Council, a Committee or Sub-Committee (including any working party or panel established for the purpose of meeting and holding discussions with an individual, body of individuals or organisation distinct from the City Council) being a working party or panel comprised of Members or Members and co-opted members or Members and officers, or Members co-opted members and officers, shall not disclose a matter dealt with by or brought before the working party or panel, without its permission until the proceedings of that working party or panel have been reported to the Council or to the Committee or Sub-Committee which set up the working party or panel, or the working party or panel shall otherwise have concluded action on that matter.
- 25.4 An item of business or report shall remain confidential until its confidentiality is removed by decision of the Committee or Sub-Committee concerned, or by the Full Council or in exceptional circumstances, the Director of Governance, Legal & HR.

26. ADDITIONAL RIGHTS TO INFORMATION

These rules do not affect any more specific rights to information contained elsewhere in this Constitution or the law.

Budget and Policy Framework Procedure Rules

1. The framework for Executive decisions

The Council will be responsible for the adoption of its Budget and Policy Framework as set out in Article 4. Once a Budget or a Policy Framework is in place, it will be the responsibility of the Executive to implement it.

2. Process for developing the framework

A. The process by which the Policy Framework shall be developed is:

- a. The Overview and Scrutiny Management Committee will receive reports from the Executive, and will conduct such research and consultation with stakeholders and investigations as it considers necessary to enable it to develop proposals for the relevant parts of the Policy Framework as fall within its Terms of Reference for the forthcoming year.
- b. The Executive will publicise when the decision is first included in the Forward Plan (which shall be available on the Council's web page) a timetable for making proposals to the Council for the adoption of any plan or strategy that forms part of the Budget and Policy Framework, and its arrangements for consultation. The Chair of Overview and Scrutiny Management Committee will also be notified.
- c. By a date designated by the Executive in accordance with paragraph 2A(b) of these Rules the Executive will meet and consider its budget strategy for the pending financial year. Details of the Executive's consultation process for its strategy and budget proposals shall be included in relation to each of these matters in the Forward Plan and made available on the Council's web page. Any representations made to the Executive shall be taken into account in formulating its approach to the Budget, and shall be reflected in any report dealing with them. If the matter is one where Overview and Scrutiny Management Committee has carried out a review of policy, then the outcome of that review will be reported to the Executive and considered in the preparation of the budget.
- d. The designated date referred to in paragraph 2A(c) of these Rules shall be three (3) months unless the Executive considers that there are special factors that make this timescale inappropriate. If it does, it shall state the reasons in publicising the Forward Plan in accordance with paragraph 2A(b) of these Rules and shall inform Overview and Scrutiny Management Committee of the time for response when the relevant budget papers are referred to it.
- e. The Executive's budget strategy and proposals shall be referred to Overview and Scrutiny Management Committee for further advice and consideration by sending a copy to the Scrutiny Manager who will convene a meeting of Overview and Scrutiny Management Committee. Overview and Scrutiny Management Committee shall canvas the views of local stakeholders if it considers it appropriate in accordance with the matter under consideration, and having particular regard not to duplicate any consultation carried out by the Executive. Overview and Scrutiny Management Committee shall report to the Executive on the outcome of its deliberations. Overview and Scrutiny Management Committee shall have six weeks to comment upon the strategy and budget proposals, unless the Executive considers that there are special factors that make this timescale inappropriate. If it does, it will inform the Overview and Scrutiny Management Committee of the time available for responding.

- f. Having considered any findings and comments reported by the Overview and Scrutiny Management Committees, the Executive will finalise its proposals before submitting them to the Council for consideration. It will also report to Council on how it has taken into account any comments or recommendations from the Overview and Scrutiny Management Committee, as well as from the consultation process on budget proposals.
- g. The Council will consider the proposals of the Executive and may adopt them, amend them, refer them back to the Executive for further consideration, or substitute its own proposals in their place. This includes any plan or strategy, submitted by the Executive, for the purpose of its submission to the Secretary of State or any Minister of the Crown for his approval – whether in the form of a draft or otherwise – where any plan or strategy is required to be so submitted. In considering the matter, the Council shall have before it the Executive’s proposals and any report from any Overview and Scrutiny Management Committee.
- h. The Council’s decision will be publicised in accordance with Article 4 and a copy shall be given to the Leader. The Notice of Decision shall be dated and shall state either that the decision shall be effective immediately (if the Council accepts the Executive’s proposals without amendment) or (if the Executive’s proposals are not accepted without amendment), that the Council’s decision will become effective on the expiry of five clear days after the publication of the notice of decision, unless the Leader objects to it in that period. The Leader may, in writing, waive that right thus giving immediate effect to the decision. If the Council resolves to refer the matter back to the Executive for the further consideration, that decision shall take effect immediately.
- i. If the Leader objects to the decision of the Council, s/he shall give written notice to the Director of Governance, Legal & HR to that effect prior to the date upon which the decision is to be effective. The written notification must state the reasons for the objection. Where such notification is received, the Director of Governance, Legal & HR shall convene a further meeting of the Council to reconsider its decision and the decision shall not be effective pending that meeting. Where the Council has referred the matter back to the Executive for further consideration, the Director of Governance, Legal & HR shall convene a further meeting of the Council to reconsider the matter following the Executive’s further considerations.
- j. The Council meeting must take place within 10 clear days of either the receipt of the Leader’s written objection or within 15 clear days of the date of the meeting where the Council has referred the matter back to the Executive for further consideration. At that Council meeting, the decision of the Council shall be reconsidered in the light of the objection or further considerations by the Executive, which shall be available in writing for the Council.
- k. The Council shall at that meeting make its final decision on the matter on the basis of a simple majority. The decision shall be made public in accordance with Article 4, and shall be implemented immediately.
- l. In approving the Policy Framework, the Council will also specify the degree of in-year changes to the Policy Framework which may be undertaken by the Executive, in accordance with paragraphs 5 and 6 of these Rules (viement and in-year adjustments). Any other changes to the Policy Framework are reserved to the Council.

B. The process by which the Budget shall be developed:

For the purposes of the Constitution, the Budget shall be defined as meaning the process whereby in any financial year, the Executive submits to the Full Council for its consideration in relation to the following financial year -

- i. estimates of the amounts to be aggregated in making a calculation (whether originally or by way of substitute) in accordance with any of sections 31 through to 37 or 43 to 49, of the Local Government Finance Act 1992;
- ii. estimates of other amounts to be used for the purposes of such a calculation;
- iii. estimates of such a calculation; or
- iv. amounts required to be stated in a precept under Chapter IV of Part I of the Local Government Finance Act 1992,
 - a. Overview and Scrutiny Management Committees will receive regular updates on performance (including financial matters) for their Portfolio. Any Scrutiny Panel may conduct such research and consultation with stakeholders if they wish to enable them to develop opinions and form comments for the relevant parts of the Budget as fall within their Terms of Reference for the forthcoming year and to communicate these to the Executive.
 - b. The Executive will publish in advance a timetable for the Budget. The chair of Overview and Scrutiny Management Committee will also be notified.
 - c. The Executive's timetable will be subject to variation dependent upon the timing of the Local Government Finance Settlement and the information available. This will be advised upon by the Executive Director: Corporate Services. Each Cabinet Member will, during the course of any meetings with Overview and Scrutiny Management Committee update on the progress and the possible changes and pressures within their areas of responsibility. The Executive shall publish the Executive's Major Budgetary Proposals in accordance with the timetable referred to in paragraph (b) above. The Executive's Major Budgetary Proposals shall form the basis of any consultation process or exercise, shall be disseminated to the Group Leaders and may be updated from time to time by the Executive as further information becomes available.
 - d. Papers on the budget strategy and detailed proposals shall be referred, in accordance with the timetable referred to above, to Overview and Scrutiny Management Committee for consideration and comment. The Committee shall have such time as the timescale provided for by the Executive to provide comments.
 - e. Having considered the comments of Overview and Scrutiny Management Committee on the budget strategy and any related papers which will support the aims contained in the Corporate Plan, the Executive will finalise its proposals before submitting them to the Council for consideration. It will also report to Council on how it has taken into account any comments or recommendations from Overview and Scrutiny Management Committee.
 - f. By convention, when the Executive's budgetary proposals are endorsed by the Cabinet prior to submission to the Council, the other Groups shall make their budgetary amendments publicly available, and the Council shall make them available on its website. Failure to comply with this convention will not in any way invalidate the budgetary process and this convention is not enforceable by the Council or any party in any manner.

- g. For the avoidance of doubt, at the budget meeting the only additional papers that may be placed on Members' desks at the outset of the meeting are any papers that, in the view of the Head of Paid Service, Executive Director: Finance and Commercialisation or Monitoring Officer, are either conducive to the conducting of the meeting, relevant to the discussion or they otherwise consider ought properly to be brought to Members' attention.
- h. The Council will consider the proposals of the Executive and may adopt them, amend them, refer them back to the Executive for further consideration, or substitute its own proposals in their place. In considering the matter, the Council shall have before it the Executive's proposals and any comments or recommendations from Overview and Scrutiny.
- i. The Council's decision will be publicised in accordance with Article 4 and a copy shall be given to the Leader. The notice of decision shall be dated and shall state either that the decision shall be effective immediately (if the Council accepts the Executive's proposals without amendment) or (if the Executive's proposals are not accepted without amendment), that the Council's decision will become effective on the expiry of five clear days after the publication of the notice of decision, unless the Leader objects to it in that period. The Leader may, in writing, waive that right, thus giving immediate effect to the decision. If the Council resolves to refer the matter back to the Executive for the further consideration, that decision shall take effect immediately.
- j. If the Leader objects to the decision of the Council, s/he shall give written notice to the Director of Governance, Legal & HR to that effect prior to the date upon which the decision is to be effective. The written notification must state the reasons for the objection. Where such notification is received, the Director of Governance, Legal & HR shall convene a further meeting of the Council to reconsider its decision and the decision shall not be effective pending that meeting. Where the Council has referred the matter back to the Executive for further consideration, the Director of Governance, Legal & HR shall convene a further meeting of the Council to reconsider the matter following the Executive's further considerations.
- k. The Council meeting must take place within either six clear days of the receipt of the Leader's written objection or within 11 clear days of the date of the meeting where the Council has referred the matter back to the Executive for further consideration (or such other timeframe in order to meet any statutory deadlines). At that Council meeting, the decision of the Council shall be reconsidered in the light of the objection or further considerations by the Executive, which shall be available in writing for the Council.
- l. The Council shall at that meeting make its final decision on the matter on the basis of a simple majority. The decision shall be made public in accordance with Article 4 and shall be implemented immediately.
- m. In approving the Budget, the Council will also specify the degree of any in-year changes to the Budget which may be undertaken by the Executive, over and above the rules in paragraphs 5 and 6 of these Rules (virement and in-year adjustments). Any other changes to the Budget are reserved to the Council.

C. VARIATIONS TO THE PROCESS

Legislative requirements specific to an individual element or aspect of the Policy Framework and/or Budget may require that the process outlined in these Budget and

Policy Framework Rules has to be varied (for example, the Early years Development Plan is, by virtue of the Schools Standards and Framework Act 1998 the responsibility of the Early Years Partnership who are responsible for the development of the plan prior to submission to Full Council for approval). Where this is the case, in publishing a timetable under paragraphs 2A(b) and 2B(b), the Executive shall outline any variation in the process.

3. Decisions contrary to or not wholly in accordance with the Budget or Policy Framework

- a. Subject to the provisions of paragraph 5 (virement) the Executive, committees of the Executive individual Members of the Executive and any Officer, area committees or joint arrangements discharging Executive functions may only take decisions which are in line with the Budget and Policy Framework. If any of these bodies or persons wishes to make a decision which is contrary to the Policy Framework, or contrary to or not wholly in accordance with the Budget approved by Full Council, then that decision may only be taken by the Council, subject to 4 below.
- b. If the Executive, a committees of the Executive, individual Members of the Executive and any Officer, or joint arrangements discharging Executive functions want to make such a decision, they shall take advice from the Monitoring Officer and/or the Executive Director: Corporate Services as to whether the decision they want to make would be contrary to the Policy Framework, or contrary to or not wholly in accordance with the Budget. If the advice of either of those Officer is that the decision would not be in line with the Budget and/or Policy Framework, then the decision must be referred by that body or person to the Council for decision, unless the decision is a matter of urgency, in which case the provisions in paragraph 4 (urgent decisions outside the Budget and Policy Framework) shall apply.

4. Urgent decisions contrary to or not wholly in accordance with the Budget or Policy Framework

- a. The Executive, a committee of the Executive, an individual Member of the Executive, Officer, or joint arrangements discharging Executive functions may take a decision which is contrary to the Council's Policy Framework or contrary to or not wholly in accordance with the Budget approved by full Council if the decision is a matter of urgency. However, the decision may only be taken:
 - if it is not practical to convene a quorate meeting of the full Council; and
 - if the chair of Overview and Scrutiny Management Committee agrees that the decision is a matter of urgency.

The reasons why it is not practical to convene a quorate meeting of full Council and the chair of Overview and Scrutiny Management Committee's consent to the decision being taken as a matter of urgency must be noted on the record of the decision. In the absence of the chair of Overview and Scrutiny Management Committee, the consent of the Lord Mayor, Sheriff or in all their absence, the Head of Paid Service will be sufficient.

- b. Following the decision, the decision taker will provide a full report to the next available Council meeting explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.

5. Virement

a. Budget “heads”

The Council shall have a number of service budget heads based upon the service and expenditure headings outlined in the CIPFA Service Reporting Code of Practice (SeRCOP) and grouped into portfolios as determined by Council in accordance with individual Cabinet Member responsibility. The ability to move budget allocations between these services or budget heads will be governed by the virement rules set out below.

b. Virement Rules

Net expenditure by the Executive, a Cabinet Member, officers or joint arrangements discharging Executive functions to implement Council policy shall not exceed those budgets allocated to each budget head. However:

- i. Chief Officers (defined for these purposes as the Chief Executive, Directors, Director of Governance, Legal & HR and the Executive Director: Corporate Services), in consultation with the Chief Financial Officer, shall be entitled to vire across budget heads where each individual virement does not exceed £200,000;
- ii. Chief Officers, in consultation with the Chief Financial Officer and Cabinet Member for the service, shall be entitled to vire across budget heads where each individual virement does not exceed £500,000;
- iii. the Cabinet shall be entitled to vire across budget heads where each individual virement does not exceed £2,000,000.

Beyond that limit, approval to any virement across budget heads shall require the approval of Full Council.

- c. In the event of a major incident, the Executive may draw up to £1 million from balances. “Major incident” shall be defined in the Council’s Major Incident Plan.

6. In-year changes to Policy Framework

The responsibility for agreeing the Budget and Policy Framework lies with the Council, and decisions by the Executive, a committee of the Executive, an individual Member of the Executive, Officer, or joint arrangements discharging Executive functions must be in line with it. No changes to any policy and strategy which make up the Policy Framework may be made by those bodies or individuals except those changes:

- a. which will result in the closure or discontinuance of a service or part of service to comply with a decision of the Council in respect of the Budget or Policy Framework;
- b. necessary to ensure compliance with the law, ministerial direction or government guidance;
- c. in relation to the Policy Framework in respect of a policy which would normally be agreed annually by the Council following consultation, but where the existing policy document is silent on the matter under consideration;

- d. which relate to policy in relation to schools, where the majority of school governing bodies agree with the proposed change; and
- e. which the Monitoring Officer and/or Executive Director: Corporate Services agree is, or if not made would not be, contrary to the Policy Framework, or contrary to or not wholly in accordance with the Council's Budget.

7. Call-in of decisions contrary to / not wholly in accordance with Policy Framework and / or Budget

- a. Where an Overview and Scrutiny Committee or Panel is of the opinion that an Executive decision is, or if made would be, contrary to the Policy Framework, or contrary to or not wholly in accordance with the Council's Budget, then it shall seek advice from the Monitoring Officer and/or Executive Director: Corporate Services.
- b. In respect of functions which are the responsibility of the Executive, the Monitoring Officer's report and/or Executive Director: Corporate Services officer's report shall be to the Executive with a copy to every Member of the Council. Regardless of whether the decision is delegated or not, the Executive must meet to decide what action to take and to prepare a report to Council in the event that the Monitoring Officer or the Executive Director: Corporate Services conclude that the decision was a departure, and to the relevant Overview and Scrutiny Committee if the Monitoring Officer or the Executive Director: Corporate Services conclude that the decision was not a departure.
- c. If the decision has yet to be made, or has been made but not yet implemented, and the advice from the Monitoring Officer and/or the Executive Director: Corporate Services is that the decision is or would be contrary to the Policy Framework or contrary to or not wholly in accordance with the Budget, the overview and scrutiny committee may refer the matter to Council. In such cases, no further action will be taken in respect of the decision or its implementation until the Council has met and considered the matter. The Council shall meet within ten clear days of the request by the Overview and Scrutiny Committee. At the meeting it will receive a report of the decision or proposals, a report from the relevant Overview and Scrutiny Committee and the advice of the Monitoring Officer and/or the Executive Director: Corporate Services. The Council may either:
 - i. endorse a decision or proposal of the Executive decision taker as falling within the existing Budget and Policy Framework. In this case no further action is required, save that the decision of the Council be minuted and circulated to all Councillors in the normal way; or
 - ii. amend the Council's financial regulations, Budget or policy concerned to encompass the decision or proposal of the body or individual responsible for that Executive function and agree to the decision with immediate effect. In this case, no further action is required save that the decision of the Council be minuted and circulated to all Councillors in the normal way; or
 - iii. where the Council accepts that the decision or proposal is contrary to the Policy Framework or contrary to or not wholly in accordance with the Budget, and does not amend the existing framework to accommodate it, require the Executive to reconsider the matter and take account of the advice of either the Monitoring Officer or Executive Director: Corporate Services. Such reconsideration shall take place in

accordance with the procedure laid down in the Overview and Scrutiny Procedure Rules in Part 4 of this Constitution.

- d. The Council must take one (or more) of the three decisions set out in paragraph 7(c) of these Rules before the end of its meeting. If the Council does not, then the Call-In Procedure in relation to that called-in decision will come to an end and the decision may then be implemented.
- e. The Monitoring Officer / Executive Director: Corporate Services may issue guidance as to the principles by which an Executive decision may be judged contrary and/or not wholly in accordance with the Budget / Policy Framework, and this guidance shall be made available publicly and to all Members of the Council.

Executive Procedure Rules

1. HOW DOES THE EXECUTIVE OPERATE?

1.1 Who may make Executive decisions?

The arrangements for the discharge of Executive functions may be set out in the Executive arrangements adopted by the Council. If they are not set out there, then the Leader may decide how and by who they are to be exercised. In either case, the arrangements or the Leader may provide for Executive functions to be discharged by:

- a. the Executive as a whole (the Cabinet);
- b. a committee of the Executive;
- c. an individual Member of the Executive;
- d. an officer;
- e. an area committee;
- f. joint arrangements; or
- g. another local authority.

1.2 Delegation by the Leader

At the annual meeting of the Council, the Leader will present to the Council a written scheme of delegations made by him/her for inclusion in the Council's Constitution. The document presented by the Leader will contain the following information about Executive functions in relation to the coming year:

- a. the names of the people appointed to the Executive by the Leader;
- b. the extent of any authority delegated to Members individually, including details of the limitation on their authority;
- c. the terms of reference and constitution of such Executive committees as the Leader appoints and the names of Cabinet Members appointed to them;
- d. the nature and extent of any delegation of Executive functions to area committees, any other authority or any joint arrangements and the names of those Cabinet Members appointed to any joint committee for the coming year; and
- e. the nature and extent of any delegation to Officer with details of any limitation on that delegation, and the title of the officer to whom the delegation is made.

1.3 Sub-delegation of Executive functions

- a. Where the Executive, a committee of the Executive or an individual Cabinet Member is responsible for an Executive function, they may delegate further to an area committee, joint arrangements or an officer.
- b. Unless the Council directs otherwise, if the Leader delegates functions to the Executive, then the Executive may delegate further to a committee of the Executive or to an officer.

- c. Unless the Leader directs otherwise, a committee of the Executive to whom functions have been delegated by the Leader may delegate further to an officer.
- d. Even where Executive functions have been delegated, that fact does not prevent the discharge of delegated functions by the person or body who delegated.

1.4 The Executive's Scheme of Delegation

- a. Subject to (b) below the Executive's Scheme of Delegation will be reported to Council and may only be amended in accordance with the Constitution. It will contain the details required in Article 7 and set out in Part 3 of this Constitution.
- b. The Leader may amend the scheme of delegation relating to Executive functions at any time during the year. To do so, the Leader must give written notice to the Director of Legal & Governance and to the person, body or committee concerned. The notice must set out the extent of the amendment to the scheme of delegation, and whether it entails the withdrawal of delegation from any person, body, committee or the Executive as a whole. Director of Legal & Governance will present a report to the next ordinary meeting of the Council setting out the changes made by the Leader.
- c. Where the Leader seeks to withdraw delegation from a committee, notice will be deemed to be served on that committee when they has served it on its chair.

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1.5 Conflicts of Interest

- a. Where the Leader has a conflict of interest this should be dealt with as set out in the Council's Code of Conduct for Members in Part 5 of this Constitution.
- b. If every Member of the Executive has a conflict of interest this should be dealt with as set out in the Council's Code of Conduct for Members in Part 5 of this Constitution.
- c. If the exercise of an Executive function has been delegated to a committee of the Executive, an individual Member or an officer, and should a conflict of interest arise, then the function will be exercised in the first instance by the person or body by whom the delegation was made and otherwise as set out in the Council's Code of Conduct for Members in Part 5 of this Constitution.
- d. Where a member has a disclosable pecuniary interest under the Localism Act 2011 or a personal and pecuniary interest under Part 4 of the Code of Council's Conduct for Members in any matter being discussed, then the member must declare that interest and withdraw from the room where the meeting is being held immediately after making representations, answering questions or giving evidence unless a dispensation to remain has been obtained from the Council's Governance Committee.
- e. Where, as a member of the Executive, you may discharge a function alone, and you become aware of a disclosable pecuniary interest under the Localism Act 2011 or a personal and pecuniary interest under part 4 of the Council's Code of Conduct for Members in a matter being dealt with, or to be dealt with, by you, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter, or seek improperly to influence a decision about the matter.

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1.6 Cabinet meetings – when and where?

The Cabinet will meet every month or at such other occasions as determined by the Leader. The time of Cabinet Meetings shall be as advised by the Leader. The Cabinet shall meet at the Council's main offices or another location to be agreed by the Leader.

1.7 Public or private meetings of the Cabinet?

The Access to Information Rules in Part 4 of this Constitution set out the minimum legal requirements covering public and private meetings. Alternative additional arrangements may be put in place as determined by the Leader in the interests of openness, accountability and transparency.

1.8 Quorum

The quorum for a Cabinet meeting, or a committee of it, shall be one quarter of the total number of Members of the Cabinet (including the Leader) or three including the Leader, whichever is the larger.

1.9 How are decisions to be taken by the Cabinet?

- a. Executive decisions which have been delegated to the Executive as a whole will be taken at a meeting convened in accordance with the Access to Information Rules in Part 4 of the Constitution.
- b. Where Executive decisions are delegated to a committee of the Executive, the rules applying to Executive decisions taken by them shall be the same as those applying to those taken by the Executive as a whole.

2. HOW ARE CABINET MEETINGS CONDUCTED?

2.1 Who presides?

If the Leader is present, ~~they~~ will preside at any meeting of the Cabinet. If the Leader is not present, ~~they~~ will appoint another person to do so. If no appointment has been made, the meeting will elect a Chair for that meeting.

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2.2 Who may attend?

These details are set out in the Access to Information Rules in Part 4 of this Constitution.

2.3 What business?

At each meeting of the Cabinet the following business shall, subject to the remaining provisions of this Article, be conducted:

- a. consideration of the record of decision and record of the last meeting;
- b. declarations of interest, if any;
- c. a statement from the Leader, if any;
- d. matters referred to the Cabinet (whether by an overview and scrutiny committee or by the Council) for reconsideration in accordance with the

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provisions contained in the Overview and Scrutiny Procedure Rules or the Budget and Policy Framework Procedure Rules set out in Part 4 of this Constitution;

- e. consideration of reports from overview and scrutiny committees;
- f. matters set out in the agenda for the meeting, and which shall indicate which are Key Decisions and which are not in accordance with the Access to Information Procedure rules set out in Part 4 of this Constitution; and
- g. matters for public consultation.

2.4 Consultation

All reports to the Cabinet from any Cabinet Member or an officer on proposals relating to the Budget and Policy Framework must contain details of the nature and extent of consultation with stakeholders and relevant overview and scrutiny committees, and the outcome of that consultation. Reports about other matters will set out the details and outcome of consultation as appropriate. The level of consultation required will be appropriate to the nature of the matter under consideration.

2.5 Who can put items on the Cabinet agenda?

The Leader will decide upon the schedule for the meetings of the Cabinet. They may put on the agenda of any Cabinet meeting any matter which they wish, whether or not authority has been delegated to the Cabinet, a committee of it or any Member or officer in respect of that matter. The Director of Legal & Governance will comply with the Leader's requests in this respect.

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In addition:

- a. Any Member of the Cabinet may require the Director of Legal & Governance to make sure that an item is placed on the agenda of the next available meeting of the Cabinet for consideration. If they receive such a request the Monitoring Officer Director of Legal & Governance will comply.
- b. The Director of Legal & Governance will make sure that an item is placed on the agenda of the next available meeting of the Cabinet where a relevant overview and scrutiny committee or the full Council have resolved that an item be considered by the Cabinet. However, there may only be up to three such items on any one agenda. In the event that there are more than three, any items not considered shall be rolled over to the next meeting.
- c. The Head of Paid Service, Monitoring Officer and/or the Chief Financial Officer may include an item for consideration on the agenda of a Cabinet meeting and may require the Director of Legal & Governance to call such a meeting in pursuance of their statutory duties. In other circumstances, where any two of the Head of Paid Service, Chief Financial Officer and Monitoring Officer are of the opinion that a meeting of the Cabinet needs to be called to consider a matter that requires a decision, they may jointly include an item on the agenda of a Cabinet meeting. If there is no meeting of the Cabinet soon enough to deal with the issue in question, then the person(s) entitled to include an item on the agenda may also require that a meeting be convened at which the matter will be considered.

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2.6 Form of Agenda

Whilst the Leader shall decide the general form and content of the agenda for Cabinet Meetings, the Head of Paid Service, Chief Financial Officer and Monitoring Officer shall all have the right to have matters or items considered which they consider are necessary and/or appropriate for the Council and/or Executive and in addition the Monitoring Officer Services or ~~their~~ nominee may prescribe certain matters that, as a matter of procedure, must appear on the agenda.

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Without prejudice to the Overview and Scrutiny Procedure Rules in so far as they relate to Call-In, no Executive decision (which is a Relevant Decision as defined in the Overview and Scrutiny Procedure Rules) shall be implemented until five clear days after the date of publication of the decision. This is without prejudice to the procedures for urgent decisions as set out in the Overview and Scrutiny Procedure Rules and Access to Information Procedure Rules.

The Executive Procedure Rules are the responsibility of the Leader and may be amended by the Leader following consultation with the Director of Legal & Governance in accordance with these Executive Procedure Rules.

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Overview and Scrutiny Procedure Rules

1. INTERPRETATION

For the purposes of the Overview and Scrutiny Procedure Rules:

“Call-In” means the review and scrutiny of a relevant decision in accordance with the procedure set out in paragraph 12 below;

“Call-In Procedure” means the review and scrutiny of a Relevant Decision in accordance with paragraph 10 by means of which a Requisitioner is able to require that an Overview and Scrutiny Management Committee or (where referred to full Council by Overview and Scrutiny Management Committee) the full Council is to consider whether to recommend that the decision in respect of which a Call-In Notice has been deposited is to be reconsidered by the relevant Decision-Maker. The expressions “Call-In”, “Called-In” and “Calling-In” shall be construed accordingly and shall refer to a Relevant Decision that has been or may be the subject of call-in.

“Call-In Notice Form” means a form to be completed to request Call-In of a Relevant Decision as may be approved by the Scrutiny Manager from time to time;

“Call-In Report” means the report considered by the Overview and Scrutiny Management Committee at its Call-In Meeting in the format the Scrutiny Manager directs from time to time.

“Called-In Decision” means a relevant decision in respect of which a Call-In Notice has been deposited with the Scrutiny Manager;

“Church Scrutiny Member” means one or both of the two persons who have been appointed as members of the Overview and Scrutiny Management Committee in accordance with Paragraph 7 of Schedule A1 to the 2000 Act;

“Contrary Decision” means a Key Decision in respect of Executive Functions that is—

- (a) contrary to any plan or strategy approved by the Full Council as part of the Policy Framework (or which is outside any limits of variation where this has been delegated as part of the approved plan); or
- (b) not wholly in accordance with the budget (or which is outside any limits of variation / virement where delegated as part of the Budget or where contained in Financial Procedure Rules).

“Decision Maker” means the Executive, committee of the Executive or individual Executive Member or Officer who took, or intends to take, a relevant decision;

“Final Disposal” of a Called-In Decision occurs in the following circumstances (and “finally disposed of” shall be construed accordingly) –

- (a) Where the Overview and Scrutiny Management Committee decides to act in accordance with paragraph 12.12.1 or 12.12.3 below; or
- (b) where it decides to act in accordance with paragraph 12.12.2, and thereby referring the question of reconsideration to full Council, a decision by full Council not to ask the Decision Maker to reconsider; or

- (c) where either the Overview and Scrutiny Management Committee or full Council decides to ask the Decision Maker to reconsider the called-in decision, a decision by the Decision Maker to either not do so, or to reconsider and take the same or another decision in relation to the subject matter of the called-in decision.

“Relevant Decision” means a decision made by the Executive, either individually or collectively, which has not yet been implemented OR a key decision made by officers under delegated powers, which has not yet been implemented;

“Request for Attendance Notice” means, following a resolution of a Scrutiny Body, a request made in writing for the attendance of an Executive Member and/or any Officer before it;

“Parent Scrutiny Member” means one or both of the two elected parent governor representatives appointed as members of the Overview and Scrutiny Management Committee in accordance with Paragraph 7 of Schedule 1 to the 2000 Act;

“Scheduled Meeting” means a meeting in a programme or calendar of meetings approved in advance by the body in question;

“Scrutiny Body” means, unless otherwise stated, Overview and Scrutiny Management Committee and the Scrutiny Panels;

“Scrutiny Member” means a person appointed as a member of a Scrutiny Body, whether a Councillor or a person who is not a Councillor, and (unless otherwise indicated) includes a Church or Parent Scrutiny Member;

“Scrutiny Panel” means a Standing Scrutiny Panel, Special Scrutiny Panel or Scrutiny Commission. These bodies shall be deemed to be “overview and scrutiny committees” for the purposes of Part 1A Section 9 of the 2000 Act;

“Scrutiny Programme” means the programme of individual inquiries/reviews to be undertaken by the Scrutiny Panels approved in advance by the Overview and Scrutiny Management Committee;

“Scrutiny Request Form” means a form approved by the from time to time for the purpose of an item to be placed on the agenda of the Scrutiny Body;

“Statutory overview and scrutiny functions” means the following –

- to review or scrutinise decisions made, or other action taken in connection with the discharge of any functions which are the responsibility of the executive;
- to make reports or recommendations to the authority or the executive with respect to the discharge of any functions which are the responsibility of the executive;
- to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are not the responsibility of the executive;
- to make reports or recommendations to the authority or the executive with respect to the discharge of any functions which are not the responsibility of the executive;
- to make reports or recommendations to the authority or the executive on matters which affect the authority’s area or the inhabitants of that area;

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- to review and scrutinise, in accordance with regulations under section 244 of the National Health Service Act 2006, matters relating to the health service (within the meaning given by that Act as extended by that section) in the authority's area;
- to make reports and recommendations on such matters in accordance with the regulations under section 244 of the National Health Service Act 2006;
- to, under section 19 of the Police and Justice Act 2006, review or scrutinise decisions made or other action taken in connection with the discharge by the responsible authorities of their crime and disorder functions;
- to review or scrutinise a decision made but not implemented includes power:
 - to recommend that the decision be reconsidered by the person who made it, or
 - to arrange for its function under subsection (2)(a), so far as it relates to the decision, to be exercised by the authority.

2. OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

2.1 The Council will ensure that it establishes committees and sub-committees that between them will undertake the statutory overview and scrutiny functions, as consolidated in Part 1A Section 9 of the 2000 Act, the Police and Justice Act 2006 and the Health and Social Care Act 2012.

2.2 The Council will appoint a committee, called "the Overview and Scrutiny Management Committee" (OSM Committee), the purposes and terms of reference of which will be to arrange for the undertaking of the statutory overview and scrutiny functions in accordance with this Article. In particular OSM Committee will –

2.2.1 Set the framework:

- Approve a framework for the effective discharge by the Council of the statutory overview and scrutiny function by itself and its Scrutiny Panels ;
- With the exception of matters within the remit of the Health Overview and Scrutiny Panel, prepare a Scrutiny Programme of individual inquiries or reviews to be undertaken by the Scrutiny Panels; including the areas, issues and subjects to be covered, over the forthcoming municipal year;
- Appoint such sub-committees as it considers appropriate to fulfill the overview and scrutiny functions on behalf of the Council;
- Where matters fall within the remit of more than 1 overview and scrutiny sub-committee, determine which of those sub-committees will assume responsibility for any particular issue and to resolve any issues of dispute of panels.

2.2.2 Responsibility for individual inquiries / reviews:

- In accordance with the approved Scrutiny Programme, commission the Scrutiny Panels to undertake individual inquiries or reviews and to receive reports of Panels' findings and recommendations;
- Manage, monitor and review the work of Panels in undertaking individual reviews/investigations.

2.2.3 Call-in

Overview and Scrutiny Management Committee shall exercise the call-in function as set out in paragraph 12.

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2.2.4 Manage the receipt of requests and reports:

Receive requests from the Executive, full Council or other appropriate body for reports from overview and scrutiny committees and allocate them, if appropriate, to the appropriate overview and scrutiny panels.

2.2.5 Scrutiny rules and procedures:

Make and approve the detailed arrangements for the discharge of its own and the Panels' statutory functions having regard to statutory guidance issued by the Secretary of State, including the approval and promotion of rules, procedures, protocols, conventions, guidance and best practice, and all matters relating to the establishment and conduct of reviews / investigations by Scrutiny Panels;

2.2.6 Finance:

Have overall responsibility for the finances made available to discharge the Overview and Scrutiny function.

2.2.7 Annual Report:

Report annually to full Council on its Overview and Scrutiny function, operation and effectiveness and make recommendations for future work programmes and amended working methods if appropriate.

- 2.3 Full Council shall appoint the members of OSM Committee and may (but does not have to) appoint its Chair and Vice-Chair. If it does not do so, then OSM Committee may appoint its own. Full Council may also (but does not have to) appoint and fill any vacancy that occurs in OSM Committee's membership from time to time; if it does not do so, then OSM Committee may itself fill a vacancy. These powers apply irrespective of whether the person or vacancy involved is a Councillor, and whether the vacancy arises in relation to membership or the chair- or vice-chairship.

3. TYPES OF SCRUTINY PANELS, MEMBERSHIP ETC

- 3.1 OSM Committee shall appoint the sub-committees called "Scrutiny Panels".
- 3.2 The Scrutiny Panels will undertake their reviews, investigations and hearings during the year in accordance with the approved Scrutiny Programme and statutory overview and scrutiny functions.

3.3 Special Scrutiny Panels and Scrutiny Commissions:

- 3.3.1 As and when required during the Municipal Year OSM Committee may appoint one or more sub-committees (called "Special Scrutiny Panels" or "Scrutiny Commissions") to undertake ad hoc reviews / investigations into particular issues or areas. These bodies will normally be wound-up when they have presented a report of their final recommendations and findings to OSM Committee.
- 3.3.2 OSM Committee shall approve, and may vary, the individual terms of reference and areas of responsibility of any Scrutiny Panel appointed by it from time to time.

3.4 Membership

- 3.4.1 No person who is a member of the Executive shall be appointed a member of a Scrutiny Body. In order to maintain public confidence and to increase the effectiveness of the scrutiny function, there will be a clear “firebreak” period between a person ceasing to be a member of the Executive and then becoming involved in the scrutiny function.
- 3.4.2 Generally speaking, a former Executive Councillor or any other Councillor appointed by them (formally or informally) to substantially support their role within their portfolio area may not be appointed as a member of OSM Committee or any of its Panels for a period of six months starting on the date they ceased to be a member of the Executive. This will not apply if –
- there is a change in political control on Full Council, and a former Executive Councillor to whom the bar would otherwise apply becomes a member of the Opposition because his/her group no longer forms the administration; or
 - ~~they change political group or resigns their group membership; or~~
 - Full Council resolves otherwise.

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The firebreak period may only be waived by Full Council where those three limited circumstances do not apply. As a safeguard, Council Procedure Rule 13.1 (a) will apply to a motion before Full Council to do so.

For the avoidance of doubt “substantial support” shall be deemed to mean the provision of advice and assistance to the Executive or an Executive Member in relation to the whole range of portfolio functions. A Member who provides advice and assistance in relation to an Executive or single portfolio issue at any given time shall not be deemed to be providing substantial support for the purpose of this section but must have regard to paragraph 3.1.8 regarding “Conflicts of Interest”.

- 3.4.3 The Scrutiny Panels are sub-committees of OSM Committee, appointed under Section 102(1) of the 1972 Act and Section 21(6) of the 2000 Act. Section 15 of the Local Government and Housing Act 1989 (duty to allocate seats to political groups) shall apply to all Scrutiny Bodies. OSM Committee shall appoint their membership (both Councillors and non-councillors) in accordance with the requirements of that Act, although full Council may unanimously dis-apply the proportionality rules.
- 3.4.4 OSM Committee may appoint the Chair(s) and Vice-Chair(s) of the Scrutiny Panels following consultation with the group leaders and to reflect (as far as possible) the political proportionality of the Council. If it does not do so, then each Scrutiny Panel may appoint its own chair. OSM Committee may also (but does not have to) appoint and fill any vacancy that occurs in a Panel’s membership from time to time; if it does not do so, then the Scrutiny Panels may themselves fill a vacancy. These powers apply irrespective of whether the person or vacancy involved is a Councillor, and whether the vacancy arises in relation to membership or the Chair- or Vice-Chairship.
- 3.4.5 Any Member who is appointed to a Scrutiny Committee or Panel who has provided support, advice or assistance to the Executive or member of the Executive in relation to a particular Executive or Portfolio issue, must declare a conflict of interest and withdraw from the Scrutiny of that particular issue.

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3.5 Church and Parent Representatives

- 3.5.1 OSM Committee and its Panels can include people who are not Councillors, although, with the exception of the Church and Parent Representatives sitting on Overview and Scrutiny Management Committee or Panels dealing wholly or partly with the Council's education functions, they are barred from voting by Section 21(10) of the 2000 Act.
- 3.5.2 Under Regulations and the 2000 Act, the Church and Parent Representatives should also normally be invited to sit on Panels involving educational matters. They are eligible to chair OSM Committee and its Panels. Where a Panel chaired by a Church or Parent Representative deals with other (non-LEA) functions, a Councillor must take over the Chair when non-education matters are being discussed so as to allow the Chair a casting vote if necessary.
- 3.5.3 the Church and Parent Representatives have the same rights of access to information, as well as duties to declare interests and so on. Such representatives also have special individual powers of Call-In as detailed at paragraph 12.5.3.

4. GENERAL ROLE OF SCRUTINY PANELS

- 4.1 The Scrutiny Panels will undertake the reviews, inquiries and hearings necessary for the discharge of the statutory overview and scrutiny function –
- within each Panel's approved terms of reference;
 - in accordance with the approved Scrutiny Programme; and
 - in accordance with any rules or protocols approved by OSM Committee, any rules or protocols issued by the and any statutory guidance issued by the Secretary of State.

5. PARTICULAR ROLE OF SCRUTINY PANELS

- 5.1 All Scrutiny Panels may, in undertaking inquiries, perform the following tasks:

5.1.1 Policy development and review:

- assist the Council and the Executive in the development of its Budget and Policy Framework by in-depth analysis of policy issues;
- conduct research, community and other consultation in the analysis of policy issues and possible options;
- consider and implement mechanisms to encourage and enhance community participation in the development of policy options;
- question Members of the Executive and/or committees and senior officers about issues and proposals affecting the area;
- liaise with partners and other external organisations operating in the area, whether national, regional or local, to ensure that the interests of local people are enhanced by collaborative working;
- engage in effective and regular consultation and communication with the Executive and other members of the local authority during the development of plans and strategies which need the agreement of partner organisations;
- be involved in the consideration of any topic of wider concern;

- review and scrutinise decisions made by and performance of the Executive and/or committees and Chief Officer both in relation to individual decisions and over time;
- review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas;
- question Members of the Executive and/or committees and Chief Officers about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects;
- make recommendations to the Executive and/or appropriate committee and/or Council arising from the outcome of the scrutiny process;
- review and scrutinise the performance of other public bodies in the area and invite reports from them by requesting them to address the Scrutiny Body and local people about their activities and performance;
- question and gather evidence from any person who is not an Executive Member or Officer;
- receive reports from internal and external auditors where considered appropriate by the Monitoring Officer or Chief Financial Officer;
- make recommendations to the Executive and/or appropriate committee and/or Council arising from the outcome of the inquiry process.

6. RULES FOR THE OVERVIEW AND SCRUTINY FUNCTION AND INDIVIDUAL INQUIRIES ETC

Scrutiny Panels will conduct their proceedings in accordance with “The Overview and Scrutiny Procedure Rules and Handbook” approved by OSM Committee from time to time.

7. EXECUTIVE’S RESPONSE TO REVIEWS AND INQUIRIES

7.1 Within two months after the date that OSM Committee considers a Panel's final report, the Executive shall consider that report and will submit its response to its findings as soon as possible thereafter (but not later than two months or such other time period indicated by Cabinet after consultation with the Chair and Vice-Chair of the Panel where it is unreasonable to comply with the two month requirement) to either that Committee or to full Council. This requirement may be waived by OSM Committee and shall not apply to the Call-In of a decision.

8. RIGHTS OF SCRUTINY MEMBERS TO HAVE MATTERS PUT ON THE AGENDA OF OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

8.1 In accordance with Part 1A Section 9FC of the 2000 Act, every Scrutiny Member has the right to ensure that any matter which is relevant to the functions of the Scrutiny Body of which ~~they are~~, a member is included in the agenda for a meeting of Overview and Scrutiny Management Committee if a request is made in accordance with the procedure set out in the Council Procedure Rules paragraphs 26.5 and 26.6 (urgent requests) subject to paragraph 12 below.

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8.2 A Scrutiny Member may not make a request under this paragraph in relation to –

8.2.1 a Scrutiny Body of which he or she is not a member; or

8.2.2 the Call-In of a relevant decision made but not implemented, which shall be exclusively governed by the procedures set out in paragraph 12 below or any matter concerning or connected with the Call-In Procedure.

Deleted: May 2023

- 8.3 The Scrutiny Member shall deposit their request in writing with the by satisfactorily completing the Scrutiny Request Form and stating which Scrutiny Body the matter is to be considered at.
- 8.4 Where the Scrutiny Request Form is deposited at least twelve clear days before the date of the next scheduled meeting of Overview and Scrutiny Management Committee, an item and copy of the Form shall be included on the agenda dispatched for that meeting.
- 8.5 Where the Scrutiny Request Form is deposited less than twelve clear days before the date of the next scheduled meeting of Overview and Scrutiny Management Committee, an item and copy of the form shall be included on the agenda dispatched for the first meeting following the next scheduled meeting after the form was deposited.
- 8.6 Overview and Scrutiny Management Committee shall discuss the request at the meeting at which the matter is included on the agenda.

9. RIGHTS OF MEMBERS TO HAVE MATTERS PUT ON THE AGENDA

- 9.1 All Members shall have all rights as given to them by the law in respect of enabling any Member of the authority to refer, where lawfully required, obliged or empowered, a matter to the Overview and Scrutiny function of the Council. In particular (but without prejudice to any other rights) these rights to refer such matters shall include those rights contained within Part 1A Section 9 Local Government Act 2000 (as amended).
- 9.2 Full Council (by resolution), the Executive, the Monitoring Officer, the Chief Financial Officer and the Head of Paid Service or any five ordinary members of the Council having signed a resolution to that effect, have the right to request that any matter is included on the agenda for consideration at a meeting of the relevant Scrutiny Body. Such request shall be passed to the OSM Committee for it to consider at its next meeting. If the OSM Committee decides that its inclusion on the agenda is not appropriate, then a report will be brought to the next Full Council Meeting for adjudication.

10. POWERS TO REQUEST AND REQUIRE ATTENDANCE AT MEETINGS

- 10.1 It is expected that a preliminary request for the attendance of an Executive Member and/or any officer before a Scrutiny Body is to be treated with good faith by all parties and an appearance is to be made unless there exists good reason. However, in the event of non-attendance every Scrutiny Body may by resolution require the attendance of an Executive Member and/or any officer before it in order to answer questions. It shall be the duty of those persons to comply with a request made in accordance with this paragraph. The Request for Attendance Notice shall be in writing, signed by the Chair and shall state the date, time and venue of the meeting the person is to attend, and give general details of the matters about which they are to be questioned. The Notice shall be served on the person to whom it is addressed and copied to the . Until such as resolution is passed and a Notice is served there is no duty on the person concerned to attend. Failure to attend in breach of a Notice shall be a breach of standards and may be reported to the Governance Committee where an Executive Member or to the Chief Executive, where an officer.

Deleted: May 2023

10.2 Every Scrutiny Body may by resolution require any Executive Member or Officer attending before it to answer any questions put to them by members of that body. But no-one shall be obliged to answer any question which they would be entitled to refuse to answer in or for the purposes of proceedings in a court in England and Wales. Failure to answer a question without good reason may be a breach of the Council's Code of Conduct or the Council's Disciplinary Rules and Procedures and shall be reported to the and Chief Executive.

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10.3 Every Scrutiny Body may request (but not require) the attendance before it of persons who are not Executive Members or officers to answer questions.

11. INVOLVEMENT OF SCRUTINY BODY CHAIRS IN THE TAKING OF KEY DECISIONS

11.1 Under the following regulations of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 references are made to "the chairman of every relevant overview and scrutiny committee" for particular purposes. This paragraph 11.1 sets out how those regulations operate in the context of the Council's Executive Arrangements involving overview and scrutiny. Such a reference in

- Regulation 5(6) (Procedures Prior to Private Meetings) and
- Regulation 10(1)(a) (General Exceptions)

is to be deemed to refer to the chair of OSM Committee within whose terms of reference the Key Decision in question falls.

11.2 The supply of a copy of the report mentioned in those regulations to the chair of OSM Committee (or if he or she is unable to act, the supply to the vice-chair) shall be deemed to comply with the Regulations.

11.3 Under Regulation 11 (Cases of Special Urgency) the agreement of certain people is required to allow a Key Decision to be taken in urgent circumstances. This paragraph 11.3 sets out who those people are in order of precedence. For the purposes of sub-paragraphs (a) to (c) of regulation 11 the agreement of the following is required to enable a Key Decision to be taken where compliance with regulation 10 is impractical –

- the Chair of Overview and Scrutiny Management Committee ; or
- if they are unable to act or none at the time is appointed, the Lord Mayor; or
- the Sheriff if the Lord Mayor is unable to act or none at the time is appointed.

11.4 For the avoidance of doubt only the persons mentioned above can give a valid agreement and only provided that the order of precedence is adhered to.

12. PROCEDURE FOR CALL-IN OF RELEVANT DECISIONS

12.1 The powers of referral and reconsideration under Part 1A Section 9(F) of the 2000 Act shall be governed by the procedures set out in this paragraph 12.

12.2 The Call-In Procedure shall only apply to Relevant Decisions that have been made but not implemented at the date of deposit of the Call-In Notice referred to below.

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12.3 The Call-In Procedure shall not apply to –

- 12.3.1 a Relevant Decision where the Chair of Overview and Scrutiny Management Committee (or other person in accordance with paragraph 11.3 above) has agreed that the particular matter is urgent and the taking of the decision cannot be reasonably deferred; or
- 12.3.2 a Relevant Decision where the same or substantially the same decision has already been called-in under this procedure. In the event of any dispute, the OSM Committee remains the final arbitrator; or
- 12.3.3 any hearing or allegation of misconduct being considered by the Governance Committee; or
- 12.3.4 decisions of the Cabinet to recommend a proposal vis-à-vis the Policy Framework or Budget
- 12.3.5 decisions made by specialist committees where an appeals procedure already exists, ie decisions made in respect of Development Control, Licensing, consents and other permissions where an appeals procedure already exists.

Relevant Committee for Call-In

- 12.4 For the avoidance of doubt a Relevant Decision that is called-in may only be referred to Overview and Scrutiny Management Committee.
- 12.5 In accordance with section 9(f) of the 2000 Act the following (and only the following) people may invoke the Call-In Procedure (“Requisitioners”) –
 - 12.5.1 The Chair of Overview and Scrutiny Management Committee, acting singly; or
 - 12.5.2 Any two members of Overview and Scrutiny Management Committee, acting together; or
 - 12.5.3 Any two of the Church and/or Parent Scrutiny Members, acting together, but only in respect of the Council’s functions as a local education authority.

Deposit of Call-In Notice

- 12.6 A Requisitioner may only invoke the Call-In Procedure by depositing a Call-In Notice with the Scrutiny Manager within five clear days after the date of publication of the decision.
- 12.7 The Scrutiny Manager will consider Notices received and will, on satisfaction of the criteria in paragraph 12.5 and having regard to guidelines agreed by OSM Committee from time to time included in the Overview and Scrutiny Handbook, exercise the Call-In of the decision.

Date of Call-In meeting

- 12.8 A Called-In decision shall be referred to a meeting of Overview and Scrutiny Management Committee. Where the Call-In Notice has been validly deposited–
 - 12.8.1 Where not more than 10 clear days would elapse between the date the Call-In Notice was deposited and the date of the next scheduled meeting of Overview and Scrutiny Management Committee, then that (next) scheduled meeting will consider the matter;
 - 12.8.2 Where more than 10 clear days would elapse between the date the Call-In Notice was deposited and the next scheduled Overview and Scrutiny

Deleted: May 2023

Management Committee meeting, then the Chair shall call a special meeting of Overview and Scrutiny Management Committee under Council Procedure Rule 24 to be held not later than 10 clear days after the date of deposit of the Call-In Notice to consider it.

- 12.9 When a Called-In Decision is referred to Overview and Scrutiny Management Committee the Scrutiny Manager shall arrange for a Call-In Report to be included on or added to the agenda for the meeting. The Call-In Report will be in such format as he or she directs from time to time. It shall however include:
- A copy of the relevant report published for the Decision Making Meeting at which the called-in decision was made;
 - A copy of the written record of the decision taken;
 - A copy of the Call-In Notice;
- 12.10 If the agenda for the Overview and Scrutiny Management Committee meeting has been published, the Call-In Report shall be treated by the Chair as a "late urgent item" and will added to the published agenda for the meeting and discussed by it.
- 12.11 When Overview and Scrutiny Management Committee or Full Council considers the Call-In Report, the relevant Decision Maker must attend the meeting, may make an oral or written statement and, may be questioned by its members. Where the Decision Maker was the whole Executive the Executive Members within whose portfolio the relevant decision falls may attend. The body considering the report may also hear from or question such other people as it thinks appropriate.
- 12.12 When considering a Call-In Report, Overview and Scrutiny Management Committee must resolve to do one of the following things –
- 12.12.1 to resolve that the Called-In Decision be reconsidered by the person who made it, with Overview and Scrutiny Management Committee giving its reasons for doing so; or
- 12.12.2 where it is the initial view of Overview and Scrutiny Management Committee that a decision may be a Contrary Decision, to follow the procedure laid down in paragraph 7 of the Budget and Policy Framework Procedure Rules; or,
- 12.12.3 to resolve to inform the Decision Maker that Overview and Scrutiny Management Committee will not ask that the called-in decision be reconsidered, giving its reasons for doing so.
- 12.13 Overview and Scrutiny Management Committee must take one of the three decisions set out in paragraph 12.12 above and must do so before the end of the meeting. If Overview and Scrutiny Management Committee does not do so then the Call-In Procedure in relation to that Called-In decision will come to an end and the decision may then be implemented. In addition, Overview and Scrutiny Management Committee may also make additional comments or recommendations arising from its consideration of the call-in provided there is no conflict between that and Overview and Scrutiny Management Committee's statutory requirements under the Local Government Act 2000 and its responsibilities under this Constitution.

Reconsideration of decision by Decision-Maker

- 12.14 Where Overview and Scrutiny Management Committee or Full Council has resolved to recommend to the Decision Maker that they reconsider their decision, they/he shall

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do so at that Decision Maker's next scheduled Decision-Making Meeting. At that meeting the Decision Maker shall consider a copy of the Call-In Report, the advice of the / Chief Financial Officer and any resolution or reasons of Overview and Scrutiny Management Committee or Full Council when they considered the matter.

12.15 At that meeting the Decision Maker will decide –

12.15.1 to keep to their original decision; or

12.15.2 reconsider taking their decision. If so, they may, in the light of any circumstances that have changed since then, make any decision they could have made when they original considered the Key Decision in question or decide not to take a decision.

12.16 After that meeting the Decision Maker shall report to the next Overview and Scrutiny Management Committee meeting, the decision taken and the reasons for it.

12.17 Any decision taken by the Decision-Maker in respect of a Called-In Decision, shall comply with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Call-In Notice

12.18 The Call-In Procedure shall not apply to any decision unless and until a Call-in notice has been validly deposited with the Scrutiny Manager under paragraphs 12.6 and 12.7 above. The Call-In Notice shall be in such form as may be approved by the Scrutiny Manager from time to time for that purpose. It shall however require the Requisitioner(s) to state their reasons for wishing to Call-In the decision. The Scrutiny Manager may reject a Notice that has not been completed satisfactorily. Where two or more persons of the same category are required to act together under paragraph 12.5, they must both sign the Call-In Notice.

Withdrawal of Call-In Notice

12.19 A deposited Call-In Notice may be withdrawn (subject to the next paragraph) at any time before Overview and Scrutiny Management Committee considers the called-in decision. Withdrawal shall be by written notice deposited with the Scrutiny Manager signed by all those who signed the Call-In Notice. If withdrawn the Scrutiny Manager and relevant Head of Service shall then prepare a report on the circumstances of the withdrawal for inclusion on the agenda for the next scheduled meeting of Overview and Scrutiny Management Committee. This report shall include details of any delay or financial consequences caused by the decision to call-in the decision.

12.20 Once Overview and Scrutiny Management Committee decides to refer a called-in contrary decision to Full Council, the Call-In Notice may not be withdrawn under any circumstances.

Notification of Call-In to others

12.21 It is important to prevent a called-in decision being inadvertently implemented. As soon as possible after depositing the Call-In Notice the Scrutiny Manager shall supply copies of the Notice to the relevant Executive Member and Head of Service. Although a failure to do so will not invalidate the Call-In of the relevant decision, a failure to take reasonable steps to supply them with copies of the Notice shall be regarded as a breach of standards and may be referred to the Standards Committee.

Prevention of implementation

- 12.22 As soon as the relevant Service Director and/or Executive Member become aware (by whatever means) that a Call-In Notice has been deposited, they shall take all reasonable steps to ensure that the called-in decision is not implemented until the matter has been finally disposed of, or the relevant Call-In Notice withdrawn.
- 12.23 During that period the Executive nor any individual Executive Member or officer may not take a decision, whether or not a key decision and whether or not included in the Forward Plan or concerning the same or a different subject, which has the effect of, or is likely to, substantially prejudicing, limiting or preventing the proper consideration of the Called-In decision by Overview and Scrutiny Management Committee or Full Council, or the proper and effective reconsideration of the called-in decision by the person who took it. The Chair of Overview and Scrutiny Management Committee may require that the Scrutiny Manager prepares a report for inclusion on the agenda for the next scheduled meeting of Overview and Scrutiny Management Committee, explaining the circumstances in which any such decisions, or alleged decisions, were taken. Overview and Scrutiny Management Committee may direct that this report is considered by Full Council.

Implementation of a Called-In decision

- 12.24 Neither the:
- 12.24.1 implementation of a Called-In decision prior to its final disposal or the withdrawal of the relevant Call-In Notice, nor
 - 12.24.2 the taking of a decision of the type referred to in paragraph 12.20 above during that period,
- shall of itself invalidate the legality of any such decision(s) or its implementation nor shall it render any resulting act, omission or other conduct by a Member, officer or other person (third party) unlawful.
- 12.25 However, a failure to take reasonable steps to prevent such a decision being taken or implemented shall be regarded as a breach of standards and may be referred to the Governance Committee, if a Member, or to the Chief Executive if an officer.
- 12.26 If a Called-In decision is implemented prior to its final disposal or the withdrawal of the Call-In Notice, then the Call-In under this procedure and its referral to Overview and Scrutiny Management Committee or Full Council (as the case may be) shall come to an end. Where this happens, the procedure set out below will apply:
- 12.26.1 The relevant Executive Member shall as soon as possible inform Overview and Scrutiny Management Committee or full Council that the called-in decision has been implemented.
 - 12.26.2 The Scrutiny Manager and relevant Head of Service shall then prepare a report for inclusion on the agenda for the next scheduled meeting of Overview and Scrutiny Management Committee, explaining the circumstances in which the Called-In decision was implemented. Overview and Scrutiny Management Committee may direct that this report is considered by Full Council.
 - 12.26.3 Overview and Scrutiny Management Committee may decide to refer the matter to the Governance Committee and/or Chief Executive.

Bar on reconsideration during Call-In

12.27 During the period before a Called-In decision has been finally disposed of, or the relevant Call-In Notice withdrawn, the Decision Maker may not reconsider the called-in decision or take another decision on the same subject matter unless the Chair of Overview and Scrutiny Management Committee gives their agreement.

Consolidation of different Call-Ins

12.28 Where it would be convenient, and following consultation with the Chair of Overview and Scrutiny Management Committee, the Scrutiny Manager may direct that two or more Call-ins shall be referred to a particular meeting or series of meetings of a single Standing Scrutiny Panel specified or a Standing Scrutiny Panel may consider more than one Called-In decision at the same meeting.

Half-yearly reports to Council on use of Call-In

12.29 In July and March each municipal year Full Council will consider a report from the Scrutiny Manager concerning the numbers, types, outcomes and general use of the Call-In Procedure since the last such report.

Abuse of Call-In Procedure

12.30 Call-In Procedures must not be abused or used unduly to delay decisions or slow down the process of decision making. In particular, the Executive will, from time to time, need to take decisions which need to be implemented quickly (paragraph 11.3) In all other instances Call-In must be in accordance with paragraph 12.

FINANCIAL PROCEDURE RULES CONTENTS

A: Financial Management	4
Financial Accountabilities in relation to the Scheme of Revenue Virement (including HRA).....	4
Financial Accountabilities in Relation to the Treatment of Year-end Balances.....	5
Financial Accountabilities in Relation to Accounting Policies	7
Financial Accountabilities in relation to Accounting Records and Returns	8
Financial Accountabilities in relation to the Annual Statement of Accounts.....	8
B: Financial Planning	9
Format of the Budget	10
Revenue Budget Preparation, Monitoring and Control.....	10
Maintenance of Reserves and Balances.....	11
Capital Programme Management (General Fund and Housing Revenue Account (HRA))	11
Table 1 – Capital Approvals	15
C: Risk Management and Control of Resources	16
Risk Management	16
Internal Control	16
Audit Requirements – Internal Audit	17
Audit Requirements – External Audit	17
Preventing Fraud and Corruption.....	18
Assets – Security	18
Assets – Disposal	20
Treasury Management.....	20
D: Systems and Procedures	21
General	21
Income	22
Ordering and Paying for Work, Goods and Services.....	24
Payments to Employees and Members.....	26
Taxation	28

Quasi Commercial operations	28
E: External Arrangements	29
Partnerships	29
External Funding	29
Work for Third Parties	30
Appendix 1 – Capital Review GroupStrategic Capital Board – Terms of Reference	32
Appendix 2 – Change Authority Board – Terms of Reference	34
Appendix 3 – Scheme Approval Process	38
Appendix 4 – Decision Pathway For Capital Approvals	40
Appendix 5 – Timeline For Capital Approvals (General Fund And HRA).....	Error!
Bookmark not defined.	
Appendix 6 – Glossary of Terms and Acronyms	42

FINANCIAL PROCEDURE RULES

The Financial Procedure Rules consist of and should be interpreted as the Council's Financial Regulations.

1. STATUS OF FINANCIAL PROCEDURE RULES

1.1 The Council's Financial Procedure Rules provide the framework for managing the authority's financial affairs. They apply to every Member and Officer of the authority and anyone acting on its behalf and compliance with these rules is mandatory. These rules must be read in conjunction with the whole of the Constitution and any other Council Standards.

1.2 The rules identify the financial responsibilities of Full Council, Cabinet, Members and Officers. Chief Officers are defined for the purpose of these rules as the Chief Executive Officer (CEO), Monitoring Officer, Chief Financial Officer (CFO) and Executive Directors. All Members and Officers 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.

4.21.3 Deliberate disregard of the Financial Procedure Rules will be seen as misconduct and dealt with accordingly through the disciplinary procedure.

4.31.4 The CFO is responsible for maintaining a continuous review of the Financial Procedure Rules and may, where ~~they~~ ~~he or she~~ consider it necessary, issue revisions during the year. Where the CFO considers the revisions to be significant and material additions or changes, these will be reported to Full Council for noting and/or approval. The CFO is also responsible for reporting, where appropriate, any breach of the Financial Procedure Rules to Full Council and/or to Cabinet. It should be noted that the CFO and S151 Officer is the Executive Director for Finance and Commercialisation. Any reference to CFO within these Financial Procedure Rules should be read as referring to that officer.

4.41.5 To underpin the Financial Procedure Rules, the CFO is responsible for issuing any relevant advice and guidance that Members, Officers and others acting on behalf of the authority are required to follow. Such advice and guidance will be reviewed, and amended as necessary, by the CFO.

4.51.6 Chief Officers are responsible for ensuring that all staff in their departments are aware of the existence and content of the authority's Financial Procedure Rules and other internal regulatory documents and that they comply with them. An electronic copy can be found on the Council's [website](#).

4.61.7 If it is felt to be in the wider interests of the Council, if an urgent decision is required that either:

- Falls outside of the defined process or limits within Financial Regulations or Financial Procedure Rules, or
- Is within the limits of the Financial Regulations or Financial Procedure Rules but due to reasons of urgency the rules cannot be applied as set out

the urgent decision can be made by the CFO, in consultation with the Cabinet Member responsible for Finance ~~and Capital Assets~~, the Leader, relevant portfolio holder and Executive Director for the service impacted by the decision. This is subject to it being reported at the next appropriate decision-making meeting.

A record of any authorised exceptions will be kept by the Chief Internal Auditor to assist the S151 Officer in determining if any amendments need to be made to these rules.

A: FINANCIAL MANAGEMENT

Responsibilities of the CFO

- A.1 To ensure the proper administration of the financial affairs of the authority.
- A.2 To monitor compliance with the Financial Procedure Rules.
- A.3 To ensure proper professional practices are adhered to and to act as head of profession in relation to the standards, performance and development of finance staff throughout the authority.
- A.4 To advise on the key strategic controls necessary to secure sound financial management.
- A.5 To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.

Responsibilities of Chief Officers

- A.6 To ~~promote~~ ensure that all staff in their area are aware of the Financial Procedure Rules in their departments and to monitor adherence to the standards and practices, liaising as necessary with the CFO.
- A.7 To ~~promote~~ ensure there are sound financial practices in relation to the standards, performance and development of staff in their departments.

Financial Accountabilities in relation to the Scheme of Revenue Virement (including

HRA)

Explanatory Note

The overall budget is agreed by Cabinet and approved by Full Council. Following this approval Chief Officers and budget holders are authorised to incur net expenditure in accordance with the estimates that make up the budget for the current financial year. The rules below cover virements, or the switching of resources between approved estimates, heads of expenditure and income.

What is a Virement?

A virement is the:

'planned transfer of a budget for use in a different purpose to that originally intended'.

A virement does not create additional overall budget liability. It changes the purpose for which the budget will be used compared to that originally planned. The use of virements is intended to enable services to manage budgets with a degree of flexibility while at the same time ensuring that these remain consistent with the overall policy framework determined by the Council.

Chief Officers are expected to exercise their discretion in managing their budgets responsibly and prudently, within any agreed restrictions on spending. They should avoid supporting recurring expenditure from virements against one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources.

Chief Officers must plan to fund such commitments from within their own budgets having regard to the overall forecast outturn for the service, and the Council. Any budget provided by Full Council to meet specific pressures must be used for the identified purpose. If this budget subsequently is not required, this should be identified to the CFO to enable the resource to be utilised as he/she sees fit.

Executive Directors should ~~aim to~~ balance their service area net expenditure to the budget allocated. In some cases, this will require a transfer of the budget between their service activities.

For the purposes of the scheme set out below, a virement occurs when a budget is transferred from one Service Activity to another. Service activities that will apply for the following financial year are those which are set out in the budget approved by Full Council for the coming financial year.

A.8 All virements should be cleared in the first instance by the relevant accounting support for the Service Activity concerned. All virements must be recorded on the ledger system.

A.9 Controls on the use of additional controllable income are required to ensure that significant additional income is not spent without any control process in place.

A.10 Decisions will be made in line with the criteria set out in the table below and applies to virements of expenditure budgets or virements of income budgets:

Virement Value	Approval Required
Up to £200,000	Approved by CHIEF OFFICERS in consultation with the CFO
£200,000 to £500,000	Approved by CHIEF OFFICERS in consultation with CFO and Cabinet Member
Over £500,000 to £2 million	Approved by CABINET
Over £2 million	Approved by COUNCIL

A.11 The creation of any new reserve, or change in use of reserve, needs agreement from the CFO and formal approval by Cabinet. The CFO can allocate sums of any value to or from central funds or reserves, in line with the requirements for virements as outlined in the above table.

A.12 Any budget virements resulting from a restructure or a reduction in the number of FTE can only be actioned following the appropriate consultation.

A.13 The HRA contingency and revenue balance is defined as a “non-employee” budget. However, any virements from the HRA revenue balance that would reduce the level of balances below the minimum level set by the CFO in the HRA budget and business plan report can only be approved by Full Council.

Financial Accountabilities in Relation to the Treatment of Year-end Balances

Responsibilities of the CFO

A.14 Where the council is in an underspend position the CFO is responsible for administering the scheme of carry-forwards within the guidelines approved by Full Council. If the council is in an overspend position only carry forwards that relate to grant income will be considered.

A.15 To report all underspends on service estimates carried forward to Full Council for approval.

Responsibilities of Chief Officers

A.16 Any overspends will be reported by the CFO to Cabinet and to Full Council.

A.17 There is no authority to overspend. Budgets are allocated on a 'cash limit' basis. This means the service must operate within the agreed set budget. If a budget is forecast to overspend, this must be offset by mitigation measures or an underspend elsewhere to ensure the cash limit is not breached. The Executive Director will be responsible for bringing forward, at the earliest opportunity, a plan of mitigation that will result in the overspend being contained within budget. Such a plan will be expected to be sufficiently detailed, with timeframes, milestones, performance indicators and any resources needed, that it is considered a robust plan by the Executive Director Corporate Services. Where, in spite of this, a Chief Officer believes they may overspend they must inform the CFO immediately.

A.18 Executive Directors will be requested to sign a declaration before the commencement of the financial year, stating they understand the cash limited budget set and the key assumptions and any savings it includes, and they will make every effort to stay within that limit. Budget holders will be requested to agree the budgets under their management and sign an accountability statement stating that they understand their role as a budget holder and the support they will receive in managing their financial position.

A.19 Underspends on specific estimates may be carried forward within guidelines issued by the CFO, subject to the approval of Full Council. However, where budgets being carried forward into the new financial year are ring-fenced (e.g. specific grant funds from Government) and hence the Council can exercise no discretion, these will not require the approval of Full Council.

A.20 Schools' balances shall be available for carry-forward to support the expenditure of the school concerned as per the criteria in surplus policy. Schools cannot plan for a year end deficit budget when submitting budget plans at the start of the year. Schools that submit deficit plans will be required to resubmit their budget with plans to bring the budget back into balance. The authority will intervene if a school refuses to set a balanced budget by identifying the action a school could take and ultimately by suspending delegation.

A.21 Where an unplanned deficit occurs, the governing body shall prepare a detailed financial recovery plan for consideration by the Cabinet Member concerned and agreed by Cabinet, following evaluation by the relevant Chief Officer and the CFO. Any unplanned deficit incurred during the year would be a first call on the following year's budget; the school would need to include the deficit in its balanced budget plan for the following year. Schools that incur unplanned deficits in successive years would be treated the same as schools submitting deficit plans and the authority would need to intervene. The school will need to work with SCC's School Finance Team (if they have purchased SCC Finance Services via an SLA) or their own finance support (if they have not bought back SCC Finance Services), together with SCC School Improvement Teams to produce a robust Deficit Recovery Plan (DRP), ensuring the spend is brought back in line with their allocated funds.

A.22 The schools funding comes from Dedicated Schools Grant (DSG) grant. DSG consists of three blocks namely Schools Block, Early Years Block and High Needs Block. The grant is paid in support of the local authority's schools budget. Local authorities are responsible for determining the split of the grant between central expenditure and the individual schools budget (ISB) in conjunction with local schools forums. Local authorities are

responsible for allocating the ISB to individual schools in accordance with the local schools' funding formula

A.23 Scheme for financing schools sets out the financial relationship between the City Council and the maintained schools it funds. The scheme for financing schools is required by the School Standards and Framework Act 1998 and it contains requirements relating to financial management and associated issues. The scheme is binding on both the local authority and schools.

The scheme refers to the following legislation:

- [Section 48 of the School Standards and Framework Act 1998, and Schedule 14 to the Act](#) •
[School and Early Years Finance \(England\) Regulations 2014](#)

Financial Accountabilities in Relation to Accounting Policies

Responsibilities of the CFO

A.24 To select suitable accounting policies, and to ensure that they are applied consistently. The accounting policies are set out in the Statement of Accounts, which are prepared at 31 March each year, and covers such items as:

- (a) General principles
- (b) Adjustments between accounting basis and funding basis
- (c) Acquisitions and discontinued operations
- (d) Cash and cash equivalents
- (e) Exceptional items
- (f) Prior period adjustments, changes in accounting policies and estimates and errors
- (g) Employee benefits
- (h) Events after the balance sheet date
- (i) Financial Instruments
- (j) Government grants and other contributions
- (k) Heritage assets
- (l) Interests in companies and other entities
- (m) Investment property
- (n) Joint arrangements
- (o) Leases
- (p) Overhead and support services
- (q) Property, Plant and Equipment (PPE)
- (r) Private Finance Initiatives (PFI) and similar contract
- (s) Provision, contingent liabilities and contingent assets
- (t) Reserves
- (u) Revenue expenditure funded from capital under statute (REFCUS)
- (v) Value added tax (VAT)
- (w) Collection fund
- (x) Schools
- (y) Rounding convention

Responsibilities of Chief Officers

A.25 To adhere to the accounting policies and guidelines approved by the CFO.

Financial Accountabilities in relation to Accounting Records and Returns

Responsibilities of the CFO

A.26 To determine the accounting procedures and records for the authority. Where these are maintained outside the finance department, the Chief Officer concerned should consult the CFO.

A.27 To arrange for the compilation of all accounts and accounting records under his or her direction.

A.28 To comply with the following principles when allocating accounting duties:

- (a) Separating the duties of providing information about sums due to or from the authority and calculating, checking and recording these sums from the duty of collecting or disbursing them
- (b) Employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.

A.29. To make proper arrangements for the audit of the authority's accounts in accordance with the Accounts and Audit Regulations 2015.

A.30 To ensure that all claims for funds including grants are made by the due date.

A.31. To prepare and publish the draft accounts of the authority for each financial year, in accordance with the statutory timetable, which is 31 May other than for financial years 2020/21 and 2021/22 when it is 31 July. With the requirement for the Governance Committee to approve the audited statement of accounts and for them to be published by 31 July other than for financial years 2020/21 and 2021/22 when it is 30 September.

A.32. To administer the authority's arrangements for underspends or overspends to be carried forward to the following financial year.

A.33. To ensure the proper retention of financial documents in accordance with the requirements set out in the authority's document retention schedule.

Responsibilities of Chief Officers

A.34 To consult and obtain the approval of the CFO before making any changes to accounting records and procedures.

A.35 To comply with the principles outlined in paragraph A.27, when allocating accounting duties.

A.36 To maintain adequate records to provide an audit trail leading from the source of income/expenditure through to the accounting statements.

A.37 To supply information required to enable the Statement of Accounts to be completed in accordance with guidelines and timetable issued by the CFO.

Financial Accountabilities in relation to the Annual Statement of Accounts

Responsibilities of the CFO

A.38 To select suitable accounting policies and to apply them consistently.

A.39 To make judgments and estimates that are reasonable and prudent.

- A.40 To comply with the Code of Practice on Local Authority Accounting in the United Kingdom (Code of Practice).
- A.41 To sign and date the Statement of Accounts, stating that they present a true and fair view of the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March.
- A.42 To draw up the timetable for final accounts preparation and to advise staff and external auditors accordingly.

Responsibilities of Chief Officers

- A.43 To comply with accounting guidance provided by the CFO and to supply the CFO with information when required.

B: FINANCIAL PLANNING

Responsibilities of the CFO

- B.1 For the General Fund, to ensure that a five-year overview is prepared on a regular basis for consideration and recommendation by Cabinet, before submission to Full Council. The CFO will also prepare the indicators required as part of the Prudential Code. Full Council may amend the budget and Prudential Indicators or ask Cabinet to reconsider them before approving them.
- B.2 For the HRA, to ensure that a 40-year business plan is produced which covers revenue and capital spending. With regard to the revenue budget, there must be a detailed budget for the forthcoming financial year for consideration and recommendation by Cabinet, before submission to Full Council. The CFO will also prepare the indicators required as part of the Prudential Code. Full Council may amend the budget and Prudential Indicators or ask Cabinet to reconsider them before approving them. The 40-year business plan should also be presented to Cabinet and Full Council as part of the budget report.
- B.3 To advise and supply the financial information that needs to be included in business plans in accordance with statutory requirements and agreed timetables. B.4 To contribute to the development of business and service plans.
- B.5 To maintain a 5-year Medium Term Financial Strategy (MTFS) and model.
- B.6 To advise Cabinet and opposition groups on the format and content of the budget that is to be approved by Full Council. This includes providing a commentary on the robustness of the estimates made for the purpose of the calculations (to set the Council Tax), and the adequacy of the proposed level of reserves, as required by Section 25 of the Local Government Act 2003.
- B.7 Work with other Chief Officers To ensure horizon scanning and planning within the current economic climate.

Responsibilities of Chief Officers

- B.8 To ensure that systems are in place to measure activity and collect accurate information for use as performance indicators.
- B.9 To ensure that performance information is monitored sufficiently frequently to allow corrective action to be taken if targets are not likely to be met.
- B.10 To contribute to the development of performance plans in line with statutory requirements.

B.11 To contribute to the development of corporate and service targets and objectives and performance information.

Format of the Budget

Responsibilities of the CFO

B.12 To include a statement on the robustness of the estimates and the adequacy of the reserves.

Responsibilities of Chief Officers

B.13 To ensure robust and up-to-date business plans are in place, together with delivery plans for any agreed savings proposals.

Revenue Budget Preparation, Monitoring and Control

Responsibilities of the CFO

B.14 To ensure sound financial administration and produce a balanced budget; as set out in S.151 of the Local Government Act 1972.

B.15 To administer procedures to set Council Tax and Business Rates.

B.16 To establish an appropriate framework of budgetary management and control that ensures:

- (a) Expenditure is within budget unless Full Council agrees otherwise.
- (b) Each Chief Officer has available timely information on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfil their financial responsibilities.
- (c) Expenditure is committed only against an approved budget head and within resources available.
- (d) All managers responsible for committing expenditure comply with relevant guidance, and the Financial Procedure Rules.
- (e) Each cost centre has a single named manager, determined by the relevant Chief Officer. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making processes that commits expenditure.
- (f) Significant variances from approved budgets are investigated and reported by budget managers regularly along with action plans for recovery. B.17 To administer the authority's scheme of revenue virement.

B.18 To submit reports to Cabinet and if necessary, to Full Council, following consultation with the relevant Chief Officer, where a Chief Officer is unable to balance expenditure and resources within existing approved budgets under his or her control.

B.19 To prepare and submit reports to Cabinet on the authority's projected income and expenditure compared with the budget on a regular basis.

B.20 All estimates should be calculated using the approved assumptions in the MTFs.

Responsibilities of Chief Officers

- B.21 To ensure that budget estimates reflecting agreed priorities and business plans are produced in consultation with Cabinet Member and submitted to the CFO in accordance with the budget timetable and the guidance issued for the production of budget reports to Cabinet and Full Council.
- B.22 To maintain budgetary control within their departments, in adherence to the principles in B.15, and to ensure that all income and expenditure are properly recorded and accounted for.
- B.23 To ensure that an accountable budget holder is identified for each item of income and expenditure under the control of the Chief Officer (grouped together in a series of cost centres). As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure.
- B.24 To ensure that spending remains within the service's overall budget and that individual budget heads are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast.
- B.25 To ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget, and that this process is operating effectively.
- B.26 To prepare, following consultation with the CFO, reports on the service's projected expenditure compared with its budget, in accordance with the Council's Corporate Monitoring procedure and timetable.
- B.27 To ensure prior approval by Full Council or Cabinet (as appropriate) for new proposals, of whatever amount, that:
- (a) Create financial commitments in future years
 - (b) Change existing policies, initiate new policies or cease existing policies
 - (c) Materially extend or reduce the authority's services
- The report on new proposals should explain the full financial implications, after consultation with the CFO. Unless Full Council or Cabinet has agreed otherwise, Chief Officers must plan to contain the financial implications of such proposals within their budget.
- B.28 To ensure compliance with the scheme of virement.
- B.29 To agree with the relevant Chief Officer and the CFO where it appears that a budget proposal, including a virement proposal, may impact materially on another service area or Chief Officer's level of service activity.

Maintenance of Reserves and Balances

Responsibilities of the CFO

- B.30 To advise the Cabinet and Council on prudent levels of reserves and balances for the City Council, giving consideration to the level of risk the council faces, and published CIPFA guidance.

Capital Programme Management (General Fund and Housing Revenue Account (HRA))

Capital Governance

Capital Approvals

- B.31 The Council has an established ~~officer~~ governance process which ensures transparency and gives assurance to members. The Change Authority Board and the Strategic Capital Board Review Group will receive and consider proposals and business cases in line with the agreed procedure and timeline for capital approvals as issued by the CFO. Further details of the role of the Change Authority Board and Strategic Capital Board Review Group are included in appendices 1 and 2.
- B.32 All new capital schemes or additions to existing capital schemes would normally have a business justification through a business case to the Strategic Capital Board Review Group. These are considered for prioritisation ahead of recommendation to the Council for approval of the capital programme as part of the annual budget approval in February. Business cases for new or additional capital funding made at any other time during the year will be considered
- in exceptional circumstances only, unless external funding has been identified for scheme. There is a separate procedure for the HRA, as per B.33.
- B.33 Individual business cases are also normally expected for new additions to the HRA capital programme. The 40-year HRA business plan, which is approved by Full Council annually, will show the affordability of the overall programme. Capital Business cases must always consider the revenue implications of the capital spending.
- B.34 Approval is also required before expenditure can be incurred against a new scheme in the capital programme. This approval can be requested when the scheme is submitted for addition to the General Fund capital programme. If a scheme is included in the programme, but is dependent on subsequent agreement to spend, approval to spend must be sought usually once a full business case is available and prior to incurring expenditure. Approval for HRA additions and approval to spend will be given to schemes included in the 40-year HRA business plan.
- B.35 The Capital programme will operate within the limits set within the Capital Strategy, applying the agreed limits from the indicators adopted from the Prudential Code. These are designed to ensure capital spending is affordable and sustainable.
- B.36 Schemes already added to the capital programme may spend up to ten per cent of the scheme budget with the approval of the relevant Chief Officer following consultation with the relevant Cabinet Member and the CFO in advance of approval to spend on the scheme. Such cases should be based on an urgent need to spend, rather than be seen as an alternative to seeking formal permission to spend by the usual means of reporting to Cabinet or Council as necessary.
- B.37 The same process for considering and approving projects and business cases applies whether the decision is for an officer or a Cabinet Member. A model for business cases is used which is streamlined for less complex projects to ensure the input is proportionate. The full scheme approval process is detailed in Appendix 3.
- B.38 The capital programme shall be recommended for approval by Full Council following consideration by the Strategic Capital Board Review Group. This will include projected available resources, the allocation of resource to schemes, the impact on the revenue budget, prudent retention of resources to meet unforeseen short-term demands, variances in projected available resources and medium-term future needs.
- B.39 In addition to the large schemes and development projects that make up much of the capital programme, there will be routine investment plans for the core business of the Council that have block allocations. These include the schools' maintenance programme, the heritage assets maintenance budget, highways maintenance, the replacement of vehicles and

other essential service assets. These are planned and budgeted for through 5-year asset management plans within the capital programme and will operate within the approved control totals. The Executive Director is delegated to move budgets between projects within each programme.

B.40 A virement is the movement of a budget to another purpose other than that it was allocated to when the capital scheme was approved. This applies to the virement of budgets between capital schemes within the capital programme and between projects within a capital scheme.

B.41 All virements at any value within a capital programme can be approved by the CFO on submission of a completed DDN. All other virements must be agreed according to the approval levels as set out in Table 1.

B.42 Requests for approval by Cabinet or Council must be submitted in the correct corporate report format and submitted in accordance with Council's democratic processes.

B.42 Decisions will be made in line with the approval levels set out in Table 1.

Notes:

A diagram summarising the process for approving new capital schemes and additions to existing capital schemes is shown in Appendix 4.

A timeline for capital approvals is shown in Appendix 5.

Capital Monitoring

B.43 The monitoring of the capital programme is part of the core business of Cabinet Member Briefing on a quarterly basis with formal decisions published in accordance with constitutional arrangements. The [Strategic Capital Board Review Group](#) has the same quarterly programme review.

B.44 Approvals of slippage and rephasing and the approval of Delegated Decision Notices (DDNs) required to vire budgets between schemes and projects within schemes should be requested in accordance with approval levels set out in Table 1.

B.45 Capital schemes must be monitored at a service level according to the capital monitoring timetable. This includes a review of expenditure, plans for slippage and rephasing and explanations for any variance to budget.

B.46 Expenditure included in the Capital Programme must show the total value of contracts and related expenses that the council will incur. Any grants or other income must be shown as a source of capital finance and not as a reduction to the gross expenditure.

B.47 Expenditure must be in line with the Council's [Contract Procedure Rules](#).

B.48 Feasibility work carried out prior to a scheme being added to the capital programme is a charge to revenue. If a capital project is approved following feasibility work, the cost of this can be capitalised. Feasibility work is an analysis of all factors of the project including economic, technical, legal and scheduling considerations, to establish the likelihood that the project can be completed successfully.

Capital Programme Management Responsibilities

Local authorities are required by regulation to have regard to the Prudential Code for Capital Finance in Local Authorities when carrying out financial duties regarding capital expenditure. The objectives of this code are to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable. The responsibilities are set out below to ensure adherence with this code.

Responsibilities of the CFO

- B.49 To issue guidance concerning capital schemes and controls, and to determine the definition of “capital”, having regard to government regulations and accounting requirements.
- B.50 To ensure that the Capital Strategy and 5-year programme are presented to Full Council as part of the budget and at such other times as the CFO may determine. The HRA capital spending plan is included and detailed in the Council Capital report that is reported to Full Council as part of budget-setting.
- B.51 To report on the outturn of capital expenditure to Council as soon as practicable after the end of the financial year.
- B.52 To give regular updates to Cabinet on the forecast expenditure.

Responsibilities of the ~~Strategic Capital Board Review Group~~

- B.53 To oversee and coordinate the preparation, review and implementation of the Council’s Capital Strategy. The Capital Strategy must be approved by Council and reviewed annually.
- B.54 To lead the strategic direction of capital investment for the Council.
- B.55 The full terms of reference for the ~~Strategic Capital Board Review Group~~ are attached at Appendix 1. In summary the ~~Strategic Capital Board Review Group~~ will be responsible for:
- (a) Managing un-ringfenced and corporate resources and reviewing all bids for resources, evaluating them and then agreeing on the prioritisation of resources accordingly.
 - (b) Reviewing the use of any ringfenced resources to ensure alignment with other spending plans and the maximisation of benefits to the Council and achievement of Council outcomes.
 - (c) Recommending the use of both un-ringfenced and ringfenced resources and also the general prioritisation of resources so that Cabinet / Council can make a final well-informed decision on the utilisation of resources.
 - (d) Prior to the annual review of the capital strategy undertaking a review of the individual projects.

Responsibilities of Chief Officers

- B.56 To ensure that the correct business case template is completed in full for all new capital projects. This will include full costings, accurate phasing of annual budgets across the life of the project and correctly identifying capital and revenue expenditure required for the project. The completion of the business case should be in consultation with the Finance Business Partner for the service to ensure the accuracy of the financial information provided.
- B.57 The cost of internal resources should be included in the project costs. This will include:
- Project Management
 - Legal Services
 - HR
 - Communications
 - Procurement

- Finance

Table 1 – Capital Approvals

Note:

The appropriate report should be submitted for decision depending on the value of approval as per sections **B401** and **B412**.

Approval to add new schemes or to increase existing capital schemes <i>Funded from new, sources including 100% ringfenced</i>	Approval to spend against a new or existing scheme <i>If a full business case is available, approval to spend can be given at the same time as approval to add a scheme to the capital programme or increase the value of an existing capital scheme</i>	Virements ** <i>Variations across schemes within an overall programme can be approved by CHIEF OFFICER*** in consultation with CFO and relevant Cabinet Member</i>	Slippage & Rephasing <i>Movement of budgets between years</i>
Up to £500,000 – A Delegated Decision Notice (DDN) is required Approved by CHIEF OFFICER*** in consultation with CFO and Cabinet Member	Up to £500,000 – A Delegated Decision Notice (DDN) is required Approved by CHIEF OFFICER*** in consultation with CFO and Cabinet Member	Up to £500,000 – A Delegated Decision Notice (DDN) is required Approved by CHIEF OFFICER*** in consultation with CFO and Cabinet Member	Up to £500,000 – A Delegated Decision Notice (DDN) is required Approved by CHIEF OFFICER*** in consultation with the CFO and Cabinet Member
Over £500,000 up to £5 million Approved by CABINET	Over £500,000 up to £5 million Approved by CABINET	Over £500,000 up to £5 million Approved by CABINET	Over £500,000 Approved by CABINET
Over £5 million Approved by COUNCIL	Over £5 million Approved by COUNCIL	Over £5 million Approved by COUNCIL	

* This includes credit arrangements such as financing leases.

** If the virement is not in line with current approved council policies and strategies the decision must be made by Council regardless of value.

***The Chief Officer is the Executive Director of the service that holds the budget for the capital project.

Following the submission of a Delegated Decision Notice (DDN) for consideration and recommendation by the Strategic Capital Board Capital Review Group, the CFO, can approve virements of any value within a programme.

The approval limits do not apply in respect of decisions taken at the Joint Commissioning Board up to a value of £2 million where the decision is taken by an officer / Individual Cabinet Member following consultation with and the agreement of all Cabinet Member Representatives on the Board or to acquisitions and disposals in relation to the Property Investment Fund, authority being delegated to the Associate Director: Capital Assets, following consultation with the Leader of the Council and the Executive Director: Finance and Commercialisation.

C: RISK MANAGEMENT AND CONTROL OF RESOURCES

Risk Management

Responsibilities of the CFO

- C.1 To prepare and promote the authority's risk management policy.
- C.2 To develop risk management controls in conjunction with other Chief Officers.
- C.3 To include all appropriate employees of the authority in a suitable fidelity guarantee insurance.
- C.4 To offer insurance cover to schools.
- C.5 To advise Cabinet on proper insurance cover where appropriate, and effect corporate insurance cover, through external insurance and internal funding.

Responsibilities of Chief Officers

- C.6 To notify the CFO immediately of any loss, liability or damage that may lead to a claim against the authority, together with any information or explanation required by the CFO or the authority's insurers.
- C.7 To take responsibility for the management of operational and service risks in accordance with the risk management policy, having regard to advice from the CFO and other specialist Officers.
- C.8 To ensure that there are regular reviews of risk within their departments and that appropriate actions are taken or are in place to manage risk.
- C.9 To notify the CFO promptly of all new risks, including properties or vehicles that require insurance and of any alterations or new initiatives affecting existing insurances.
- C.10 To consult the CFO and where appropriate the Director of Legal & Business Services, on the terms of any indemnity that the authority is requested to give.
- C.11 To ensure that employees, or anyone covered by the authority's insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

Internal Control

Responsibilities of the CFO

- C.12 To assist the authority to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.

Responsibilities of Chief Officers

- C.13 To manage processes to check that established controls are being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and financial performance targets, and management of risks.
- C.14 To review existing controls in the light of changes affecting the authority and to establish and implement new ones in line with guidance from the CFO. Chief Officers should also be responsible for removing controls that are unnecessary or not cost or risk effective, for example because of duplication.

C.15 To ensure staff have a clear understanding of the consequences of lack of control.

Audit Requirements – Internal Audit

Responsibilities of the CFO

C.16 To ensure that internal auditors have the authority to:

- (a) Access authority premises at reasonable times
- (b) Access all assets, records, documents, correspondence and control systems
- (c) Receive any information and explanation considered necessary concerning any matter under consideration
- (d) Require any employee of the authority to account for cash, stores or any other authority asset under his or her control
- (e) Access records belonging to third parties, such as contractors, when required
- (f) Directly access the Head of Paid Service, Cabinet and Overview and Scrutiny Management Committee

C.17 To approve the strategic and annual audit plans prepared by the Chief Internal Auditor, which take account of the characteristics and relative risks of the activities involved.

C.18 To ensure that effective procedures are in place to investigate promptly any suspected fraud or irregularity.

Responsibilities of Chief Officers

C.19 To ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work.

C.20 To ensure that auditors are provided with any information and explanations that they seek in the course of their work.

C.21 To consider and respond promptly to recommendations in audit reports.

C.22 To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.

C.23 To notify the CFO immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the authority's property or resources. Pending investigation and reporting, the Chief Officer should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.

C.24 To ensure new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by the Chief Internal Auditor prior to implementation.

Audit Requirements – External Audit

Responsibilities of the CFO

C.25 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.

C.26 To ensure there is effective liaison between external and internal audit.

C.27 To work with the external auditor and advise Full Council, Cabinet and Chief Officers on their responsibilities in relation to external audit.

Responsibilities of Chief Officers

C.28 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.

C.29 To ensure that all records and systems are up to date and available for inspection.

Preventing Fraud and Corruption

Responsibilities of the CFO

C.30 To develop and maintain an anti-fraud, anti-bribery and anti-corruption policy.

C.31 To develop and maintain an anti-money laundering policy.

C.32 To maintain adequate and effective internal control arrangements.

C.33 To ensure that all suspected irregularities are reported to the Chief Internal Auditor.

Responsibilities of Chief Officers

C.34 To ensure that all suspected irregularities are reported to the Chief Internal Auditor.

C.35 To invoke the authority's disciplinary procedures where the outcome of an investigation indicates improper behaviour.

C.36 To ensure that where financial impropriety is discovered, the CFO is informed, and where sufficient evidence exists to believe that a criminal offence may have been committed, the police are called in to determine with the Crown Prosecution Service whether any prosecution will take place.

C.37 To maintain a departmental register of interests.

Assets – Security

Responsibilities of the CFO

C.38 To ensure that an asset register is maintained in accordance with good practice for all fixed assets whose value is material in the manner prescribed by CIPFA in the Institute's Practical Guide to Asset Registers. The function of the asset register is to provide the authority with information about fixed assets so that they are safeguarded, used efficiently and effectively, and are adequately maintained.

C.39 To receive the information required for accounting, costing and financial records from each Chief Officer.

C.40 To ensure that assets are valued in accordance with the Code of Practice.

Responsibilities of Chief Officers

C.41 The Service Manager – Asset Management shall maintain a property database in a form approved by the CFO for all land and buildings and plant within buildings currently owned or used by the authority. Any use of property by a department or establishment other than for direct service delivery should be supported by documentation identifying terms, responsibilities and duration of use.

- C.42 To ensure that lessees and other prospective occupiers of Council land are not allowed to take possession or enter the land until a lease or agreement, in a form approved by the appropriate Chief Officers has been established.
- C.43 To ensure the proper security of all buildings and other assets under their control.
- C.44 Where land or buildings are surplus to requirements, a recommendation for sale should be the subject of a joint report by the appropriate Chief Officers
- C.45 To pass title deeds to the Director of Legal & Business Services who is responsible for custody of all title deeds.
- C.46 To ensure that no authority asset is subject to personal use by an employee without proper authority.
- C.47 To ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the authority. If an asset requires to be moved, altered, or disposed of check that the asset has not been leased or that any lease conditions are complied with.
- C.48 To ensure that additions and amendments to the register of moveable assets are notified to Finance in accordance with arrangements defined by the CFO.
- C.49 To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.
- C.50 To consult the CFO in any case where security is thought to be defective or where it is considered that special security arrangements may be needed. C.51 To ensure cash holdings on premises are kept to a minimum.
- C.52 To ensure that keys to safes and similar receptacles are carried on the person of those responsible at all times; loss of any such keys must be reported to the CFO as soon as possible.
- C.53 To record all disposal or part exchange of assets that should normally be by competitive tender or public auction, unless, following consultation with the CFO, the relevant Cabinet Member, Cabinet or Full Council (as appropriate) agrees otherwise.
- C.54 To arrange for the valuation of assets for accounting purposes to meet requirements specified by the CFO.
- C.55 To ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the authority in some way.
- C.56 To maintain inventories and record an adequate description of furniture, fittings, equipment, plant and machinery above £200 in value.
- C.57 To carry out an annual check of all items on the inventory in order to verify location, review, condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as computers, cameras and video recorders should be identified with security markings as belonging to the authority.
- C.58 To make sure that property is only used in the course of the authority's business, unless the Chief Officer concerned has given permission otherwise.
- C.59 To make arrangements for the care and custody of stocks and stores in the department.
- C.60 To ensure stocks are maintained at reasonable levels and are subject to a regular independent physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion.

- C.61 To investigate and remove from the authority's records (i.e. write off) discrepancies as necessary, or to obtain Cabinet approval if they are in excess of a predetermined limit.
- C.62 To authorise or write off disposal of redundant stocks and equipment. Procedures for disposal of such stocks and equipment should be by competitive quotations or auction, unless, following consultation with the CFO, Cabinet decides otherwise in a particular case.
- C.63 To seek Cabinet approval to the write-off of redundant stocks and equipment in excess of a predetermined sum.
- C.64 To ensure that, in the event of any disaster, contingency plans for the security of assets and continuity of service or system failure are in place.

Assets – Disposal

Responsibilities of the CFO

- C.65 To issue guidelines representing best practice for disposal of assets. Corporate Property Standards should be followed for disposals of Land and Buildings.
- C.66 To ensure appropriate accounting entries are made to remove the value of disposed assets from the authority's records and to include the sale proceeds if appropriate.

Responsibilities of Chief Officers

- C.67 To dispose of surplus or obsolete materials, stores or equipment in accordance with the guidelines issued by the CFO.
- C.68 To ensure that income received for the disposal of an asset is properly banked and coded.

Treasury Management

All financial transactions actioned as part of the Council's Treasury Management function will be undertaken in line with the approved Treasury Management Strategy and practices but will fall outside of the Delegated Decision Notice process.

Responsibilities of CFO

- C.69 To arrange the borrowing and investments of the authority in such a manner as to comply with the CIPFA Code of Practice on Treasury Management and the authority's treasury management policy statement and strategy.
- C.70 To report a proposed treasury management strategy for the coming financial year to Full Council at, or before the start of, each financial year.
- C.71 To report to Full Council not less than twice in each financial year on the activities of the treasury management operation and on the exercise of his or her delegated treasury management powers. One such report will comprise an annual report on treasury management for presentation by 30 September of the succeeding financial year.
- C.72 To operate bank accounts as are considered necessary – opening or closing any bank account shall require the approval of the CFO.
- C.73 To ensure that all investments of money are made in the name of the authority or in the name of nominees approved by Full Council.

- C.74 To ensure that all securities that are the property of the authority or its nominees and the title deeds of all property in the authority's ownership are held in the custody of the appropriate Chief Officer.
- C.75 To affect all borrowings in the name of the authority.
- C.76 To act as the authority's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the authority.

Responsibilities of Chief Officers

- C.77 To ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval, following consultation with the CFO, of Full Council or Cabinet as appropriate, subject to the criterion as detailed in E.9.
- C.78 To arrange for all trust funds to be held, wherever possible, in the name of the authority. All Officers acting as trustees by virtue of their official position shall deposit securities, etc relating to the trust with CFO, unless the deed otherwise provides.
- C.79 To arrange, where funds are held on behalf of third parties, for their secure administration, approved by the CFO, and to maintain written records of all transactions.
- C.80 To ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.
- C.81 To follow the instructions on banking issued by the CFO.

D: SYSTEMS AND PROCEDURES

General

Responsibilities of the CFO

- D.1 To make arrangements for the proper administration of the authority's financial affairs, including to:
- (a) Issue advice, guidance and procedures for Officers and others acting on the authority's behalf
 - (b) Determine the accounting systems, form of accounts and supporting financial records
 - (c) Establish arrangements for audit of the authority's financial affairs
 - (d) Approve any new financial systems to be introduced
 - (e) Approve any changes to be made to existing financial systems

Responsibilities of Chief Officers

- D.2 To ensure that accounting records are properly maintained and held securely.
- D.3 To ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the CFO.
- D.4 To ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained. D.5 To incorporate appropriate controls to ensure that, where relevant:
- (a) All input is genuine, complete, accurate, timely and not previously processed

- (b) All processing is carried out in an accurate, complete and timely manner
- (c) Output from the system is complete, accurate and timely
- D.6 To ensure that the organisational structure provides an appropriate segregation of duties, an adequate level of internal control, and that the risk of fraud or other malpractice is minimised.
- D.7 To ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.
- D.8 To ensure that systems are documented and staff trained in operations.
- D.9 To consult with the CFO before changing any existing system or introducing new systems.
- D.10 To establish a scheme of delegation identifying Officers authorised to act upon the Chief Officer's behalf, or on behalf of Cabinet, in respect of payments, income collection and placing orders, including variations, and showing the limits of their authority.
- D.11 Where relevant, to supply lists of authorised Officers, with specimen signatures if required, and delegated limits, to the CFO, together with any subsequent variations.
- D.12 To ensure that effective contingency arrangements, including back-up procedures for computer systems are in place. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off site or at an alternative location within the building.
- D.13 To ensure that, where appropriate, computer systems are registered in accordance with data protection legislation and that staff are aware of their responsibilities under the legislation.
- D.14 To ensure that the authority's IT Standards issued by the appropriate Head of Service are observed, and that in particular all computerised data, computer equipment and software are protected from loss and damage through theft, vandalism, etc.
- D.15 To comply with the copyright, designs and patents legislation and, in particular, to ensure that:
 - (a) Only software legally acquired and installed by the authority is used on its computers
 - (b) Staff are aware of legislative provisions
 - (c) In developing systems, due regard is given to the issue of intellectual property rights

Income

Responsibilities of the CFO

- D.16 To agree arrangements for the collection of all income due to the authority, and to approve the procedures, systems and documentation for its collection.
- D.17 To provide advice to Chief Officers on the statutory regulations which relate to the collection and accounting of income.
- D.18 To assess and approve the form of receipts used.
- D.19 To undertake weekly reconciliations of all deposits to the authority's bank accounts.

- D.20 To provide an accounting system which records income and provides relevant information to Chief Officers so that income can be monitored.
- D.21 To maintain a Value Added Tax (VAT) account and supply HM Revenues & Customs (HMRC) with such details, explanations and statutory returns as required.
- D.22 To provide a system for the collection and control of credit income, and of sundry debts.
- D.23 To create, monitor and maintain a provision for bad and doubtful debts.
- D.24 To annually review the policy for writing off debts and the terms of credit. Cabinet is responsible for approving the procedures for writing off debts as part of the overall control framework of accountability and control.
- D.25 To approve all debts to be written off up to the value of £200,000 and to keep a record of all sums written off up to the approved limit. Once raised, no bona fide debt may be cancelled, except by full payment or by its formal writing off. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt.
- D.26 To obtain the approval of Cabinet when writing off debts in excess of £200,000.

Responsibilities of Chief Officers

- D.27 To establish proposals for a charging policy for the supply of goods or services, including the appropriate charging of VAT, and to review it regularly, in line with corporate policies.
- D.28 To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.
- D.29 To establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.
- D.30 To issue official receipts or to maintain other documentation for income
- D.31 To ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded.
- D.32 To hold securely receipts, tickets and other records of income for the appropriate period.
- D.33 To lock away all income to safeguard against loss or theft, and to ensure the security of cash handling.
- D.34 To ensure that income is paid fully and promptly into the appropriate authority bank account in the form in which it is received. Appropriate details should be recorded on to paying-in slips to provide an audit trail. Money collected and deposited must be reconciled to the bank account and the ledger system on a regular basis appropriate to the level of transactions
- D.35 To ensure income is not used to cash personal cheques or other payments.
- D.36 To supply the CFO with details relating to work done, goods supplied, services rendered or other amounts due, to enable the CFO to record correctly the sums due to the authority and to ensure accounts are sent out promptly. To do this, Chief Officers should use established performance management systems to monitor recovery of income and flag up areas of concern to the CFO. Chief Officers have a responsibility to assist the CFO in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the authority's behalf. Only up to approved levels of cash can be held on the premises.
- D.37 To keep a record of any transfer of money between employees. The receiving Officer must sign for the transfer and the transferor must retain a copy.

D.38 To notify the CFO of outstanding income relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the CFO.

Ordering and Paying for Work, Goods and Services

Responsibilities of the CFO

- D.39 To ensure that all the authority's financial systems and procedures are sound and properly administered.
- D.40 To ensure that a budgetary control system is established that enables commitments incurred by placing orders to be shown against the appropriate budget allocation so that they can be taken into account in budget monitoring reports.
- D.41 To approve any changes to existing financial systems and to approve any new systems before they are introduced.
- D.42 To approve the form of official orders and associated terms and conditions.
- D.43 To make payments from the authority's funds on the Chief Officer's authorisation that the expenditure has been duly incurred in accordance with financial regulations.
- D.44 To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order.
- D.45 To make payments to contractors on the certificate of the appropriate Chief Officer, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.
- D.46 To provide advice and encouragement on making payments by the most economical means.
- D.47 To provide, as necessary, cash change floats, and approve and set up bank imprest accounts to meet minor expenditure on behalf of the authority and to prescribe rules for operating these accounts.
- D.48 To maintain a record of all such cash floats and bank imprest accounts, and periodically to review the arrangements for the safe custody and control of them.
- D.49 To hold a central record of the scheme of delegation identifying Officers authorised to approve payments, orders and variations up to the value of £2 million as agreed by the Executive Director for each service.
- D.50 Payments, orders and variations over £2 million must be approved by the Executive Director in consultation with the CFO and Cabinet Member for the service.

Responsibilities of Chief Officers

- D.51 To ensure that unique numbered official orders are used for all goods and services, wherever possible in accordance with the Council's [No Purchase Order No Pay policy](#). D.52 To ensure official orders are not used to obtain goods or services for private use.
- D.53 To ensure that only those designated staff initiate or authorise orders and to maintain an up-to-date list of such designated staff, identifying authorisation limits. The authoriser of the order should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. Best value principles should underpin the authority's approach to procurement and the [Contract Procedure Rules](#) must be adhered to when procuring on behalf of the Council. Value for money should always be achieved.

- D.54 To ensure that goods and services are checked on receipt to verify that they are in accordance with the order. Where possible a different Officer from the person who authorised the order should always carry out this check. If appropriate, entries should then be made in inventories or stores records.
- D.55 To ensure that payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment, confirming that:
- (a) The goods or services have been received
 - (b) The invoice has not previously been paid
 - (c) The expenditure has been properly incurred and is within budget provision
 - (d) Prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices
 - (e) Tax has been correctly accounted for
 - (f) The invoice is correctly coded
 - (g) Discounts have been taken where available
 - (h) Appropriate entries will be made in accounting records
- D.56 For the avoidance of doubt, no pre-payment for goods, services or suppliers shall be allowed above the value of £15,000, without the prior written consent of the CFO and the Director of Legal & Business Services.
- D.57 To ensure no Officer authorises a payment to her or himself, and where practical no Officer should authorise an invoice for which the Officer raised the order.
- D.58 To ensure controls are regularly reviewed to verify they are in place and adequate for the efficient management of the system, which enables invoices to be examined, verified and authorised as properly payable
- D.59 To ensure that payments are not made on a photocopied or faxed invoice, statement or other document other than the formal invoice. Any instances of these being rendered should be reported to the Chief Internal Auditor unless a written explanation giving the reason is attached. Any copy invoice must be clearly marked by the supplier that it is a copy.
- D.60 To encourage suppliers of goods and services to receive payment by the most economical means for the authority. It is essential, however, that payments made by direct debit have the prior approval of the CFO.
- D.61 To ensure that the Council obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality, with regard to the authority's [Contract Procedure Rules](#).
- D.62 To utilise any established central purchasing procedures in putting purchases, where appropriate, out to competitive quotation or tender. These will comply with the authority's [Contract Procedure Rules](#).
- D.63 To ensure that employees are aware of the national code of conduct for local government employees (summarised in the procedures and conditions of employment manual).
- D.64 To ensure that loans, leasing or rental arrangements are not entered into without prior agreement from the CFO. This is because of the potential impact on the authority's borrowing powers, to protect the authority against entering into unapproved credit arrangements and to ensure that value for money is being obtained.

- D.65 To notify the CFO of outstanding expenditure relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the CFO.
- D.66 With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the CFO, the systems and procedures to be adopted in relation to financial aspects, including:
- (a) Certification of interim and final payments
 - (b) Checking, recording and authorising payments
 - (c) Monitoring and controlling capital schemes
 - (d) Validation of subcontractors' tax status
- D.67 To notify the CFO immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.
- D.68 To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the document retention schedule. D.69 To ensure that employees operating an imprest account:
- (a) Obtain and retain vouchers to support each payment from the imprest account, including where appropriate an official receipted VAT invoice
 - (b) Make adequate arrangements for the safe custody of the account
 - (c) Produce upon demand by the CFO cash and all vouchers to the total value of the imprest amount
 - (d) Record transactions promptly
 - (e) Reconcile and balance the account at least monthly; reconciliation sheets to be signed and retained by the imprest holder
 - (f) Provide the CFO with a certificate of the value of the account held at the end of Period 11 each year, detailing the breakdown between cash at bank, cash in hand, petty cash floats advanced and vouchers.
 - (g) Ensure that the float is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made
 - (h) On leaving the authority's employment or otherwise ceasing to be entitled to hold an imprest advance, an employee shall account to the CFO for the amount advanced to him or her.
 - (i) Follow the Council's Petty Cash policy.

Payments to Employees and Members

Responsibilities of the CFO

- D.70 To arrange and control secure and reliable payment of salaries, wages, compensation or other emoluments to existing and former employees, in accordance with procedures prescribed by him or her, on the due date.
- D.71 To record and make arrangements for the accurate and timely payment of tax, superannuation and other deductions.
- D.72 To make arrangements for payment of all travel and subsistence claims or financial loss allowance.
- D.73 To make arrangements for paying Members travel or other allowances.

- D.74 To provide advice and encouragement to Members, Chief Officers and employees in order to secure payment of allowances, salaries and wages by the most economical means.
- D.75 To ensure that there are adequate arrangements for administering superannuation matters on a day-to-day basis.
- D.76 To act as an advisor to Chief Officers on areas such as national insurance and pension contributions, as appropriate.

Responsibilities of Chief Officers

- D.77 To ensure appointments are made in accordance with the regulations of the authority and approved establishments, grades and scale of pay and that adequate budget provision is available.
- D.78 To notify the CFO of all appointments, terminations or variations which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the CFO.
- D.79 To ensure that adequate and effective systems and procedures are operated, so that:
- (a) Payments are only authorised to bona fide employees
 - (b) Payments are only made where there is a valid entitlement
 - (c) Conditions and contracts of employment are correctly applied
 - (d) Employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness
- D.80 To ensure that only those staff designated by them initiate or authorise payroll documentation and to maintain a list of such designated staff, including where appropriate specimen signatures identifying in each case the limits of their authority.
- D.81 To ensure that payroll transactions are processed only through the payroll system. Chief Officers should give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis. HMRC applies a tight definition for employee status, and in cases of doubt, advice should be sought from the CFO.
- D.82 To certify travel and subsistence claims and other allowances. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the authority, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications and that the CFO is informed where appropriate.
- D.83 To ensure that the CFO is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system.
- D.84 To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule.

Responsibilities of Members

- D.85 To submit claims for Members' travel and subsistence allowances on a monthly basis and, in any event, within one month of the year end.

Taxation

Responsibilities of the CFO

- D.86 To complete all HMRC returns regarding PAYE.
- D.87 To complete a monthly return of VAT inputs and outputs to HMRC.
- D.88 To provide details to HMRC regarding the construction industry tax deduction scheme.
- D.89 To complete all relevant company returns.
- D.90 To complete corporation returns for wholly owned companies.
- D.91 To advise Chief Officers, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the authority, and to maintain up-to-date guidance for all authority employees on taxation issues.

Responsibilities of Chief Officers

- D.92 To ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HMRC regulations.
- D.93 To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.
- D.94 To ensure that all persons employed by the authority are added to the authority's payroll and tax deducted from any payments. The [IR35 guidance](#) should be followed for all offpayroll workers who will be subject to PAYE deductions unless a determination has been issued by the IR35 team stating otherwise. As per the [Consultants Policy](#) a business case must be submitted for approval to Executive Management Board before engaging consultants.
- D.95 To follow the guidance on taxation issued by the CFO, including the [Tax Evasion Policy](#).

Quasi Commercial operations

Responsibilities of the CFO

- D.96 To advise on the establishment and operation of trading accounts and business units.

Responsibilities of Chief Officers

- D.97 To consult with the CFO where a business unit wishes to enter into a contract with a third party where the contract expiry date exceeds the remaining life of their main contract with the authority. In general, such contracts should not be entered into unless they can be terminated within the main contract period without penalty.
- D.98 To observe all statutory requirements in relation to business units, including the maintenance of a separate revenue account to which all relevant income is credited and all relevant expenditure, including overhead costs, is charged, and to produce an annual report in support of the final accounts.
- D.99 To ensure that the same accounting principles are applied in relation to trading accounts as for other services or business units.
- D.100 To ensure that each business unit prepares an annual business plan in accordance with published guidelines.

E: EXTERNAL ARRANGEMENTS

Partnerships

Responsibilities of the CFO

- E.1 To advise on effective controls that will ensure that resources are not wasted.
- E.2 To advise on the key elements of funding a project including:
 - (a) A scheme appraisal for financial viability in both the current and future years
 - (b) Risk appraisal and management
 - (c) Resourcing, including taxation issues
 - (d) Audit, security and control requirements
 - (e) Carry-forward arrangements.
- E.3 To ensure that the accounting arrangements are satisfactory.

Responsibilities of Chief Officers

- E.4 To maintain a register of all contracts entered into with external bodies in accordance with procedures specified by the CFO.
- E.5 To ensure that, before entering into agreements with external bodies, appropriate approvals have been obtained and a risk management appraisal has been prepared for the CFO.
- E.6 To ensure that such agreements and arrangements do not impact adversely upon the services provided by the authority.
- E.7 To ensure that all agreements and arrangements are properly documented.
- E.8 To provide appropriate information to the CFO to enable a note to be entered into the authority's statement of accounts concerning material items.
- E.9 To ensure proper authority is obtained for the creation of any company, or any interest in a company, upon the following provisos:
 - i. Cabinet authority – where the interest is within the Policy Framework, a minority one, there is limited liability, less than 20 per cent board membership and the CFO and the Director of Legal & Business Services have no financial or legal concerns;
 - ii. Council authority – any other situation.

External Funding

Responsibilities of the CFO

- E.10 To ensure that any match-funding or partnership funding requirements are considered prior to entering into agreements and that future revenue budgets reflect these requirements and that these issues are fully considered before bids are submitted.
- E.11 To ensure that the longer-term sustainability costs have been properly assessed.
- E.12 To ensure that the sustainability of funding has been assessed for risk.
- E.13 To ensure that all agreements entered into are consistent with and support the Council's priorities.
- E.14 To ensure that all funding notified by external bodies is received and properly recorded in the authority's accounts.

E.15 To maintain a central register of external funding / grant arrangements.

E.16 To ensure that audit requirements are met.

Responsibilities of Chief Officers

E.17 To consult with the CFO and the relevant Cabinet Member before any bid for any external funds is submitted and to ensure that the necessary approvals are obtained to accept funding in line with the criteria in the table below.

E.18 To ensure that when a bid is successful, relevant amendments are made to the appropriate capital and revenue budgets, and that all necessary capital and revenue approvals are obtained before any expenditure is incurred or any commitment is made.

E.19 To consider any future commitments that arise after the period of external funding ceases and agree a written exit strategy in order to avoid unplanned future commitments or provide a robust financial plan to fund any approved future commitments after the period of external funding ceases.

E.20 To ensure that expenditure is properly incurred and recorded in accordance with the Financial Procedure Rules and any conditions of the funding and that all claims for funds are made within any deadlines.

E.21 To ensure that the project progresses in accordance with the agreed project plan.

Value of external funding	Approval required for acceptance of external funding bids
Up to £200,000	Approved by CHIEF OFFICERS in consultation with the CFO
£200,000 to £500,000	Approved by CHIEF OFFICERS in consultation with CFO and Cabinet Member
Over £500,000 to £2 million	Approved by CABINET
Over £2 million	Approved by COUNCIL

Work for Third Parties

Responsibilities of CFO

E.22 To issue guidance with regard to the financial aspects of third-party contracts and the maintenance of the contract register.

Responsibilities of Chief Officers

E.23 To ensure that the approval of Cabinet is obtained before any negotiations are concluded to work for third parties.

E.24 To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the CFO.

E.25 To ensure that appropriate insurance arrangements are made.

E.26 To ensure that the authority is not put at risk from any bad debts.

- E.27 To ensure that no contract is subsidised by the authority.
- E.28 To ensure that, wherever possible, payment is received in advance of the delivery of the service.
- E.29 To ensure that the business unit has the appropriate expertise to undertake the contract.
- E.30 To ensure that such contracts do not impact adversely upon the services provided for the authority.
- E.31 To ensure that all contracts are properly documented.
- E.32 To provide appropriate information to the CFO to enable a note to be entered into the Statement of Accounts.

APPENDIX 1 – STRATEGIC CAPITAL BOARD REVIEW GROUP – TERMS OF REFERENCE

Note: This is **not** a formal decision-making body. Any decision making must be in accordance with the Constitution ie through Council, Cabinet or powers formally delegated to officers. Please refer to the Director of Legal & Business Services for further advice

STRATEGIC CAPITAL BOARD REVIEW GROUP

Terms of Reference

Statement of Purpose

The role of the board group is to oversee the strategic development and delivery of the capital programme, from proposed projects through to inclusion in the programme, implementation, and delivery of the benefits. This will include:

- 1) Acting as a gateway for consideration of what proposals should be recommended for inclusion in the capital programme
- 2) To oversee and endorse the Council's Capital Strategy.
- 3) To own and oversee the development of the Council's Capital Programme for both the General Fund and the Housing Revenue Account.
- 4) Maintaining an overview of the performance of the projects within the Council's capital programme, identifying any specific implementation challenges being faced. ~~and~~
- 5) Scanning the horizon for projects emerging that may need to be added into the programme in the future.
- 6) To ensure the Council has business cases ready to apply for investment opportunities as they arise, working closely with the Renaissance Board.

This remit applies to both the General Fund and Housing Revenue Account (HRA). All proposals will be considered for value for money, alignment with the Council's vision, ~~and~~ priorities and criteria of purposeful investment, and within the context of overall affordability of the entire programme using the criteria and parameters set within the Capital Strategy.

Attendees

- Cabinet Member for Finance and Change (Chair)
- Leader of the Council
- Deputy Leader of the Council
- ~~Cabinet Member for Finance and Resources~~
- Chief Executive
- Executive Director ~~of~~ for Place
- Executive Director ~~Corporate Services Finance and Commercialisation~~ (S151 Officer)
- Head of Financial Planning and Management (Deputy S151 Officer)
- Capital & Treasury Manager
- Head of Corporate Estates & Assets ~~Head of Property~~

By invite depending on the project requiring approval

- ~~Leader of the Council~~
- ~~Chief Executive~~
- Relevant Cabinet Members
- Relevant Executive Directors
- Relevant Project / Programme Managers
- Relevant Heads of Services (to attend at least quarterly to cover capital monitoring)

Core Functions

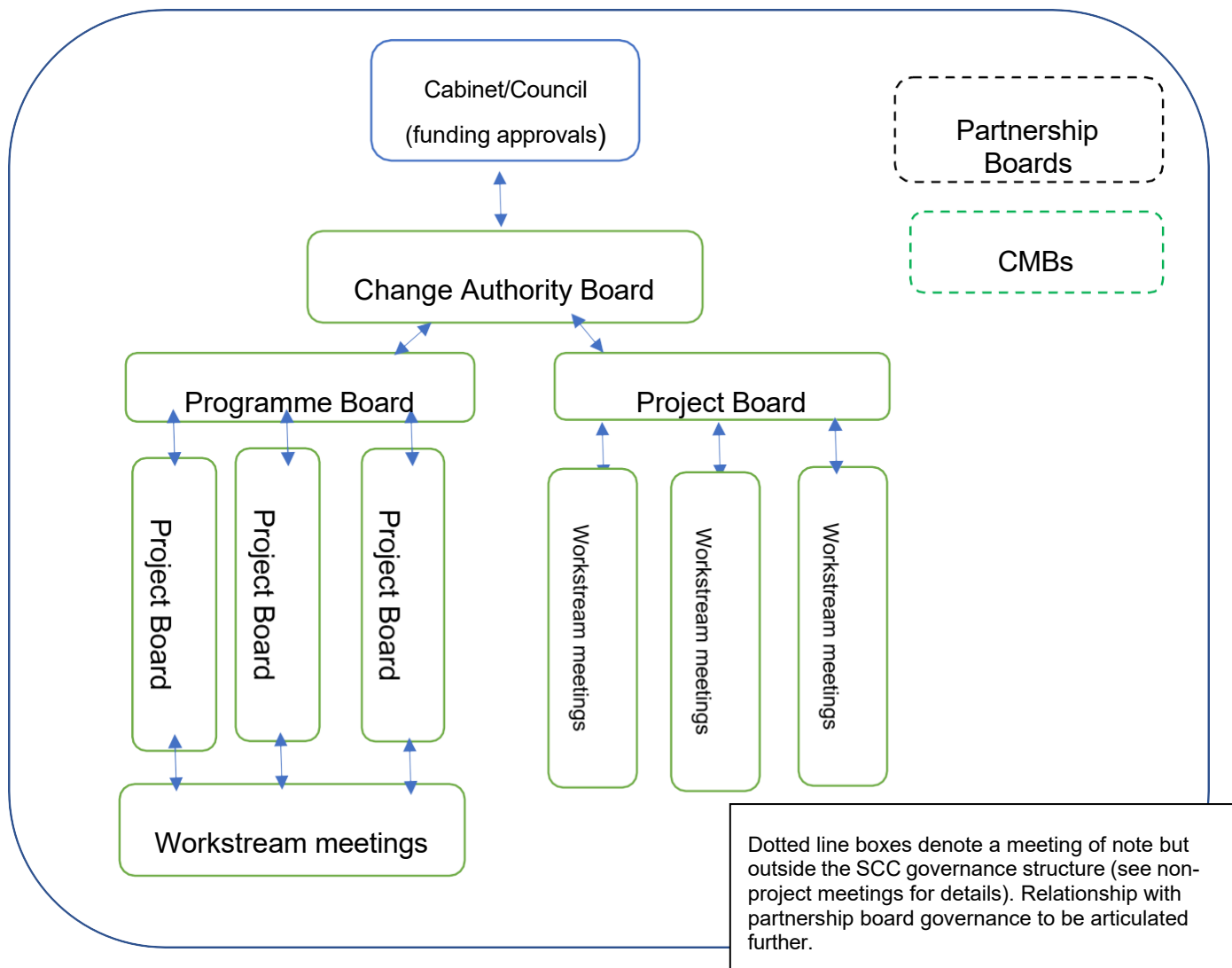
- To operate as a critical gateway for capital programme and major capital projects, evaluating and challenging business case proposals to test robustness and taking a view on prioritisation of projects proposed.
- To review systems of pre-project evaluation, cost estimation and phasing of spend to ensure accuracy of each proposed scheme.
- To review the whole 5-year capital programme taking into account resources and any changes in priorities and recommending any changes to the Cabinet Member for Finance and Resources
- To review the quarterly reporting provided on the Council's capital programme to identify any areas of focus or concern.
- To agree and review a dashboard reporting system which easily highlights projects and programmes where there is a need for focus.
- To identify common issues being experienced across the programmes and seek to address this corporately.
- To focus on major projects and programmes where further confidence or information is needed.
- To act as a forum for horizon scanning for projects that will need to be closed or introduced to the capital programme.
- To consider opportunities for bidding to external organisations for funding prior to a sign off by the Council's Section 151 officer.
- To seek assurance that there are effective project and programme management processes in place for the delivery of successful capital projects.
- To provide assurance that the capital programme is further scrutinised beyond the regular updates provided to Cabinet and EMB and to take actions to expedite any issue that is blocking implementation of agreed projects within the programme.
- To share examples of good practice across the Council and to receive post-implementation review presentations after the completion of major projects for lessons learnt.
- To consider all requests for in-year additions and changes to the capital programme that are not Officer delegated decisions, in accordance with the limits set out in the Financial Procedure Rules.
- To review all assets held by the council, to evaluate if the interests of the council may be better served by disposing of assets to generate capital receipts or avoid potential future liabilities.
- To consider any proposals on the sale of assets, creating capital receipts, to ensure value for money is being obtained.

APPENDIX 2 – CHANGE AUTHORITY BOARD – TERMS OF REFERENCE

<p>Note: This is not a formal decision-making body. Any decision making must be in accordance with the Constitution ie through Council, Cabinet or powers formally delegated to officers. Please refer to the Director of Legal & Business Services for further advice</p>	
<p>Purpose</p>	<ul style="list-style-type: none"> • To act as an approval authority for resourcing Concept stage of new projects • To act as a review point for Concept and Definition stages of project governance. • To monitor specific key programmes against agreed milestones, outcomes risks and issues • To resolve escalated conflicts between programmes. • To review agreed priorities against progress and pipeline to support delivery and BAU capacity. • To assess project success and benefits realisation at appropriate points including after formal project close.
<p>Aims</p>	<ul style="list-style-type: none"> • EMT understand progress and challenges of key council projects and programmes. • EMT are aware of, and are the decision maker on escalations or conflicts that impact more than one programme of work and/or are outside agreed programme tolerances. • Ensure alignment of any new projects (both service and centrally supported) align to council strategies. • Ensure projects and programmes are following the agreed project governance structure. • Horizon scanning and potential pipeline. • Project improvement through lessons learned feedback.
<p>Projects/Programmes to be included</p>	<ul style="list-style-type: none"> • Any project or programme that is outlined in the SCC Corporate Plan 2020-25. • A project or programme that has potential for strategic, reputational, financial or political impact. • Any project or programme that requires resource (including funding) that is not part of a BAU programme. <p>Note: whether included in this board or not, unless by exception, projects and programmes should only be initiated if they are agreed as part of a business plan.</p>
<p>Core Membership</p>	<p>Executive Management Team (EMT) Head of Projects, Policy & Performance, Head of Property, Head of IT Head of Financial, Planning & Management PMO and Performance Manager</p>

Membership by invite	Project/Programme Sponsors Project/Programme Managers Service representatives
Standing agenda items	<ul style="list-style-type: none"> • Decision, escalation & awareness reporting of major projects and programmes • Review/approval and prioritisation of new projects. • Stage review of Concept and Definition stage • Critical decisions or milestones on specific projects/programmes • Capital Monitoring • Spotlight on project/programme
Frequency	Bi-monthly
Administrator	Karen Hilleard (PMO & Performance Manager)

Project governance – key meetings



Meeting	Attendees
<p><u>Cabinet/Council</u> Where Cabinet or full Council approval of funding is required, followed by monitoring projects/programmes against key milestones.</p>	<p>Cabinet Members Executive Management Team Officers as appropriate</p>
<p><u>Change Authority Board</u> Monitoring suite of major programmes across the council against key milestones and outcomes. Decision maker on programme conflicts, escalations and prioritisation.</p>	<p>Executive Management Team Head of Projects, Policy & Performance Head of Property Head of IT PMO & Performance Manager Other Officers as appropriate</p>

<p><u>Programme Board</u> Project updates Monitoring programme progress and key success criteria. Decision maker on project conflicts and escalations and within agreed authority levels.</p>	Programme Sponsor Programme Manager Senior Service User Senior Supplier representative (if relevant) As required -Project Manager(s), workstream leads etc
<p><u>Project Board</u> Monitoring project progress and key success criteria. Decision maker within agreed authority levels. *Note: In a programme set up there will be an additional meeting to manage cross project dependencies etc</p>	Project Manager Business Change Manager Workstream leads – as required SMEs as required
<p><u>Non-project meetings</u> Updates should be provided as required at other meetings (eg CMBs, Governance Committee, improvement boards, operational and relevant partnership meetings) but these are for information only, and are not governance or decision meetings for the project or programme. If a potentially issue arises as part of these, they should be flagged as part of the agenda for the next project or programme board for a decision.</p>	

APPENDIX 3 – SCHEME APPROVAL PROCESS

All capital investment will be agreed by the ~~Capital Review Group~~ Strategic Capital Board. This will enable any expenditure and its funding to be better aligned with the Council and City priorities as well as that of other partners and funding sources. These partners, from both the public and private sector will be at both a regional level and at a district level.

For all proposals identified within business plans, the following approval process needs to be followed:

- a) Outline Business Case (OBC) which will focus on options appraisal and quantifiable outcomes.
- b) Full Business Case (FBC) – the final investment decision. This will focus on the how the priorities set out in the OBC will be delivered, including:
 - i. Project description - This should provide sufficient detailed information in order to give an understanding of what the scheme involves, including the need for and urgency for the work. For example, where the scheme involves a programme of works such as "improvements to" or "replacements to" give some indication of where and when the work is to take place. It is insufficient to simply restate the scheme description as contained in the capital programme.
 - ii. Consultation undertaken.
 - iii. Expenditure and funding including whole life costs and revenue implications. This should be based on an agreed design and specification. It should also include an allowance for fees, contingencies and inflation. A risk-based assessment should be applied to the costs and an indication of the potential range of costs included where appropriate. If there is scheme specific external funding, for example third party grants or capital receipts to be generated, this must be identified and any risks to the receipt of this money made clear.
 - iv. Summary of what the scheme will provide in terms of outputs.
 - v. Concept outline – this will cover the initial concept idea, potential costs and funding sources, links to the Council Strategy and the City Plan and how outcomes will be improved.
 - vi. Any further option appraisal
 - vii. Value for Money – including whether there are any revenue implications other than capital financing costs. Where savings are generated the use of the saving must be specified and where there are extra costs there must be a clear statement of how these will be funded. Any impact on fees and charges, either varying existing charges or introducing new ones, must also be specified.
 - viii. Delivery
 - ix. Timescales - Project start and finish dates plus any key milestones or review dates. This is particularly important where a scheme approval covers several financial years.
 - x. Risk Management
 - xi. Sustainability, forward strategy and evaluation
 - xii. Asset Management
 - xiii. Procurement - The proposed procurement regime to be followed where contracts are to be let, in consultation with the Senior Manager Property, Procurement and Contract Management, and the intended start and completion dates, for each management stage of the scheme.
 - xiv. Equality Impact Assessment

- xv. Environmental Impact Assessment
- xvi. Any approvals or consents that are required from Government Departments or third parties.
- xvii. Change Requests where delegated tolerance levels will be exceeded.

There is a separate process for proposals that are identified by officers outside of the business planning process:

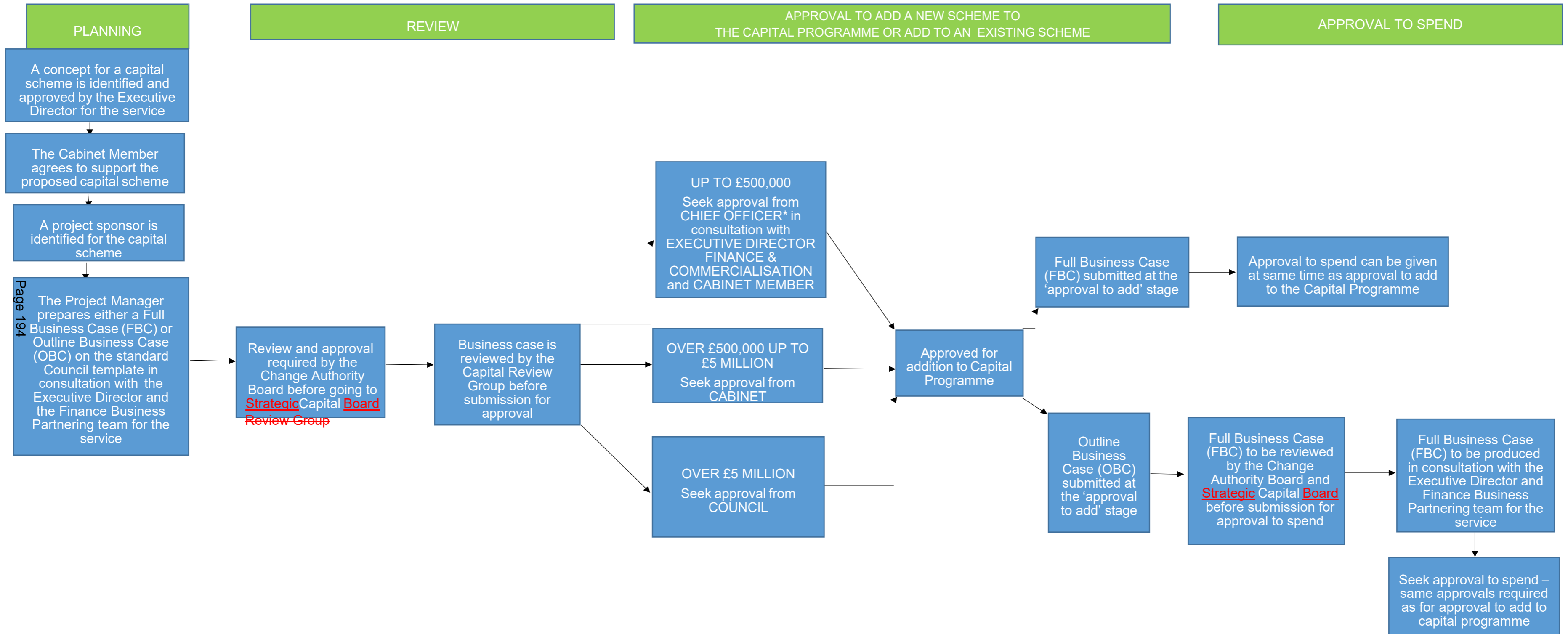
- i. Support for the initial concept of the project must be sought from the relevant Cabinet Member before proceeding with an outline or full business case.
- ii. A full business case as detailed above, or a streamlined version if a less complex project, should normally be prepared in consultation with the Executive Director and Finance Business Partner for the service.
- iii. Once completed and reviewed by the Executive Director and Finance Business Partner, the business case should be taken to the Change Authority Board to review and agree the proposal.
- iv. Once agreed by the Change Authority Board, the business case should be taken to the Strategic Capital Board Review Group for review and agreement before it goes for final approval as required in Table 1 and any appropriate constitutional requirements.

Where there is already an agreed asset management plan the Capital Review Group Strategic Capital Board can choose to request elements of the above business case come forward as they see fit.

APPENDIX 4 – DECISION PATHWAY FOR CAPITAL APPROVALS

Approval to add a new scheme to the capital programme or to add to an existing capital scheme

***The Chief Officer is the Executive Director for the service that holds the budget for the capital project**



<p>APRIL TO SEPTEMBER</p> <p>As part of business planning cycle, detailed business plans for new capital projects for the next financial year are prepared</p>	<p>NE FC</p>	<p>OCTOBER</p> <p>Detailed business plans are reviewed by Heads of Service and Finance before going to the Change Authority Board and then on to the Strategic Capital Board for review</p>	<p>S (GE)</p>	<p>NOVEMBER</p> <p>Final review of business plans following any amendments requested or additional info. No new business cases – updates only.</p>	<p>DECEMBER</p> <p>Executive Director - Finance & Commercialisation and Cabinet Member for Finance and Capital Assets liaise to agree the additions to the budget</p>	<p>JANUARY</p> <p>Detailed business plans are reviewed by EMB and Cabinet</p>	<p>FEBRUARY</p> <p>Capital and revenue budgets are approved by Full Council for the following financial year</p>
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Page 195

<p>MONTHLY</p> <p>Meeting of Change Authority Board to monitor and discuss capital issues</p> <p>Proposals for additions to the annual capital programme are reviewed by the Change Authority Board before submission to the <u>Strategic Capital Board Review Group</u> for review.</p> <p>Business plans for new capital projects during the year are accepted by exception only i.e. urgent capital projects not previously anticipated or fully funded capital projects</p>			<p>QUARTERLY</p> <p>Meeting of the <u>Strategic Capital Board Review Group</u> to monitor the capital programme, give approvals to spend and approve additions to the capital programme by exception only i.e. urgent capital projects not previously anticipated or fully funded capital projects</p>
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APPENDIX 6 – GLOSSARY OF TERMS AND ACRONYMS

Glossary

Change Request	A proposal to significantly alter a project
Delegated Decision Notice	A form to record details of a key decision that has been delegated to a Chief Officer
Project Sponsor	An individual with overall accountability for the project
Rephasing	Moving a budget for a future year into a previous year if, for example, a project progressed more quickly than originally expected
Ringfenced resources	Funding that has restrictions placed upon it and can only be used for a particular purpose
Slippage	Moving a budget for one year into a future year if, for example, there was a delay in the progress of the project
Un-ringfenced resources	Funding that is not restricted to a particular purpose and which can be allocated as required
Virement	The planned transfer of a budget for use in a different purpose to that originally intended

Acronyms

BAU	Business As Usual
CAB	Change Authority Board
CFO	Chief Financial Officer
CMB	Cabinet Member Briefing
CRG	Capital Review Group
DDN	Delegated Decision Notice
EMB	Executive Management Board
EMT	Executive Management Team
FBC	Full Business Case
HRA	Housing Revenue Account
OBC	Outline Business Case
PMO	Project Management Office

Contract Procedure Rules

CONTENTS

GLOSSARY

1	Introduction	3
2	Compliance with these Rules	4
3	Conflicts of Interest and Corruption	5
4	Gifts and Hospitality	5
5	Exemptions to the Rules	6

BEFORE PROCUREMENT

6	Assessing the Need	7
7	Valuation of Contracts	7
8	Authority to Purchase	8

PROCUREMENT PROCESS

9	Procedure determined by Contract Type and Value	8
10	The PCR Procedure	10
11	PCR 2015 Schedule 3 - Social and other specific services	11
12	The High Value Transaction Procedure	11
13	The Medium Value Transaction Procedure	11
14	The Low Value Transaction Procedure	12
15	The Concession Contracts Procedure	12
16	Receiving and Opening Tenders and Quotes	12
17	Evaluating Tenders and Quotes	13
18	Framework Agreements and use of Council Contracts	14
19	Use of Nominated Sub-contractors	14
20	Awarding Contracts and Audit Trails	14
21	Ordering and Paying for Goods, Services and Works	15
22	Parent Company Guarantees and Performance Bonds	15
23	Conditions of Contract	15

POST PROCUREMENT

24	Contracts Register	16
25	Variations and Extensions	16

Glossary

Terminology defined in Regulation 2 of Part 1 of the Public Contract Regulations 2015 (“the PCR 2015”), Regulation 3 of Part 1 of the Concession Contracts Regulations 2016 (“the CCR 2016”) or Regulation 2 of Part 1 of the Health Care Services (Provider Selection Regime) Regulations 2023 (“the PSR 2023”) shall, unless stated otherwise, have the same meanings when used within these rules (the “Rules”).

Other key terms are defined in the glossary below:

Term	Meaning
Best Value	the securing of continuous improvement having regard to economy, efficiency and effectiveness;
Contracts Finder	the web-based portal provided or on behalf of the Cabinet Office for the advertisement of public sector contracts;
Contracts Register	the Council’s own register which includes details of its Contracts, commissioned activity, purchase orders involving any one-off and recurring payments, framework agreements and any other legally enforceable agreement relating to the purchase of goods, services or works) with the Council of values of £5,000 (excluding VAT) or more;
Contract Value	the estimated total value of a Contract (excluding VAT) over its full duration (not the annual value) including the value attributable to any extension options and contractually permissible variations;
Contract	all contracts, commissioned activity, purchase orders, frameworks or dynamic purchasing system (DPS) agreements, call off agreements and any other legally enforceable agreements entered into by the Council relating to the purchase of goods, services or works;
<u>Contract Management Team</u>	<u>the teams (inclusive of those responsible for ICU contract management) responsible for the oversight of Contract Management activities within the Council;</u>
<u>Find a Tender Service</u>	<u>the UK e-notification service where notices for new procurements are required to be published with effect from 1st January 2021;</u>
<u>High Value Threshold</u>	<u>as set out in Table 1;</u>
ICU	the Integrated Commissioning Unit of NHS Hampshire & Isle of Wight and the Council;
Low Value Threshold	as set out in Table 1;
<u>Medium Value Threshold</u>	<u>as set out in Table 1;</u>
<u>Officer</u>	<u>means the responsible person or persons charged by the Executive Director to conduct a procurement process, either in conjunction with the Procurement Team or managing the process in accordance with Rules 13 and 14;</u>
PCR Thresholds	the thresholds prescribed for the PCR 2015 as set out in Table 1;

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Procurement Teams	the teams (inclusive of those responsible for ICU procurement) responsible for the oversight and management of Procurement activities within the Council;
Request for Procurement	the document completed by the Requesting Officer and signed by an authorised signatory which is submitted to the Procurement Teams to initiate a Procurement in accordance with these Rules;
Requesting Officer	the officer submitting a Request for Procurement (whether for themselves or on behalf of another officer);
SME	Any business with fewer than 250 employees and either an annual turnover below £45m or a total balance sheet less than £40m.

1. Introduction

- 1.1 These Rules govern and set out how the Council shall select suppliers to provide goods, services or works and form part of the Council's Constitution.
- 1.2 Where within these Rules the Director of Commissioning – Integrated Health & Care and Head of Supplier Management are referred to in the alternative, the former will be responsible for all procurement activities and matters in respect of health and care services procured and managed via the ICU and the latter will be responsible for all other Council procurement activities and matters. Any reference to the roles of Head of Supplier Management or Director of Commissioning – Integrated Health & Care shall be taken to include his or her delegate also.
- 1.3 Where an officer considers that there is good reason to enter into a contract for the purchase of goods, services or works even though it cannot be undertaken in accordance with the procedures specified within these Rules, it shall be managed in accordance with a process agreed by the Chief Executive and the relevant Executive Director.
- 1.4 The Rules are based upon: -
- 1.4.1 the Council's Constitution;
 - 1.4.2 all relevant statutory provisions including the Local Government Act 1988 Part II, Local Government Act 1999, Local Government Act 2000, the PCR 2015, the Local Government (Contracts) Act 1997, the Localism Act 2011, the Public Services (Social Value) Act 2012 and the CCR 2016 (as amended The Public Procurement (Amendment etc.) (EU Exit) Regulations 2020);
 - 1.4.3 any direction by the Council, a Cabinet Member or Committee having appropriate delegated authority and
 - 1.4.4 Council policies and procedures which includes but shall not be limited to equality and diversity, safeguarding, Council information and communication technology security, security, data protection and social value and green city and modern slavery, insofar as they are directly relevant to that contract.
- 1.5 The Rules do not apply to: -
- 1.5.1 in-house purchases or in-house service provision (including purchase or service provision from a third party where the contracting authority effectively owns/controls it and the main focus and extent of its activities concerns the contracting entity);
 - 1.5.2 arrangements which establish or implement co-operation between contracting authorities;
 - 1.5.3 arrangements which cover flows of money or pooling of funds between the Council and health bodies (section 75, 76 and 256 agreements under the National Health Service Act 2006 (as amended));
 - 1.5.4 the acquisition or rental, by whatever financial means, of land, existing buildings or other immovable property. For the avoidance of doubt, if the council is placing obligations as part of the disposal under a wider development agreement, this may trigger procurement compliance considerations and officers should seek advice from Legal and the Procurement Team to determine if the Rules apply;
 - 1.5.5 the making or receiving of grants unless an output to be delivered is specified or the terms of the grant otherwise require compliance;

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1.5.6 Sections 5, 6, 7, 10, 11, 12, 13, 14 and 15 do not apply to relevant health care services as defined by Schedule 1 of the PSR 2023.

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1.5.7 contracts for permanent or fixed term employment (this does not include consultancy services or agency workers where, for clarity, the Rules do apply);

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1.5.8 1.5.8 arbitration or conciliation services;

1.5.9 legal services connected with litigation or the exercise of official authority in accordance with Regulation 10(1)(d) of PCR 2015;

1.5.10 certain financial services related to the issue, sale, purchase or transfer of securities or other financial instruments in accordance with Regulation 10(1)(e) and (f);

1.5.11 for loans, whether or not in connection with the issue, sale, purchase or transfer of securities or other financial instruments;

1.5.12 direct payments to customers following care assessment (for example, payments under Self-Directed Support or Personal Budgets);

1.5.13 Non-trade payments to third parties, such as insurance claims, pension payments, court judgments, and statutory payments to public bodies.

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Officers must seek advice from the Procurement Team where Rule 1.5.1 and 1.5.2 is thought to apply. This is to ensure that a thorough assessment of compliance can be made and documented.

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1.6 The Rules have three main purposes:

1.6.1 To ensure and enable the demonstration of compliance by the Council with public procurement law including the principles of equality of treatment, non-discrimination, transparency, mutual recognition and proportionality.

1.6.2 To ensure the Council strives for Best Value in the way it spends money, so that in turn the Council may be able to offer better and more cost-effective services to the public and other stakeholders and

1.6.3 To protect officers who follow the Rules.

1.7 With the exception of procurements undertaken in accordance with the Low and Medium Value Procedures (as detailed in Table 1), officers must not engage with a supplier without first engaging with the Procurement Team in accordance with Rules 9-15 (inclusive).

1.8 Executive Directors are responsible for ensuring that their officers comply with these Rules.

1.9 The Head of Supplier Management and the Director of Commissioning – Integrated Health & Care will investigate any incidences of non-compliance with these Rules with assistance from the Procurement Teams.

1.10 The Head of Supplier Management and the Director of Commissioning – Integrated Health & Care is responsible for providing advice on these Rules with assistance from the Procurement Teams.

2. Compliance with these Rules

2.1 Compliance with the Rules is mandatory, and any person found to have been acting in breach of these Rules may be subject to disciplinary proceedings. Compliance

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includes seeking and having proper regard to all legal, financial and professional advice obtained in accordance with these Rules.

2.2 Officers must seek advice from the Procurement Team in any and all instances of uncertainty about whether the Rules apply and how to apply the Rules.

2.3 The Rules work in concert with Council policies and relevant legislation. When conducting procurement activities officers must ensure they also comply, where relevant, with:

2.3.1 all requirements of public procurement law;

2.3.2 the Council's Constitution;

2.3.3 the Council's Records Review and Retention Schedule;

2.3.4 the Council's Green City Charter;

2.3.5 Council policies including:

- o the Council's Gift and Hospitality Policy
- o the Council's Anti-bribery Policy
- o the Council's Social Value and Green City Procurement Policy
- o the Council's SCC First Policy
- o the Council's Modern Slavery Charter

2.3.6 the Council's Corporate Plan and its Procurement and Contract Management Strategy.

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2.4 Officers must ensure that any agents, consultants and contractual partners and suppliers conducting procurement activities on the Council's behalf comply with these Rules.

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2.5 The Procurement Teams will advise on whether and how the Rules apply in any particular case. Where appropriate, the Procurement Teams may seek legal advice from the Council's Legal and Governance Team.

2.6 Unless expressly directed by the Head of Supplier Management or the Director of Commissioning – Integrated Health & Care, the Procurement Teams must manage all Procurements with an estimated Contract Value exceeding the Medium Value Transaction Threshold.

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2.7 In the case of relevant health care services as defined by Schedule 1 of the PSR 2023, the requirements set out in the PSR 2023 must be adhered to.

3. Conflicts of Interest and Corruption

3.1 Any interest which may affect the award of a Contract under these Rules must be declared. Any officer of the Council participating in a Contract award decision or employee of the Procurement Team must provide the Head of Supplier Management and Supplier Management or Director of Commissioning – Integrated Health & Care with an advance written declaration of any such interests. Such interests include the ownership of shares in a potential supplier, previous employment by a potential supplier or the employment of a family member by a potential supplier.

3.2 The Head of Supplier Management or Director of Commissioning – Integrated Health & Care must either certify that such interests are acceptable or take any necessary action in respect of potential conflicts of interest and the officer should not participate in the evaluation or award of the contract by the Council.

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3.3 Officers must be aware of other requirements of the Council's Constitution with regard to conflicts of interest, bribery and corruption.

3.4 Every Contract which the Council enters into shall include a provision which entitles the Council to terminate the Contract and recover losses from the contractor resulting from such termination if the contractor or anyone acting on the contractor's behalf has:

3.4.1 offered or given or agreed to give to any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do, or has done or forborne to do, any action in relation to the obtaining or execution of the Contract or any other contract with the Council; or

3.4.2 shown or has forborne to show favour or disfavour to any person in relation to the Contract or any other Contract or agreement with the Council; or

3.4.3 committed an offence under the Prevention of Corruption Acts 1889 to 1916 (or any act or acts as may replace the same) or has given any reward the receipt of which is an offence under the Local Government Act 1972 (or any act as may replace the same) or committed an offence under the Bribery Act 2010.

4. Gifts and Hospitality

4.1 No gifts or hospitality should be accepted from any bidders to any Contract being let or about to be let by the Council. Acceptance of gifts or hospitality may be a disciplinary offence. Every officer managing a procurement, letting (or planning to let) a contract or managing a contract for the Council must inform the Head of Supplier Management or Director of Commissioning – Integrated Health & Care of any offers of gifts or hospitality. Reference should be made to the Council's policy on Gifts and Hospitality in place at such time and other relevant Council policies.

5. Exemptions to the Rules

- 5.1 No exemption can be given which breaches public procurement law.
- 5.2 An exemption to these Rules may only be agreed by:
 - 5.2.1 the Director of Commissioning – Integrated Health & Care (or his or her delegate) or
 - 5.2.2 the Head of Supplier Management (or his or her delegate)

5.3 This Rule 5.3 applies to exemption requests falling within the High Value Transaction Procedure. A Request for Exemption may be granted if the relevant officer listed in 5.2 is satisfied that there is sufficient justification to authorise the request on one of the following grounds:

- 5.3.1 the nature of the market for the works to be carried out or the goods or services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of the Rules is justifiable; or
- 5.3.2 the requirement is for works, goods or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen; or
- 5.3.3 there are other circumstances which are genuinely exceptional.

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5.4 Where it is proposed to utilise Regulation 32 of PCR 2015, or Regulation 14 of PSR 2023 in the case of urgent awards, a Request for Exemption must be considered by the relevant officer listed in Rule 5.2. The request must set out a thorough assessment of how the request complies with one of the grounds laid down in Regulation 32 of PCR 2015, or Regulation 14 of PSR 2023.

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5.5 No exemption requests will be considered unless and until a Request for Exemption form has been fully completed and submitted to the Procurement Team. Officers shall not enter into contracts with suppliers, allow services or works to commence, arrange for the delivery of goods until an exemption request is formally approved by the Director of Commissioning – Integrated Health & Care or the Head of Supplier Management. If an exemption is granted, the provisions of the Council’s Financial Procedure Rules must still be followed and details of the Contract must be published in accordance with legislation.

5.6 A record of the decision approving an exemption and the reasons for it must be kept by the Procurement Team, an entry made in the register of approved exemptions and the Contracts Register updated accordingly by the Procurement Team.

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5.7 Approved exemptions will be conditional on the relevant Executive Director providing and agreeing a plan with the Head of Procurement and Supplier Management or the – Director of Commissioning - Integrated Health & Care to mitigate the need for further exemptions relating to the Contract.

5.8 An exemption will be deemed to have been approved by the Director of Commissioning – Integrated Health & Care in the case of a child placement or education funding (or any combination thereof) where:

5.8.1 The value of such placement or education funding is below the relevant PCR Threshold and

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5.8.2 All compliant frameworks agreements have been considered and are unable to meet the requirement and in any such instance, Rules 5.5 to 5.7 (inclusive) shall not apply.

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This Rule 5.8 applies to services for the placement of a child (including most obviously in a residential home, into foster care or into adoption) and for the provision of associated educational services to that child. Any contract awarded under this Rule must comply with the Council's transparency obligations, such as entering the contract details on the Contracts Register and publishing the relevant contract award notices.

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5.9 An exemption shall never be given in relation to either Rule 3 (Conflicts of Interest and Corruption) or Rule 4 (Gifts and Hospitality).

5.10 These Rules may also be varied or departed from when the Director of Legal and Governance advises that statute or subordinate legislation requires such a variation.

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BEFORE PROCUREMENT

6. Assessing the Need

6.1 With the exception of activity undertaken in accordance with the Low and Medium Value Transaction Procedures, the Requesting Officer must engage with the Procurement Teams as soon as a need which may result in a procurement is identified.

6.2 Prior to commencing a procurement, the following options for delivery of the need must be considered:

- 6.2.1 The consequences of not buying the goods or services or having the works done at all;
- 6.2.2 The Council making the goods or delivering the services or works in-house (in accordance with the SCC First Policy);
- 6.2.3 The Council providing the goods, services or works as part of a partnership arrangement with another party;
- 6.2.4 The Council commissioning jointly with another contracting authority;
- 6.2.5 The Council participating in a shared services arrangement with another council or other public sector entities for services delivery;
- 6.2.6 The Council utilising a pre-existing Contract to fulfil the requirement; or
- 6.2.7 The Council achieving delivery through any combination of 6.2.2 to 6.2.6.

6.3 Where the assessment of the need determines that a procurement is required, the appropriate procedure shall be undertaken in accordance with Rule 9 (Procedure Determined by Contract Type and Value).

7. Valuation of Contracts

7.1 An estimated Contract Value likely to provide the most economically advantageous outcome for the Council must be identified prior to commencing a procurement. This shall be based on the total consideration estimated to be payable over the full term of the contract, including all possible Contract extension and other payment options, by the Council to the Supplier.

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7.2 In the case of a Framework Agreement or Dynamic Purchasing System, the estimated value shall be the total value of all contracts that could be entered into by the Council

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and other contracting authorities (where applicable) during the lifetime of the Framework Agreement or Dynamic Purchasing System.

7.3 In the case of Concession Contracts, the Contract Value shall be calculated on the basis of the total turnover of the concessionaire generated over the duration of the Contract, net of VAT, in consideration for the works and services that are the object of the concession, as well as for the supplies required for such works and services that may be required over the lifetime of the agreement, including Contract extension options.

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7.4 Where the duration of the Contract is indeterminate, the estimated Contract Value must be the estimated value of the Contract over a period of four years.

7.5 The estimated Contract Value must be referenced within the Request for Procurement.

7.6 If a requirement is or can be related to another Council procurement or is for goods, services or works which are, or may also be, procured by another part of the Council and/or on a recurring basis, this may affect the Contract Value for the purpose of these Rules (i.e. the requirements for aggregation may apply). Officers must obtain guidance from the Procurement Teams before commencing such a procurement.

7.7 The Council may decide to award a Contract in the form of separate lots and may determine the size and subject-matter of such lots whilst at all times adhering to Regulation 46 of the PCR 2015. Such a decision shall be made by the Procurement Teams.

7.8 The value of any contract must not be:

7.8.1 underestimated deliberately or

7.8.2 calculated by disaggregating (subdividing) it from other elements of the procurement or from other related procurements in order to reduce the perceived Contract Value or avoid the application of procedures set out in these Rules.

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7.9 If the Council has a single requirement the value of which is over a threshold set out in Table 1 but which the Council wishes to meet by entering into multiple procurements, then the value of the multiple procurements may need to be aggregated for the purpose of these Rules and advice must be sought from the Procurement Team in these instances.

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7.10 Artificially underestimating and/or disaggregating the Contract Value are clear breaches of the Rules and may lead to disciplinary proceedings being initiated.

8. Authority to Purchase

8.1 The Constitution governs the limits within which the Executive Directors and their authorised officers may authorise purchases on behalf of the Council and these limits must not be exceeded. The Executive Director for Corporate Services maintains a list of authorisation limits which specifies a maximum financial limit for each transaction for each authorised officer.

8.2 Executive Directors must ensure that procurement activity is undertaken by authorised officers who can demonstrate knowledge and understanding of these Rules and skills appropriate to the task. These officers should already have authority under the above

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list and if not, must be granted authority by the Executive Director for Corporate Services.

8.3 Officers must ensure that the appropriate budget holder has the funds in place for any proposed contracts and that the necessary budget approval from Finance has been obtained prior to commencement of the procurement process. This must be validated before a decision is made to award a Contract.

8.4 Officers must follow the processes laid out in the Constitution with regard to decision making. This includes Member consultation, Cabinet or Council approvals and Officer Decision making processes, where appropriate.

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PROCUREMENT

9. Procedure Determined by Contract Type and Value

9.1 The Rules and the associated procedures vary according to Contract Value, with stricter, more rigorous procedures for higher value transactions. This is to ensure that the benefits of a more thorough, complex procurement process are not outweighed by the cost of the procedure, relative to the value of the goods, services or works in question.

9.2 Notwithstanding the Contract Value or procurement procedure utilised, all procurements undertaken by the Council must adhere to public procurement principles of equality of treatment, non-discrimination, transparency, mutual recognition and proportionality and such adherence must be demonstrable if challenged.

9.3 Officers must always engage with the Procurement Team prior to starting procurement activity for all procurements other than those within the Low and Medium Value Transaction Thresholds.

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9.4 In respect of all procurement procedures other than those undertaken in accordance with the Low and Medium Value Transaction Procedure, unless otherwise directed by the Head of Supplier Management or the Director of Commissioning – Integrated Health & Care, a Request for Procurement must be completed, signed by an officer authorised in accordance with the Officer Scheme of Delegation and submitted to the Procurement Team prior to the commencement of any procurement.

9.5 Tender or quote documentation appropriate to the procedure being undertaken must be developed to reflect size, scope, and type of specification where required (i.e. input versus output or outcome specification) and any other specific terms and conditions which are key to the subject-matter, subject always to Rule 23 (Conditions of Contract).

9.6 Where a competition has been undertaken in accordance with any of the procedures in Table 1 and only a single tender has been received, a Contract may be awarded, subject to a value for money review being undertaken and an audit trail demonstrating compliance with the relevant procedure being available for inspection.

9.7 All contractual agreements entered into must specify the goods, services or works to be provided, state the price to be paid, and include appropriate terms and conditions of contract in accordance with Rule 23 (Conditions of Contract).

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9.8 Where a procurement relates to services (or services together with the purchase or hire of goods or the carrying out of works), an assessment of the required services

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must be undertaken by the procuring officer in conjunction with the Procurement Team to ensure compliance with the Public Services (Social Value) Act 2012.

- 9.9 In respect of any procedure where more than one quote or tender is being requested, a quote or tender from at least one SME must be sought.
- 9.10 In respect of any procedure where at least three quotes are being requested, quotes from at least two local suppliers must be sought subject to such suppliers existing within the local area. "Local" shall mean within the city of Southampton or if the requirement cannot be sourced within Southampton within the county of Hampshire.
- 9.11 In respect of all procedures other than those undertaken in accordance with the PCR Procedure, where it is deemed appropriate by the Procurement Team when considering value for money and the sector/market and risks, the procurement may be reserved by supplier location (in respect of services only) or to SMEs and Voluntary, Community and Social Enterprises (VCSEs) (in respect of supplies, services and works) in accordance with Procurement Policy Note (PPN) 11/20 – Reserving Below Threshold Procurements and relevant legislation.
- 9.12 Advice must be sought from the Procurement Teams at the earliest opportunity if a request for de-brief is received from a tenderer or a candidate.
- 9.13 Table 1 (below) shows the relevant procedure to be followed depending upon the nature of the requirement and its estimated Contract Value.

Table 1

Type of Contract	Estimated Contract Value (excluding VAT) and relevant thresholds	Procedure to be followed	Rule (in this document)
For goods and services	£214,904* (indicative value excluding 20% VAT £179,086* or above)	The PCR Procedure	10
For works	£5,372,609* (indicative value excluding 20% VAT: £4,477,174*) or above	The PCR Procedure	10
PCR 2015 Schedule 3 - Social and other specific services	Up to and including £663,539* (indicative value excluding 20% VAT: £552,950*)	The High Value Transaction Procedure	12
For goods or services	£30,000 - £214,903* (indicative value excluding 20% VAT: £25,000 - £179,085*)	The High Value Transaction Procedure	12
For works	£30,000 - £5,372,608* (indicative value excluding 20% VAT: £25,000 - £4,477,173*)	The High Value Transaction Procedure	12
For goods, services and works	£12,000 - £29,999 (indicative value excluding 20% VAT: £10,000 - £24,999)	The Medium Value Transaction Procedure	13
For goods, services and works	Up to and including £11,999 Indicative value excluding 20% VAT: £9,999 ("the Low Value Threshold")	The Low Value Transaction Procedure	14
Concession Contracts	All Contract Values	The Concession Contract Procedure	15
Relevant health care services	All Contract Values	Provider Selection Regime	2.7
* Please note that these are the "PCR Thresholds" and are applicable from 1 January 2024.			

10. The PCR Procedure

- 10.1 The PCR Procedure shall be managed by the Procurement Team and approved by the Head of Supplier Management or the Director of Commissioning – Integrated Health & Care.
- 10.2 Minimum timescales relating to tender procedures are governed by the PCR 2015 and these must always be followed.
- 10.3 In accordance with Rule 10.2, a Contract Notice must be published in the Find a Tender Service and in Contracts Finder.

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10.4 Advertisements published additional to those under Rule 10.3 (for instance in the local press or trade journals):

10.4.1 must not appear on Contracts Finder or in any other form of publication before a Contract Notice is published on the Find a Tender System and

10.4.2 must not contain any information additional to that contained in the Contract Notice.

10.5 All Contracts tendered under this procedure must allow for a ten-calendar day standstill period between when the decision to award is communicated and the Contract being entered into.

10.6 In accordance with Rule 10.2, all Contracts awarded pursuant to the PCR procedure must be publicised by means of a Contract Award Notice transmitted no later than 30 calendar days after the date of the Contract award.

10.7 In line with changes to the PCR 2015, for the purposes of understanding if the value is above the PCR Threshold, the value of the procurement will be calculated inclusive of VAT. This reflects a change in approach following Brexit and the UK's (now independent) membership of the World Trade Organisation's Agreement on Government Procurement (GPA).

11. PCR 2015 Schedule 3 – Social and other specific services

11.1 Regulations 74 to 76 of the PCR 2015 set out specific services which may be procured by applying this more flexible procedure.

11.2 The procurement process for these services must be conducted in accordance with the requirements set out in the PCR 2015 and must at all times uphold the principles of transparency and equal treatment of economic operators.

12. The High Value Transaction Procedure

12.1 Subject to Rule 12.2, the contract opportunity must be advertised by the Procurement Team at the start of the tender procedure. Information on the contract opportunity must be published on Contracts Finder within 24 hours of being advertised elsewhere.

12.2 The tender procedure shall be that identified as the most appropriate by the Procurement Team.

12.3 Tenders should be sought by the Procurement Team unless the Procurement Team determines that by virtue of its complexity at least three written quotes will allow Best Value to be demonstrated.

12.4 Where Rule 12.3 is determined to be the most appropriate process to follow, the requirements of Rules 9.9 and 9.10 must be observed.

13. The Medium Value Transaction Procedure

13.1 If the Contract Value of the procurement is within the Medium Value Threshold then there is no requirement for an officer to engage with the Procurement Team however, officers must contact the Procurement Team when in any doubt over the value of the procurement, how the procurement should be conducted and/or whether disaggregation applies.

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13.2 Any officer conducting a procurement under this Medium Value Transaction Procedure must ensure they comply with all relevant requirements contained within these Rule (including but not limited to Rule 3, Conflicts of Interest and Corruption). Advice can be sought from the Procurement Team if there is any doubt in relation to the interpretation of the Rules.

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13.3 Officers must obtain at least three written quotes from suitable suppliers before a supplier can be selected, unless the officer determines that only one or two suitable suppliers exists for the specific requirement. Any decisions to obtain less than three quotes must be documented and justified. Records of the reasons and justification shall be kept by officers but may need to be shared in the event of an audit. Where three or more quotes are being sought, where possible this should include a quote from at least two local suppliers, ("local" to be interpreted in accordance with Rule 9.10).

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13.4 When obtaining quotes, officers must ensure they are conducting a like for like comparison and that quotes are evaluated on the same basis and must be reasonably certain, all things considered, that the contract that is being entered into represents Best Value.

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13.5 Officers must inform suppliers the basis on which their quote will be evaluated and a subsequent Contract awarded, which will include the process, timescales, evaluation methodology and terms and conditions to be used.

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13.6 Officers must ensure that they are carrying out appropriate due diligence on their chosen suppliers. This could include but not be limited to insurance requirements, health and safety requirements, economic and financial standing assessment.

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13.7 Where appropriate for the requirement in question, officers may request that the opportunity be advertised on the Council's on-line tendering system portal and an open market competitive procedure undertaken.

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13.8 Where it is proposed to use a third-party framework agreement for contracts falling within this Medium Value Transaction Threshold, officers must comply with the process set out in Rule 18. This process will be supported by the Procurement Team.

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13.9 Officers must provide the Procurement Team with any and all information relating to the contracts and suppliers to facilitate completion of the Contract Register and to enable the Council to meet its obligations in respect of the Local Government Transparency Code 2015 including providing details of all Contracts equal to or above £5,000 in Contract Value in a timely manner.

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14. The Low Value Transaction Procedure

14.1 If the Contract Value of the procurement is less than the Low Value Threshold then there is no requirement for an officer to engage with the Procurement Team however, officers must contact the Procurement Team when in any doubt over the value of the procurement, how the procurement should be conducted and/or whether disaggregation applies.

14.2 Officers must obtain at least one written quote from a supplier before a supplier can be selected. Where possible, this should include a quote from a local supplier, ("local" to be interpreted in accordance with Rule 9.10).

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¶ the Procurement Team determines that by virtue of its complexity, a tendering exercise should be undertaken to demonstrate Best Value for the requirement or¶
the Procurement Team determines that only one supplier exists for the specific requirement.¶

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14.3 Officers must be reasonably certain, all things considered, that the contract that is being entered into represents Best Value.

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14.4 Officers must ensure that they are carrying out appropriate due diligence on their chosen suppliers. This could include but not be limited to insurance requirements, health and safety requirements, economic and financial standing assessment.

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14.5 Where it is proposed to use a third-party framework agreement for contracts falling within this Medium Value Transaction Threshold, officers must comply with the process set out in Rule 18. This process will be supported by the Procurement Team.

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14.6 Officers must provide the Procurement Team with any and all requested information relating to the Contracts and suppliers to facilitate completion of the Contract Register and to enable the Council to meet its obligations in respect of the Local Government Transparency Code 2015 including providing details of all Contracts equal to or above £5,000 in Contract Value in a timely manner.

15. The Concession Contracts Procedure

15.1 Concession Contracts are arrangements where operational risk lies with the provider and payment consists of the right to exploit the services or works or those rights along with some payment to, or by the Council. Where the value is equal to or above £5,372,609 (indicative value excluding 20% VAT £4,447,174) ¹ the procurement of a Concession Contract is governed by the CCR 2016. See Rule 7.3 for details of how a concession contract must be valued. In cases where the estimated Contract Value is below the CCR 2016 threshold, the procedure related to the relevant threshold contained within these Rules shall be followed. For the avoidance of doubt, the High Value Transaction Procedure shall be used for any concession contract over £25,000 (exclusive of VAT).

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16. Receiving and Opening Tenders and Quotes

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16.1 Responses to an invitation to tender or quote must be received according to the format of response specified in the invitation to tender or quote and no later than the time specified for submission of tenders or quotes in the invitation to tender or quote.

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16.2 Emailed tenders and quotes received are acceptable for Low, Medium and High Value Transactions, but copies must be retained by the Procurement Team (for High Value Transactions) and the procuring officer (for those undertaken in accordance with the Low and Medium Value Transaction Procedure). For the avoidance of doubt, emailed submissions shall not be accepted for procurements subject to PCR 2015, PSR 2023 or CCR 2016, unless there are exceptional circumstances which mean there are no other suitable means of receiving the tender submissions.

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16.3 Tenders or quotes received for all procurement procedures:

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16.3.1 must be managed by the Procurement Teams using the Council's on-line tendering system portal for electronic tendering where a High Value Transaction, PCR 2015, PSR 2023 or CCR 2016 procedure is being utilised, unless Rule 16.2 is being applied (for High Value Transactions only). Electronic

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¹ This is the Concession Contract Regulation threshold with effect from January 2024.

tender responses must be received, time stamped and opened in accordance with the approved procedures implemented in that system and

16.3.2 a record of opened and rejected tenders and quotes as well as candidates who did not submit a tender or a quote must be recorded for all procedures conducted under these Rules, PCR 2015, PSR 2023 or CCR 2016.

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17. Evaluating Tenders and Quotes

17.1 All tenders and quotes should be evaluated against criteria that state the basis for how the Contract will be awarded. In respect of procurements exceeding the Medium Value Threshold, this evaluation criteria must be determined in liaison with the Procurement Team prior to the issue of the invitation to tender or quote and must include mandatory and (where relevant) desirable requirements linked to the subject matter of the Contract.

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17.2 The evaluation criteria must be detailed in the document used to invite tenders or quotes and must not be changed during the procurement process. Requests for variant bids (i.e. a proposal for a solution that differs from the solution set out by the Council) must be scored against the same evaluation criteria as a tender or quote which meets the Council's stipulated requirements.

17.3 Contract awards must be based on the identification of the most economically advantageous tender or quote and the evaluation criteria must reflect this. In exceptional circumstances, it might be appropriate to award the contract on the basis of the lowest, or in the case of a concessions contract, highest, priced tenderer. If lowest price is used, there must be appropriate justification to do so and must not be used for procurements conducted in accordance with the PCR 2015. This approach should also not be used for contracts where social value benefits can be realised.

17.4 An evaluation to determine the most economically advantageous tender or quote involves scoring tenders or quotes objectively using criteria which must:

- 17.4.1 be relevant to the specific procurement's size and scope;
- 17.4.2 be pre-determined and listed in the invitation to tender or quote, as the case may be;
- 17.4.3 be strictly observed at all times throughout the procurement procedure;
- 17.4.4 reflect the principles of Best Value;
- 17.4.5 include price, quality and social value (where appropriate);
- 17.4.6 consider whole-life costings, particularly in the case of capital equipment where the full cost of maintenance, decommissioning and disposal must be taken into account;
- 17.4.7 indicate how the Council will score tenders or quotes and be capable of objective assessment;
- 17.4.8 be weighted according to their respective importance which must be detailed in the document used to invite tenders or quotes;
- 17.4.9 address, where applicable, the bidder's proposal to accept a transfer of staff under the Transfer of Undertakings (Protection of Employment) Regulations 2006; and
- 17.4.10 avoid discrimination or perceived discrimination on the basis of nationality or other cause contrary to the any of the Council's policies.

17.5 Any resulting contract awarded must be awarded to the bidder who submits the most economically advantageous tender or quote (i.e. the quote or tender that achieves the

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highest score in the evaluation), or the supplier who submits the lowest, or highest concession price tender or quote if this approach is being used (see Rule 17.3).

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- 17.6 The Procurement Team (or procuring officer in respect of quotes under the Low and Medium Value Transaction Procedure) must obtain clarification or explanation from suppliers who submit tenders or quotes which appear abnormally low and may reject a tender or quote if the evidence supplied is not satisfactory to justify the low tender or quote.
- 17.7 The results of the evaluation process must be recorded in writing.
- 17.8 Unless otherwise required by law, evaluators must not disclose information contained within tenders or quotes returned by a supplier to any third party.

18. Framework Agreements and use of Council Contracts

- 18.1 Before first use by the Council, the use and terms of all framework and DPS agreements (including those of the Crown Commercial Services and other public purchasing organisations), must be approved in writing by:

18.1.1 a solicitor from the Council's Legal and Governance Team and

18.1.2 the Head of Supplier Management or the Director of Commissioning – Integrated Health & Care.

- 18.2 Agreements approved in accordance with Rule 18.1 may be used by the Council (as part of the procurement procedures in Rules 9-15) following an assessment by the Procurement Team, including whether they are considered to offer Best Value for the need in question and when considering performance on previous and/or or current contracts (or both) by the relevant framework or DPS contractors.

- 18.3 Where the Council has in place specific Contracts with suppliers to provide goods, services or works which are suitable for the requirement, these Contracts, where capable of doing so, must be used to source a requirement unless directed otherwise by the Head of Supplier Management or the Director of Commissioning – Integrated Health & Care.

19. Use of Nominated Sub-contractors

- 19.1 Officers must not nominate the use of specific sub-contractors without the prior written consent of the Head of Supplier Management or the Director of Commissioning – Integrated Health & Care .
- 19.2 Any nominated sub-contractors must have been selected through use of the appropriate tender or quote procedure as if the Council were contracting directly with the sub-contractor.

20. Awarding Contracts and Audit Trails

- 20.1 Executive Directors must ensure that the appropriate budget holder has the funds in place to sustain a Contract prior to award.
- 20.2 Where a Contract Value is below the PCR Threshold for goods or services² or, in the case of a works contract, £200,000 (excluding VAT), the Contract must only be signed

² Contracts for Schedule 3 "Light Touch Regime" services shall be subject to the general PCR Threshold for services in respect of this Rule.

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by a Chief Officer authorised to do so in accordance with the Officer's Scheme of Delegation or an officer in receipt of a formal sub delegation subject to receipt of confirmation from an Executive Director (verified by Finance prior to award) that the funds are in place to sustain the contract.

20.3 For all Contracts where the Contract Value is equal to or exceeds the PCR Threshold for goods or services or, in the case of a works contract, £200,000 (excluding VAT), the Contract must either:

20.3.1 be made under the Council's seal in accordance with the Constitution; or

20.3.2 signed by at least two duly authorised officers of the Council authorised by the Director of Governance, Legal & HR..

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20.4 The decision as to whether to sign or to seal a contract shall rest with the Director of Legal and Governance. For the avoidance of doubt, no contract shall be attested by or signed by any councillor.

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20.5 For procurements subject to the PCR 2015, a full and complete audit trail of all procurement activity resulting in the award of a Contract must be retained by the Procurement Team as required by regulation 84 of the PCR 2015 and in accordance with the Council's Records Review and Retention Schedule.

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20.6 With the exception of procurements undertaken in accordance with the Low and Medium Value Transaction Procedure, the Procurement Team shall produce and retain:

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20.6.1 a report containing information including Contract Value, the names of bidders rejected at the selection stage and the reasons for their rejection (for the PCR Procedure) including any conflicts of interest identified and how they were addressed and

20.6.2 an audit trail of the procurement and decision-making process in respect of any procurement which is withdrawn prior to Contract award.

20.7 In respect of all Contracts awarded which exceed £25,000 (excluding VAT) in Contract Value (including those awarded as call-off contracts under framework and DPS agreements), the name of the contractor, the date on which the Contract was entered into and the value of the Contract must be published on Contracts Finder within a 90 days of the Contract award. For Contracts that have been awarded following a procedure conducted in accordance with PCR 2015 or PSR 2023, a notice must also be published on the Find a Tender Service portal within 30 days of the contract award.

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20.8 In respect of Low and Medium Transaction Procedures, a documented audit trail must be retained to demonstrate that the process upholds the principles of equality of treatment, non-discrimination, transparency, mutual recognition and proportionality has been upheld.

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21. Ordering and Paying for Goods, Services and Works

No pre-payment for goods, services or works may be allowed above the value of £15,000, without the prior written consent of the Executive Director for Corporate Services and the Director of Legal and Governance.

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22. Parent Company Guarantees and Performance Bonds

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22.1 The requirement for a bond, parent company guarantee, or other security must be determined in consultation with the Head of Supplier Management or the Director of Commissioning – Integrated Health & Care in consultation with the Head of Finance.

23. Conditions of Contract

23.1 Unless expressly agreed by the Director of Legal and Governance all transactions regardless of value must use a model form of conditions of contract provided and approved by the Director of Legal and Governance.

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23.2 The Head of Supplier Management in conjunction with the Director of Legal and Governance, must:

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23.2.1 keep a list of all model forms of conditions of contract that gives details of when the conditions were last updated; and

23.2.2 review all current model forms of conditions of contract, on a regular basis including when applicable legislation is introduced.

POST PROCUREMENT

24. Contracts Register

24.1 The Head of Supplier Management and the Director of Commissioning – Integrated Health & Care must maintain and publish the Contracts Register.

24.2 The Contracts Register is maintained by the Procurement Team and published on the Council's website to enable the Council to meet its obligations in respect of the Local Government Transparency Code 2015.

25. Variations and Extensions

25.1 Any variation to an existing Contract (including an extension to Contract duration) must demonstrate Best Value and must not be instigated solely to avoid or delay the requirement to conduct a procurement.

25.2 All variations to a Contract must be made in accordance with the provisions of the PCR 2015 or PSR 2023, where relevant.

25.3 Officers must ensure that the appropriate budget holder has the funds in place for the variation and/or extension and that the necessary budget approval from Finance has been obtained before the variation or extension is agreed.

25.4 Officers must always obtain advice from the Contract Management Team before agreeing any variations to Contracts if the variation is not already expressly provided for within the terms and conditions of the Contract.

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25.5 All variations approved in accordance with these Rules must be documented in writing and signed by an authorised signatory on behalf of the Council and counter-signed by the supplier.

25.6 Subject to any legal restrictions and compliance with these Rules, Chief Officers authorised to do so in accordance with the Officer Scheme of Delegation, or an officer in receipt of a formal sub delegation must authorise a variation or extension to an existing contract where such variation is provided for within the terms and conditions of the contract.

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25.7 In respect of contracts below the PCR Threshold and subject to any legal restrictions and compliance with these Rules, any variation to an existing Contract where the variation is not expressly provided for and where the consequent change in price (determined in accordance with the contract terms) is such that the annual value of the variation is:

25.7.1 less than £25,000 (excluding VAT) or 15% (excluding VAT) of the original annual Contract Value (whichever is the lesser), the variation must be authorised by the relevant Chief Officer authorised to do so in accordance with the Officer Scheme of Delegation, or an officer in receipt of a formal sub delegation, provided that the value of the Contract post-variation remains below the relevant PCR or CCR Threshold;

25.7.2 equal to or greater than £25,000 (excluding VAT) or 15% (excluding VAT) of the original annual Contract Value (whichever is the lesser), the variation must be authorised by the Director of Commissioning – Integrated Health & Care (or his or her delegate) or the Head of Supplier Management

25.8 In respect of Contracts equal to or above the PCR Threshold, or within the scope of the PCR 2023, any variation which is not provided for within the terms and conditions of the Contract. must be authorised by the Director of Commissioning – Integrated Health and Care or the Head of Supplier Management. The assessment of whether or not a variation is permitted under this Rule shall be done so in accordance with Regulation 72 of PCR 2015, Regulation 13 or 14 of the PSR 2023 or Regulation 43 of CCR 2016, as applicable.

25.9 In respect of contracts above £5,000 (excluding VAT) in Contract Value (excluding VAT), officers must ensure that any agreed variations and/or extensions are communicated to the Contract Management Team and the Contract Management Team shall record all such variations and extensions on the Contracts Register.

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Officer Employment Procedure Rules

These Officer Employment Procedure Rules embody the requirements of the Local Government and Housing Act 1989, the Local Authorities (Standing Orders) Regulations 1993, the Local Authorities' (Standing Orders) (England) Regulations 2001 and Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 which require the adoption of certain Standing Orders. These Employment Procedure Rules constitute those Standing Orders.

1. In these Rules –

"the 1989 Act" means the Local Government and Housing Act 1989;

"the 2000 Act" means the Local Government Act 2000;

"disciplinary action" has the same meaning as in the Local Authorities (Standing Orders) (England) Regulations 2001 and 2015;

"Executive" and have the same meaning as "Executive" and "Executive Leader" in Part II of the 2000 Act;

"member of staff" means a person appointed to or holding a paid office or employment under the authority; and

"proper officer" means an officer appointed by the authority for the purposes of the provisions in this Part.

2. Subject to paragraphs 3 and 7, the functions and duties contained within Section 112 Local Government Act 1972, including the functions of appointment and dismissal of, and taking disciplinary action against, a member of staff of the authority must be discharged, on behalf of the authority, by the officer designated under section 4(1) of the 1989 Act (designation and reports of Head of Paid Service) as the Head of Paid Service or by an officer nominated by him.
3. Paragraph 2 shall not apply to the appointment or dismissal of, or disciplinary action against:–
- (a) the officer designated as the Head of Paid Service;
 - (b) a statutory chief officer within the meaning of section 2(6) of the 1989 Act (politically restricted posts);
 - (c) a non-statutory chief officer within the meaning of section 2(7) of the 1989 Act;
 - (d) deputy chief officer within the meaning of section 2(8) of the 1989 Act; or
 - (e) a person appointed in pursuance of section 9 of the 1989 Act (assistants for political groups).
4. (1) Where a committee, sub-committee or officer is discharging, on behalf of the authority, the function of the appointment or dismissal of an officer designated as the Head of Paid Service, the authority must approve that appointment before an offer of appointment is made to him or, as the case may be, must

approve that dismissal before notice of dismissal is given to him.

- (2) Where a committee or a sub-committee of the authority is discharging, on behalf of the authority, the function of the appointment or dismissal of any officer referred to in sub-paragraph (a), (b), (c) or (d) of paragraph 3, at least one member of the Executive must be a member of that committee or sub-committee.
- 5.
- (1) In this paragraph, "appointor" means, in relation to the appointment of a person as an officer of the authority, the authority or, where a committee, sub-committee or officer is discharging the function of appointment on behalf of the authority, that committee, sub-committee or officer, as the case may be.
 - (2) An offer of an appointment as an officer referred to in sub-paragraph (a), (b), (c) or (d) of paragraph 3 must not be made by the appointor until –
 - (a) the appointor has notified the proper officer, Director of Customer Experience, of the name of the person to whom the appointor wishes to make the offer and any other particulars which the appointor considers are relevant to the appointment;
 - (b) the proper officer has notified every member of the Executive of the authority of –
 - (i) the name of the person to whom the appointor wishes to make the offer;
 - (ii) any other particulars relevant to the appointment which the appointor has notified to the proper officer; and
 - (iii) the period within which any objection to the making of the offer is to be made by the Leader on behalf of the Executive to the proper officer; and
 - (c) either –
 - (i) the Leader has, within the period specified in the notice under sub-paragraph (b)(iii), notified the appointor that neither s/he nor any other member of the Executive has any objection to the making of the offer;
 - (ii) the proper officer has notified the appointor that no objection was received by him within that period from the Leader; or
 - (iii) the appointor is satisfied that any objection received from the Leader within that period is not material or is not well-founded.
- 6.
- (1) In this paragraph, "dismissor" means, in relation to the dismissal of an officer of the authority, the authority or, where a committee, sub-committee or another officer is discharging the function of dismissal on behalf of the authority, that committee, sub-committee or other officer, as the case may be.
 - (2) Notice of the dismissal of an officer referred to in sub-paragraph (a), (b), (c) or (d) of paragraph 3 must not be given by the dismissor until –
 - (a) the dismissor has notified the proper officer of the name of the person who the dismissor wishes to dismiss and any other particulars which the dismissor considers are relevant to the dismissal;
 - (b) the proper officer has notified every member of the Executive of the

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authority of –

- (i) the name of the person who the dismissor wishes to dismiss;
 - (ii) any other particulars relevant to the dismissal which the dismissor has notified to the proper officer; and
 - (iii) the period within which any objection to the dismissal is to be made by the Leader on behalf of the Executive to the proper officer; and
- (c) either –
- (i) the Leader has, within the period specified in the notice under sub-paragraph (b)(iii), notified the dismissor that neither he nor any other member of the Executive has any objection to the dismissal;
 - (ii) the proper officer has notified the dismissor that no objection was received by him within that period from the Leader; or
 - (iii) the dismissor is satisfied that any objection received from the Leader within that period is not material or is not well-founded.

7. Nothing in paragraph 2 shall prevent a person from serving as a member of any committee or sub-committee established by the authority to consider an appeal by –
- (a) another person against any decision relating to the appointment of that other person as a member of staff of the authority; or
 - (b) a member of staff of the authority against any decision relating to the dismissal of, or taking disciplinary action against, that member of staff.
8. In paragraph 9, "Chief Financial Officer", "council manager", "disciplinary action", "Head of Paid Service" and "Monitoring Officer", are Relevant Officers and have the same meaning as in regulation 2 of the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 and "relevant independent person" has the same meaning as in regulation 4 of those Regulations.
9. No disciplinary action in respect of the Head of Paid Service (unless they are also a council manager of the authority), its Monitoring Officer or its Chief Financial Officer, except action described in paragraph 10, may be taken by the authority, or by a committee, a sub-committee, a joint committee on which the authority is represented or any other person acting on behalf of the authority, other than in accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015. This includes the appointment of an Independent Panel and the decision maker having regard to:
- (i) any advice, views and recommendations of the Panel,
 - (ii) the conclusions of any investigation into the proposed dismissal; and
 - (iii) any representations from the relevant officer
10. The action mentioned in paragraph 9 is suspension of the officer for the purpose of investigating the alleged misconduct occasioning the action; and any such suspension must be on full pay and terminate no later than the expiry of two months beginning on the day on which the suspension takes effect.

11. Recruitment and appointment

a. Declarations

- i. The Full Council, a duly authorised Committee, Sub-Committee, or an Officer acting under delegated powers (as appropriate) will draw up a statement requiring any candidate for appointment as an officer to state in writing whether they are the parent, grandparent, partner, child, stepchild, adopted child, grandchild, brother, sister, uncle, aunt, nephew or niece of an existing Councillor or officer of the Council; or of the partner of such persons.
- ii. No candidate so related to a Councillor or an officer will be appointed without the authority of the relevant Chief Officer or an officer nominated by him/her.

b. Seeking support for appointment.

- i. Subject to paragraph (iii), the Council will disqualify any applicant who directly or indirectly seeks the support of any Councillor for any appointment with the Council. The content of this paragraph will be included in any recruitment information.
- ii. Subject to paragraph (iii), no Councillor will seek support for any person for any appointment with the Council.
- iii. Nothing in paragraphs (i) and (ii) above will preclude a Councillor from giving a written reference for a candidate for submission with an application for appointment provided that Councillor has no role in the decision process of recruitment / appointment to that position.

12. Recruitment of Head of Paid Service and Chief Officers

Where the Council proposes to appoint a Head of Paid Service or Chief Officer and it is not proposed that the appointment be made exclusively from among their existing Officers, the Council will:

- a. draw up a statement specifying:
 - i. the duties of the officer concerned; and
 - ii. any qualifications or qualities to be sought in the person to be appointed;
- b. make arrangements for the post to be advertised in such a way as is likely to bring it to the attention of persons who are qualified to apply for it;
- c. make arrangements for a copy of the statement mentioned in paragraph (1) to be sent to any person on request.

13. Dismissal

Councillors will not be involved in the dismissal of any officer below deputy chief officer except where such involvement is necessary for any investigation or inquiry into alleged misconduct, though the Council's disciplinary, capability and related procedures, as adopted from time to time may allow a right of appeal to Members in respect of dismissals.

THE CODE OF CONDUCT FOR MEMBERS

PART 1 – Introduction and Interpretation

This Code applies to you as a member of this authority when you act in your role as a member and it is your responsibility to comply with the provisions of this Code.

As a member you are a representative of this authority and the public will view you as such, therefore, your actions impact on how the authority as a whole is viewed and your actions can have both positive and negative impacts on the authority.

This Code is based upon the “Nolan Principles – the seven principles of public life” which are set out in Appendix 1.

This Code does not cover matters in respect of which the Secretary of State under the Localism Act 2011 specifically provides that criminal sanction shall apply.

In this Code-

“**meeting**” means any meeting of:

- (a) the authority
- (b) the Executive of the authority
- (c) any of the authority’s or its executives committees, sub-committees, joint committees, joint sub-committees, or area committees;

whether or not the press and public are excluded from the meeting in question by virtue of a resolution of members

“**member**” includes a co-opted member (voting and non-voting) and an appointed member.

PART 2 – Scope and General Obligations

1. Scope

- (1) This Code applies to all members of Southampton City Council, including co-opted voting members,
- (2) It is your responsibility to comply with the provisions of this Code.
- (3) You must comply with this Code whenever you –
 - a. conduct the business of your authority, or
 - b. act, claim to act or give the impression you are acting as a representative of your authority or in your official capacity as a member of the authority.
- (4) Where you act as a representative of your authority-
 - a. on another relevant authority, you must, when acting for that other authority, comply with that other authority’s Code of conduct: or
 - b. on any other body, you must, when acting for that other body, comply with your authority’s Code of conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject.

2. General Obligations

- (1) When acting in your role as a member of the authority –
 - a. **do** treat others with respect;
 - b. **do not** conduct yourself in a manner which is contrary to the Council's duty to promote and maintain high standards of conduct of members;
 - c. **do** ensure that you are aware of and comply with the requirements which the Bribery Act 2010 places on you in your role as a Member and on the Council as a whole;
 - d. **do not** disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, except where—
 - i. you have the consent of a person authorised to give it;
 - ii. you are required by law to do so;
 - iii. the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or
 - iv. the disclosure is-
 - (aa) reasonable and in the public interest; and
 - (bb) made in good faith and in compliance with the reasonable requirements of the authority; and
 - (cc) you have consulted the Monitoring Officer prior to its release.
 - e. **do not** prevent another person from gaining access to information to which that person is entitled by law;
- (2) When using or authorising the use by others of the resources of the authority-
 - a. **do** act in accordance with the authority's reasonable requirements including the requirements of the authority's ITC policy and the policies listed at Appendix 2, copies of which have been provided to you and which you are deemed to have read;
 - b. **do** make sure that such resources are not used improperly for political purposes (including party political purposes): and
 - c. **do** have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.

PART 3 – Disclosable Pecuniary Interests (Localism Act 2011)

3. Notification of disclosable pecuniary interests

- (1) Within 28 days of becoming a member or co-opted member, you must notify the Monitoring Officer of any 'disclosable pecuniary interests'.
- (2) A 'disclosable pecuniary interest' is an interest of yourself or your partner (which means spouse or civil partner, a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners) within the description at Appendix 2.

4. Register of Interests

Any interests notified to the Monitoring Officer will be included in the register of interests. A copy of the register will be available for public inspection and will be published on the authority's website.

5. Sensitive interests

Where you consider that disclosure of the details of a disclosable pecuniary interest could lead to you, or a person connected with you, being subject to violence or intimidation, and the Monitoring Officer agrees, if the interest is entered on the register, copies of the register that are made available for inspection and any published version of the register will exclude details of the interest, but may state that you have a disclosable pecuniary interest, the details of which are withheld under Section 32(2) of the Localism Act 2011.

6. Non participation in case of disclosable pecuniary interest

- (1) If you are present at a meeting of the authority, or any committee, sub-committee, joint committee or joint sub-committee of the authority, and you have a disclosable pecuniary interest in any matter to be considered or being considered at the meeting-
 - a. you may not participate in any discussion of the matter at the meeting.
 - b. you may not participate in any vote taken on the matter at the meeting.
 - c. if the interest is not registered, you must disclose the interest to the meeting.
 - d. if the interest is not registered and is not the subject of a pending notification, you must notify the Monitoring Officer of the interest within 28 days.
- (2) In addition, Council Procedure Rules and Executive Procedure Rules require you to leave the room where the meeting is held while any discussion or voting takes place.
- (3) Where an executive member may discharge a function alone and becomes aware of a disclosable pecuniary interest in a matter being dealt with or to be dealt with by her/him, the executive member-
 - a. must notify the Monitoring Officer of the interest; and
 - b. must not take any steps or further steps in the matter.
- (4) Where you have a disclosable pecuniary interest in any business of your authority, you may attend that meeting but only for the purpose of making representations, answering questions or giving evidence relating to the business, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise and you leave the room where the meeting is held immediately after making representations, answering questions or giving evidence.

7. Dispensations

The authority may grant you a dispensation, but only in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.

8. Offences

- (1) It is a criminal offence to-
 - a. fail to notify the Monitoring Officer of any disclosable pecuniary interest within 28 days of election;

- b. fail to disclose a disclosable pecuniary interest at a meeting if it is not on the register;
 - c. fail to notify the Monitoring Officer within 28 days of a disclosable pecuniary interest that is not on the register that you have disclosed to a meeting;
 - d. Participate in any discussion or vote on a matter in which you have a disclosable pecuniary interest;
 - e. As an executive member discharging a function acting alone, and having a disclosable pecuniary interest in such a matter, failing to notify the Monitoring Officer within 28 days of the interest;
 - f. Knowingly or recklessly providing information that is false or misleading in notifying the Monitoring Officer of a disclosable pecuniary interest or in disclosing such interest to a meeting;
- (2) The criminal penalties available to a court are to impose a fine not exceeding level 5 on the standard scale and disqualification from being a councillor for up to 5 years.

PART 4 – Other Interests (Personal and Pecuniary)

9. Notification of other interests

- (1) In addition to the disclosable pecuniary interests notifiable under the Localism Act 2011, you must, within 28 days of—
- a. this Code being adopted by or applied to your authority; or
 - b. your election or appointment to office (where that is later),
- notify the Monitoring Officer in writing of the details of your other personal interests, where they fall within the following descriptions, for inclusion in the register of interests.
- (2) You have a personal interest in any business of your authority where either—
- a. it relates to or is likely to affect—
 - i. any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority;
 - ii. any body—
 - aa. exercising functions of a public nature;
 - bb. directed to charitable purposes; or
 - cc. one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union), of which you are a member or in a position of general control or management;
- (3) You must, within 28 days of becoming aware of any new interest or change to any interest registered under paragraph (1), or as a disclosable pecuniary interest notify the Monitoring Officer of the details of that new interest or change.

10. Disclosure of other interests

- (1) Subject to sub-paragraphs (2) to (5) below, where you have a personal interest described in paragraph 9 above or in paragraph (2) below in any business of your authority, and where you are aware or ought reasonably to be aware of the existence of the personal interest, and you attend a meeting of your authority at which the business is considered, you must-

- a. disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.
- (2) (A) You have a personal interest in any business of your authority where a decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a relevant person to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the electoral division or ward, as the case may be, affected by the decision;
- (B) In sub-paragraph (2)(A), a relevant person is—
- a. a member of your family or any person with whom you have a close association; or
 - b. any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
 - c. any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
 - d. any body of a type described in paragraph 9(2)(a)(i) or (ii).
- (3) Where you have a personal interest in any business of your authority which relates to or is likely to affect a person described in paragraph 9(2)(a)(i) or 9(2)(a)(ii)(aa), you need only disclose to the meeting the existence and nature of that interest when you address the meeting on that business.
- (4) Where you have a personal interest but, by virtue of paragraph 12, sensitive information relating to it is not registered in your authority's register of members' interests, you must indicate to the meeting that you have a personal interest, but need not disclose the sensitive information to the meeting.
- (5) Where you have a personal interest in any business of your authority and you have made an executive decision in relation to that business, you must ensure that any written statement of that decision records the existence and nature of that interest.

11. Register of interests

A Member shall enter in the authority's register of interests the receipt of any gift or hospitality, where the Member estimates the value to be at least £50, within 28 days of receipt.

Any interests notified to the Monitoring Officer will be included in the register of interests. A copy of the register will be available for public inspection and will be published on the authority's website.

12. Sensitive interests

Where you consider that disclosure of the details an interest could lead to you, or a person connected with you, being subject to violence or intimidation, and the Monitoring Officer agrees, if the interest is entered on the register, copies of the register that are made available for inspection and any published version of the register will exclude details of the interest, but may state that you have an interest, the details of which are withheld.

13. Non participation in case of pecuniary interest

- (1) Where you have a personal interest in any business of your authority you also have a pecuniary interest in that business where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest and where that business—
 - a. affects your financial position or the financial position of a person or body described in paragraph 10 ;or
 - b. relates to the determining of any approval, consent, licence, permission or registration in relation to you or any person or body described in paragraph 10.

- (2) Subject to paragraph (4) and (5) below, where you have a pecuniary interest in any business of your authority—
 - a. You may not participate in any discussion of the matter at the meeting.
 - b. You may not participate in any vote taken on the matter at the meeting.
 - c. If the interest is not registered, you must disclose the interest to the meeting.
 - d. If the interest is not registered and is not the subject of a pending notification, you must notify the Monitoring Officer of the interest within 28 days.

- (3) In addition Council Procedure Rules and Executive Procedure Rules require you to leave the room where the meeting is held while any discussion or voting takes place.

- (4) Where you have a pecuniary interest in any business of your authority, you may attend a meeting but only for the purpose of making representations, answering questions or giving evidence relating to the business, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise and you leave the room where the meeting is held immediately after making representations, answering questions or giving evidence.

- (5) Subject to you disclosing the interest at the meeting, you may attend a meeting and vote on a matter where you have a pecuniary interest that relates to the functions of your authority in respect of—
 - a. housing, where you are a tenant of your authority provided that those functions do not relate particularly to your tenancy or lease;
 - b. school meals or school transport and travelling expenses, where you are a parent or guardian of a child in full time education, or are a parent governor of a school, unless it relates particularly to the school which the child attends;
 - c. statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992, where you are in receipt of, or are entitled to the receipt of, such pay;
 - d. an allowance, payment or indemnity given to members;
 - e. any ceremonial honour given to members; and
 - f. setting council tax or a precept under the Local Government Finance Act 1992.

- (6) Where, as an executive member, you may discharge a function alone, and you become aware of a pecuniary interest in a matter being dealt with, or to be dealt with by you, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter, or seek improperly to influence a decision about the matter.

14. Interests arising in relation to overview and scrutiny committees

- (1) In any business before an overview and scrutiny committee of your authority (or of a sub-committee of such a committee) where—
- a. that business relates to a decision made (whether implemented or not) or action taken by the executive or another of your authority's committees, sub-committees, joint committees or joint sub-committees; and
 - b. at the time the decision was made or action was taken, you were a member of the executive, committee, sub-committee, joint committee or joint sub-committee mentioned in paragraph (a) and you were present when that decision was made or action was taken,

You may only attend a meeting of the overview and scrutiny committee for the purpose of answering questions or giving evidence relating to the business, and you must leave the room where the meeting is held immediately after making representations, answering questions or giving evidence.

15. Pre-determination or bias

- (1) Where you have been involved in campaigning in your political role on an issue which does not impact on your personal and/or professional life you should not be prohibited from participating in a decision in your political role as member, however do not place yourself under any financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.
- (2) When making a decision, do consider the matter with an open mind and on the facts before the meeting at which the decision is to be taken.

16. Compliance with Constitution, Rules, Standards and Guidance

Failure to comply with the requirements of the Council's Constitution or any Rule, Protocol, Corporate Standards or Guidance issued pursuant to the Constitution shall be deemed to be a breach of this Code. Rules, Protocols, Corporate Standards and Guidance shall include (but is not limited to) the documents listed in Appendix 3.

NOLAN PRINCIPLES - THE SEVEN PRINCIPLES OF PUBLIC LIFE

Selflessness Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

Integrity Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

Objectivity In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it.

Honesty Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership Holders of public office should promote and support these principles by leadership and example.

DISCLOSABLE PECUNIARY INTERESTS UNDER THE LOCALISM ACT 2011

INTEREST	DESCRIPTION
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—</p> <ol style="list-style-type: none"> a. under which goods or services are to be provided or works are to be executed; and b. which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to M's knowledge)—</p> <ol style="list-style-type: none"> a. the landlord is the relevant authority; and b. the tenant is a body in which the relevant person has a beneficial interest.
Securities	<p>Any beneficial interest in securities of a body where—</p> <ol style="list-style-type: none"> a. that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and b. either— <ol style="list-style-type: none"> i. the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or ii. if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

These descriptions on interests are subject to the following definitions:

“the Act” means the Localism Act 2011;

“body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“director” includes a member of the committee of management of an industrial and provident society;

“land” includes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

“M” means the person M referred to in section 30 of the Act;

“member” includes a co-opted member;

“relevant authority” means the authority of which M is a member;

“relevant period” means the period of 12 months ending with the day on which M gives a notification for the purposes of section 30(1) of the Act;

“relevant person” means M or any other person referred to in section 30(3)(b) of the Act;

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000() and other securities of any description, other than money deposited with a building society.

RULES, PROTOCOLS, STANDARDS AND GUIDANCE

- The Southampton City Council Constitution (all parts)
- Corporate Standards for:
 - Decision Making
 - Legality
 - Finance
 - HR
 - IT
 - Procurement
 - Property
- [Obligations of Members on Outside Bodies](#)
- [Probity in Planning](#)
- Licensing Handbook
- [Guidance on Use of Resources](#)
- Health & Safety Roles and Responsibilities for Elected Members
- [Officer Member Protocol](#)
- [Anti-Fraud and Anti-Corruption Policy and Strategy](#)
- [Duty to Act Policy](#)
- [Code of Corporate Governance](#)
- Equality Scheme
- Dignity at Work Policy
- [Data Protection Policy](#)
- [Anti-Money Laundering Policy](#)
- [Partnership Code](#)
- Guidance on the Use of Electronic Devices
- [Code on Local Authority Publicity](#)

Officer Code of Conduct

Honesty and Integrity

1. The employee should perform his duties with integrity, honesty, impartiality and objectivity.

Accountability

2. The employee is accountable for his actions to the authority.

Respect for Others

3. The employee should—
 - a. treat members and co-opted members of the authority professionally; and
 - b. not discriminate unlawfully against any person, and should treat others with respect, regardless of their race, age, religion, gender, sexual orientation or disability

Stewardship

4. The employee should—
 - a. use any public funds entrusted to him in a responsible and lawful manner; and
 - b. not make personal use of property or facilities of the authority unless properly authorised to do so.

Personal Interests

5. The employee should—
 - a. not allow his private interests to conflict with the interests of the authority;
 - b. not use his position to improperly confer an advantage or disadvantage on any person;
 - c. comply with any requirements of the authority to register or declare interests; and
 - d. comply with any requirements of the authority to declare hospitality, benefits or gifts received.

Whistleblowing

6. The employee should—
 - a. endeavour to use the authority's confidential reporting procedure (Duty to Act) wherever he becomes aware of actions by other employees which are inconsistent with this Code; and
 - b. familiarise himself with his rights and responsibilities under the Council's Whistle blowing Policy (Duty to Act).

Openness

7. The employee should—
 - a. not disclose information given to him in confidence by anyone, without the consent of a person authorised to give it, or unless he is required by law to do so; and
 - b. not prevent another person from gaining access to information to which that person is entitled by law.

Appointment of staff

8. The employee should not be involved in the appointment or any other decision relating to the discipline, promotion or pay and conditions of another employee or prospective employee to whom they are related or with whom they have a close personal relationship.

Duty of trust

9. The employee should—
 - a. not conduct himself in a manner which could reasonably be regarded as bringing his authority into serious disrepute; and
 - b. act in accordance with the trust that the public is entitled to place in him.

Political neutrality

10. The employee should observe statutory restrictions on his political activities.

Protocol on Member / Officer Relations

Introduction and Principles

- 1.1 The purpose of this Protocol is to guide Members and Officers of the Council in their relations with one another in such a way as to ensure the smooth running of the Council.
- 1.2 Given the variety and complexity of such relations, this Protocol does not seek to be either prescriptive or comprehensive. It simply offers guidance on some of the issues which most commonly arise. It is hoped, however, that the approach which it adopts to these issues will serve as a guide to dealing with other circumstances.
- 1.3 This Protocol is to a large extent a written statement of current practice and convention. It seeks to promote greater clarity and certainty. If the Protocol is followed it should ensure that Members receive objective and impartial advice and that Officers are protected from accusations of bias and any undue influence from Members.
- 1.4 It also seeks to reflect the principles underlying the respective Codes of Conduct which apply to Members and Officers. The shared object of these codes is to enhance and maintain the integrity (real and perceived) of local government and the Codes, therefore, demand very high standards of personal conduct.
- 1.5 This Protocol is a local extension of the Members' and Employees' Codes of Conduct. Consequently, a breach of the provisions of this Protocol may also constitute a breach of those Codes.
- 1.6 This Protocol should be read in conjunction with the Members' and Employees' Codes of Local Government Conduct, the Council's Constitution and any guidance issued by the Governance Committee and/or Monitoring Officer.

Allegations of Member or Officer Misconduct: Responses by Members or Officers as Appropriate

- 2.1 In a situation where a Member identifies that an Officer may have committed a breach of the Council's disciplinary rules and procedures, s/he shall draw the issue to the attention of the Chief Executive (Head of Paid Service) who, following consultation with the Director of Legal & Governance, will ensure that the appropriate action is taken.
- 2.2 In respect of an Officer who believes a Member has breached the Members' Code of Conduct, they should:
 - a. not offer any opinion or judgement upon that conduct to the Member;
 - b. they must advise the Monitoring Officer immediately of the circumstances, facts, their belief and the rationale behind it, including supplying all and any documentation; and
 - c. they should not comment further on the issue to any other Officer or Member without the prior consent of the Monitoring Officer.

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These provisions are to protect both the Member and Officer, avoid Officers from becoming unduly involved in allegations of Member misconduct at an inappropriate

level and to ensure that any investigation that may need to be carried out by the Monitoring Officer or other agency, is not in any way fettered or damaged.

The Relationship: General Points

- 3.1 Both Councillors and Officers are servants of the public and they are indispensable to one another. But their responsibilities are distinct. Councillors are responsible to the electorate and serve only so long as their term of office lasts. Officers are responsible to the Council. Their job is to give advice to Councillors and the Council, and to carry out the Council's work under the direction and control of the Council, the Executive, their committees and sub-committees.
- 3.2 At the heart of the Code, and this Protocol, is the importance of mutual respect. Member / Officer relationships are to be conducted in a positive and constructive way. Therefore, it is important that any dealings between Members and Officers should observe standards of courtesy and that neither party should seek to take unfair advantage of their position or seek to exert undue influence on the other party.
- 3.3 Inappropriate relationships can be inferred from language / style. To protect both Members and Officers, Officers should address Members as "Councillor XX / Lord Mayor / Sheriff" save where circumstances clearly indicate that a level of informality is appropriate, eg a one to one between an Executive Director or Head of Service and their respective Cabinet Member.
- 3.4 A Member should not raise matters relating to the conduct or capability of an Officer in a manner that is incompatible with the objectives of this Protocol. This is a longstanding tradition in public service. An Officer has no means of responding to such criticisms in public. If a Member feels s/he has not been treated with proper respect, courtesy or has any concern about the conduct or capability of an Officer, and fails to resolve it through direct discussion with the Officer, s/he should raise the matter with the respective Director or Head of Service. The Director or Head of Service will then look into the facts and report back to the Member. If the Member continues to feel concern, then s/he should report the facts to the Executive Director who heads the Directorate concerned, or if, after doing so, is still dissatisfied, should raise the issue with the Chief Executive who will look into the matter afresh. Any action taken against an Officer in respect of a complaint, will be in accordance with the provisions of the Council's Disciplinary Rules and Procedures.
- 3.5 An Officer should not raise with a Member matters relating to the conduct or capability of another Officer or to the internal management of a Section / Division / Directorate at or in a manner that is incompatible with the overall objectives of this Protocol.
- 3.6 Where an Officer feels that s/he has not been properly treated with respect and courtesy by a Member, s/he should raise the matter with his/her Executive Director, Head of Service or the Chief Executive as appropriate, especially if they do not feel able to discuss it directly with the Member concerned. In these circumstances the Head of Service, Executive Director or Chief Executive will take appropriate action either by approaching the individual Member and/or group leader or by referring the matter to the Director of Legal & Governance, in the context of the Governance Committee considering the complaint.

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The Relationship: Officer Support to Members: General Points

- 4.1 Officers are responsible for day-to-day managerial and operational decisions within the authority and will provide support to both the Executive and all Councillors in their several areas.
- 4.2 Certain statutory officers – the Chief Executive, the Monitoring Officer and the Chief Financial Officer – have specific roles. These are addressed in the Constitution. Their roles need to be understood and respected by all Members.
- 4.3 The following key principles reflect the way in which the officer core generally relates to Members:
- all officers are employed by, and accountable to the authority as a whole;
 - support from officers is needed for all the authority's functions including Full Council, Overview and Scrutiny, the Executive, individual Members representing their communities, etc;
 - day-to-day managerial and operational decisions should remain the responsibility of the Chief Executive and other officers;
 - the authority will seek to avoid potential conflicts of interest for officers arising from the separation of the Executive and Overview and Scrutiny role; and
 - all officers will be provided with training and development to help them support the various Member roles effectively and to understand the new structures.
- 4.4 On occasion, a decision may be reached which authorises named Officers to take action between meetings following consultation with a Member or Members. It must be recognised that it is the Officer, rather than the Member or Members, who takes the action and it is the Officer who is accountable for it.
- 4.5 It is important that all Members, in exercising their functions as a Councillor, take appropriate legal, financial and professional officer advice, particularly about contractual matters. In order to ensure the highest standards of conduct are maintained at all times in relation to this important area of the Council's functions, additional guidance on Best Practice for Member Conduct during a Procurement Exercise is laid out in Appendix D.
- 4.6 Generally, all Members – whether Executive or otherwise – should consider, when invited to / attending a meeting, whether or not minutes should be taken and/or an officer should be present. It is a matter for Members' judgement whether this is necessary / appropriate, but factors such as whether any commitment is likely to be given on behalf of the Council and/or whether any complex financial, legal or procurement issues may be discussed will be relevant in deciding that. In such situations, Members are generally recommended to have an officer present and to ensure that contemporaneous minutes are taken and, where appropriate, shared with the other parties present to ensure that an accurate record is maintained. It will, however, be a case of judgement on each and every occasion as to how and when this principle is applied.
- 4.7 Finally, it must be remembered that Officers within a Division or Directorate are accountable to their Head of Service and Executive Director and that whilst Officers should always seek to assist a Member, they must not, in so doing, go beyond the bounds of whatever authority they have been given by their Head of Service or Executive Director.

The Relationship: Officer Support: Members and Party Groups

- 5.1 It must be recognised by all Officers and Members that in discharging their duties and responsibilities, Officers serve the Council as a whole and not any political group, combination of groups or any individual Member of the Council.
- 5.2 There is now statutory recognition for party groups and it is common practice for such groups to give preliminary consideration to matters of Council business in advance of such matters being considered by the relevant Council decision making body. Officers may properly be called upon to support and contribute to such deliberations by party groups but must at all times maintain political neutrality. All Officers must, in their dealings with political groups and individual Members, treat them in a fair and even-handed manner.
- 5.3 The support provided by Officers can take many forms. Whilst in practice such Officer support is likely to be in most demand from whichever party group is for the time being in control of the Council, such support is available to all party groups.
- 5.4 Certain points must, however, be clearly understood by all those participating in this type of process, Members and Officers alike. In particular:
 - 5.4.1 Officer support must not extend beyond providing information and advice in relation to matters of Council business. Officers must not be involved in advising on matters of party business. The observance of this distinction will be assisted if Officers are not present at meetings or parts of meetings, when matters of party business are to be discussed;
 - 5.4.2 party group meetings, whilst they form part of the preliminaries to Council decision making, are not empowered to make decisions on behalf of the Council. Conclusions reached at such meetings do not therefore rank as Council decisions and it is essential that they are not interpreted or acted upon as such; and
 - 5.4.3 similarly, where Officers provide information and advice to a party group meeting in relation to a matter of Council business, this cannot act as a substitute for providing all necessary information and advice to the relevant Committee or Sub-Committee when the matter in question is considered.
- 5.5 Special care needs to be exercised whenever Officers are involved in providing information and advice to a party group meeting which includes persons who are not Members of the Council. Such persons are not bound by the National Code of Local Government Conduct (in particular, the provisions concerning the declaration of interests and confidentiality) and for this and other reasons, Officers may not attend and/or give advice to such meetings.
- 5.6 Officers must respect the confidentiality of any party group discussions at which they are present in the sense that they should not relay the content of any such discussion to another party group.
- 5.7 Whilst any Member may ask a relevant Head of Service, Executive Director or the Chief Executive for written factual information about a Directorate or service, such requests must be reasonable and not seek information relating, for instance, to case work of a similar nature, eg Social Services, employment, etc. Requests will be met subject to any overriding legal considerations (which will be determined by the Director of Legal & Governance), or if the recipient of any request considers the cost of providing the information requested or the nature of the request to be

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unreasonable. If a Member requesting such information is dissatisfied by such a response, s/he should raise the matter in the first place with the relevant Director, and if still dissatisfied should raise the matter with the Chief Executive who will discuss the issue with the relevant Group Leader(s).

5.8 Requests for information about generic group employee matters such as divisional structures, the overall cost of service provision for a group of employees etc should be considered in the normal way as set out above. Heads of Service, Directors, Executive Directors or the Chief Executive should ensure that any information supplied does not contain any personal information (within the meaning of the Data Protection Act 1998) relating to individual employees such as salary, grade, Trade Union affiliation etc.

5.9 Requests for personal information about specific employees or where the group of employees is so small that individual employees personal details are likely to be revealed should only be considered where a Member has a demonstrable need for such detailed personal information in order to carry out the business of the Council and they could not carry out that business without the information being supplied in a redacted form. Any such request must be accompanied by the Members reasons for requiring the information and must be forwarded to the Director of Legal & Governance, for determination (following consultation with the Council's Data Protection Officer and / or Monitoring Officer as appropriate).

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5.10 All information held by the Council, in whatever form, is confidential to the Council unless and until such confidentiality is waived by the Proper Officer and subject to the requirements of the Data Protection Act 1998. Officers and elected Members are responsible for ensuring that personal information and data is only handled and processed in accordance with the provisions of the Act and to familiarise themselves with their obligations under the Act accordingly. Officers or Members who require advice or assistance in relation to their duties under the Data Protection Act 1998 should take advice from the Director of Legal & Governance, or the Corporate Legal Team as appropriate.

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5.11 In relation to budget proposals:

- a. the Administration shall be entitled to confidential information / discussions with Officers regarding options and proposals. These will remain confidential until determined by the Administration or until published in advance of Committee / Council meetings, whichever is the earlier; and
- b. the opposition groups shall also be entitled to confidential information / discussions with Officers to enable them to formulate alternative budget proposals. These will remain confidential until determined by the respective opposition groups or until published in advance of Committee / Council meetings, whichever is the earlier.

5.12 As part of the Budget process, Officers may be called upon to give advice on budgetary proposals, wherever they may emanate from (once political confidentiality has been lifted). This is in addition to the "normal" rights that any member has to seek advice "in confidence" from Officers. In addition, Officers may feel it appropriate to offer advice to individuals, groups or all Members. In doing so, they should be aware of the need to remain impartial. It is appropriate and indeed, in certain circumstances, necessary that as a matter of professional judgement, if a proposed course of action is imprudent, that Officers should advise the Members of the Authority that this is so. It would, however, be for the Officer to decide how and when to do so, subject to the general rules outlined in paragraph 5.10 below. This is

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without prejudice to issues of legality and financial administration which are covered by specific duties placed on the Chief Financial Officer and Monitoring Officer.

- 5.13 In view of the need to ensure that the professional integrity of Officers is not impugned, deliberately or inadvertently, the following principles will be applied (although they may be departed from by the Chief Executive, Monitoring Officer or Chief Financial Officer as and when appropriate given their specific statutory duties):
- a. any advice or information provided to any Member(s) in writing will be marked 'strictly confidential, signed and dated by the responsible Officer and shall follow the guidelines set out in Appendix B;
 - b. generally, such advice / information will be provided to the Group Leaders, unless there are over-riding considerations associated with the statutory responsibilities of the Head of Paid Service / Chief Financial Officer / Monitoring Officer which would warrant the advice being shared with all Members;
 - c. Group Leaders and Members who received such advice will treat such advice as strictly confidential to the Council and will ensure that, if such advice is further shared or disseminated within their groups, their groups understand that the advice is confidential to the Council and not to be disclosed further under any circumstances.
 - d. Officers will also provide, as appropriate, briefings for either Group Leaders and/or all Members as requested by the Group Leaders and/or determined by the Chief Executive, Chief Financial Officer and/or Monitoring Officer prior to the Budget on any particular issues or matters which those Officers, as a matter of professional judgement, consider should properly be drawn to Members' attention.

The over-riding obligation will be to ensure that the integrity of the administration of public affairs is maintained. The prime responsibility of Officers in the matter of any challengeable decision arises in advising Members of the Council before decisions are reached. It is incumbent, in these circumstances, for Councillors to be fully advised on the legal and financial consequences of any proposed course of action.

- 5.14 It must not be assumed by any party group or Member that any Officer is supportive of any policy or strategy developed because of that Officer's assistance in the formulation of that policy or strategy.
- 5.15 Any particular cases of difficulty or uncertainty in this area of Officer advice to party groups should be raised with the Chief Executive who will discuss them with the relevant group leader(s).

The Relationship: Officer Support: The Executive

- 6.1 It is clearly important that there should be a close working relationship between Executive Members and the Officers who support and/or interact with them. However, such relationships should never be allowed to become so close, or appear to be so close, as to bring into question the Officer's ability to deal impartially with other Members and other party groups.
- 6.2 Whilst Executive Members will routinely be consulted as part of the process of drawing up proposals for consideration or the agenda for a forthcoming meeting, it must be recognised that in some situations an Officer will be under a professional duty to submit a report. Similarly, a Director, Head of Service or other senior Officer will always be fully responsible for the contents of any report submitted in his/her

name. This means that any such report will be amended only where the amendment reflects the professional judgement of the author of the report. This is to be distinguished from a situation where there is a value judgement to be made. Any issues arising between an Executive Member and a Director or Head of Service in this area should be referred to the Chief Executive for resolution in conjunction with the Leader of the Council.

- 6.3 The Executive and its members have wide ranging leadership roles. They will:
- lead the community planning process and the search for best value, with input and advice from Overview and Scrutiny Committees, area committees and any other persons as appropriate;
 - lead the preparation of the local authority's policies and budget;
 - take in-year decisions on resources and priorities, together with other stakeholders and partners in the local community, to deliver and implement the budget and policies decided by the Full Council; and
 - be the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.
- 6.4 Where functions which are the responsibility of the Executive are delegated to Officers or other structures outside the Executive, the Executive will nevertheless remain accountable to the Council, through Overview and Scrutiny Committees, for the discharge of those functions. That is to say, the Executive will be held to account for both its decision to delegate a function and the way that the function is being carried out.
- 6.5 Under Executive Arrangements, individual Members of the Executive will, for the first time, be allowed to formally take decisions. The Executive and Cabinet members must satisfy themselves that they are clear what exactly they can and cannot do.
- 6.6 The Council has put in place mechanisms / protocols which ensure that (as with the Council, its Committees and Sub-Committees, and the Executive and its Committees) an individual Executive Member seeks advice from relevant Officers before taking a decision within her or his delegated authority. This includes taking legal advice, financial advice and professional officer advice (particularly about contractual matters) as well as consulting the Monitoring Officer where there is doubt about vires.
- 6.7 As a result of the particular issues arising during contractual discussions, particular guidance has been provided for all Members at Appendix D to this Officer / Member Protocol. Whilst this guidance is predominantly aimed at Executive Members, who will largely be the Members directly involved in discussions with potential tenderers / contractors / sub-contractors during the course of a procurement exercise, it is not exclusively aimed at Executive Members – it is specifically aimed at all Members, and for that reason, all Members should be aware that their conduct during a procurement exercise should follow the guidance in Appendix D.
- 6.8 Decisions taking by individual Members of the Executive give rise to legal and financial obligations in the same way as decisions taken collectively. Therefore, Members of the Executive should always be aware of legal and financial liabilities (consulting the Monitoring Officer and Chief Financial Officer as appropriate) which will arise from their decisions. To ensure effective leadership for the local authority and the communities it serves, there are arrangements to ensure co-ordination of and sharing responsibility for Executive decisions including those made by individuals.

- 6.9 Officers will continue to work for and serve the local authority as a whole. Nevertheless, as the majority of functions will be the responsibility of the Executive, it is likely that in practice many Officers will be working to the Executive for most of their time. The Executive must respect the political neutrality of the Officers. Officers must ensure that, even when they are predominantly supporting the Executive, that their political neutrality is not compromised.
- 6.10 In organising support for the Executive, there is a potential for tension between Chief Officers and Cabinet Members with portfolios. All Members and Officers need to be constantly aware of the possibility of such tensions arising and both Officers and Members need to work together to avoid such tensions and conflicts existing or being perceived.

The Relationship: Officer Support: Overview and Scrutiny

- 7.1 Overview and Scrutiny is an important constituent part of effective democracy and the Council's constitutional arrangements. Officers have lead and significant role in making it effective. However, it is not Overview and Scrutiny's role to act as a Disciplinary tribunal in relation to the actions of Members or Officers. Neither is it the role of Officers to become involved in what would amount to disciplinary investigations on a Panel's behalf. This is the Chief Executive's function alone in relation to staff, the Monitoring Officer's and the Governance Committee as regards the conduct of Members. This means:
- Overview and Scrutiny's questioning should not be directed to the conduct of individuals, not in the sense of establishing the facts about what occurred in the making of decisions or implementing of Council policies, but with the implication of allocating criticism or blame;
 - in these circumstances, it is for the Chief Executive to institute a formal enquiry, and Overview and Scrutiny may ask (but not require) him to do so.
- 7.2 Overview and Scrutiny should not act as a "court of appeal" against decisions or to pursue complaints by individuals (Councillors, Officers or members of the public) as other procedures exist for this. These are internal, eg the Corporate Complaints Procedure, and external / statutory, eg Local Government Ombudsman or appeal to the Courts. That said,
- Overview and Scrutiny may investigate the manner in which decisions are made but should not pass judgements on the merits of a decision in individual cases;
 - they can comment, however, on the merits of a particular policy affecting individuals.
- 7.3 It would be unfair to invite someone to appear before a Panel without telling them in general terms what they will be asked, or not giving them adequate time to prepare. Overview and Scrutiny ought to provide written questions ("Indicative Topics") beforehand, so that the answers can form the basis of the questioning and discussion. In addition, speakers ought to be told the general line that further questioning is likely to take. Questioning should not stray outside the subject area that the Panel had previously indicated.
- 7.4 The Overview and Scrutiny Handbook contains guidelines as to the procedure at Evidence Meetings, and guidance for Members and Officers.
- 7.5 Overview and Scrutiny are, however, entitled to the following:

- a. the level and extent of questioning, and the depth to which Overview and Scrutiny Members may probe Officers is dependent upon the seniority of the Officers present – accordingly when calling Officers to give evidence, Members may wish to consider the level and nature of the Officer they wish to have before them in the light of the line of questioning they wish to follow;
- b. Officers may be asked to give a professional opinion, and Officers may be asked to give alternative options. Officers may not confine themselves solely to justifying either the position of or the advice that they gave to the Executive, although in giving options, it is to be expected that they will explain the rationale for the advice that they gave and if the advice given to the Executive reflects, in their professional opinion, the best option, to justify that;
- c. it is appropriate for Members of Overview and Scrutiny to ask Officers to explain and justify advice given to Members, whether on the Executive or otherwise, prior to decisions being taken, and to justify decisions Officers have taken under delegated powers.

7.6 Officers are expected:

- a. to maintain political impartiality at all times when commenting on the Cabinet's / Council's policies and actions;
- b. to be prepared to explain and justify advice given to Members, including members of the Executive and the Council prior to decisions being taken and to justify decisions they themselves have taken under the Scheme of Delegation;
- c. to ensure that an Officer of sufficient seniority appears before the relevant meeting in the light of the indicative topics supplied by Overview and Scrutiny in advance;
- d. where requested to provide information to Scrutiny, eg on alternative options, to provide that information in as a comprehensive and timely fashion as if the request had come from the Executive.
- e. to respond to questions from Members in an open, constructive and helpful manner;
- f. not to mislead or be economical with the truth.

Support services to Members and Party Groups

8.1 The only basis on which the Council can lawfully provide support services (eg, stationery, typing, printing, photocopying, transport etc) to Members is to assist them in discharging their role as Members of the Council. Such support services must therefore only be used on Council business. They should never be used in connection with party political or campaigning activity or for private purposes.

Members' Access to Information and to Council Documents

9.1 Members have the ability to ask for information pursuant to their legal rights to information. This right extends to such information, explanation and advice as they may reasonably need in order to assist them in discharging their role as a Member of the Council. This can range from a request for general information about some aspect of the Council's activities to a request for specific information on behalf of a constituent. Such approaches should normally be directed to the Director, Head of Service or another senior Officer of the Division concerned. Requests for employee related information (whether group of employees or individual employees) must be treated in accordance with paragraphs 5.8 – 5.10 above. In cases of doubt, Members should approach the Director of Legal & Governance for assistance.

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- 9.2 As regards the legal rights of Members to inspect Council documents, these are covered partly by statute and partly by the common law.
- 9.3 Members will find set out in Appendix C guidance on their rights to obtain information. The law in this area is complex, legislation including the Access to Information provisions of the Local Government Act 1972, the Data Protection Act 1998 as well as the Local Government Act 2000 have all had an impact. However, the Freedom of Information Act 2000 will have an even greater impact, and could potentially provide Members with a single route through which to obtain information in support of their work, whatever their role within the authority. The guidance note set out in Appendix C maps the hierarchy of rights of Members to information, but should be read in combination with the contents of the Constitution, most particularly the Access to Information Procedure Rules which cover the statutory obligations of the authority in terms of information and its relationship with the decision-making process.
- 9.4 In relation to business of the Executive, by virtue of Regulation 16 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012:
- i. where there is a meeting (eg Cabinet) and there is a document which is in the possession / under the control of the Executive relating to the business to be conducted at that meeting, that document shall be available for inspection at least five clear days before that meeting;
 - ii. where the decision is made at a private meeting by a Cabinet Member or is a Key Decision delegated to an Officer, the document shall be available either after the meeting closes or when the decision is made;
 - iii. there are savings for exempt and confidential material and any document that contains advice provided by a political advisor or assistant.
- 9.5 Finally, any Council information provided to a Member is deemed to be information provided in confidence, is subject to the protections afforded by the Data Protection Act 1998 and must only be used by the Member for the purpose for which it was provided, ie in connection with the proper performance of the Member's duties as a Member of the Council. Therefore, for example, early drafts of Committee reports / briefing papers are not suitable for public disclosure and should not be used other than for the purpose for which they were supplied. This point is emphasised in paragraph 2(1)(d) of the Members' Code of Conduct:

“2. General Obligations

- (1) When acting in your role as a member of the authority –
- a. ...;
 - b. ...;
 - c. ...;
 - d. do not disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, except where—
 - i. you have the consent of a person authorised to give it;
 - ii. you are required by law to do so;
 - iii. the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or
 - iv. the disclosure is-
 - (aa) reasonable and in the public interest; and

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- (bb) made in good faith and in compliance with the reasonable requirements of the authority; and
- (cc) you have consulted the Monitoring Officer prior to its release.

e. ...”

Failure to observe this obligation or disclosure of confidential information may amount to a breach of the Code of Conduct. Failure to safeguard and protect the confidentiality of personal information within the meaning of the Data Protection Act 1998 may result in prosecution of the Authority and / or any individual Officer or Member by the Information Commissioner and the imposition of significant monetary penalties.

9.6 Any Member request for personal information or personal data about an individual employee (rather than a general group of employees as a whole) should only be supplied where there is a demonstrable need for that Member to have the information at that level of detail in order to carry out their duties as a Member of the Council. Any such requests should be referred to and considered by the Head of Strategic HR who may, if necessary, refer the request to the Monitoring Officer.

9.7 In cases where such information is to be released, the Director of Legal & Governance, will specifically remind the Member that the information is confidential, subject to the protection of the Data Protection Act 1998 and confirm the necessary measures for handling that data in order to keep it confidential and ensure that it is not further disclosed to any other person or body either within or external to the Council.

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Correspondence and Advice

- 10.1 Members seeking advice from officers shall be entitled to assume that such advice is given under “Chatham House rules” in terms of disclosure to other Members, unless otherwise agreed with the officer(s) concerned.
- 10.2 Correspondence between an individual Member and an Officer should not normally be copied (by the Officer) to any other Member. In other words, a system of “silent copies” should not be employed.
- 10.3 Official letters on behalf of the Council should normally be sent in the name of the appropriate Officer, rather than in the name of a Member. It may be appropriate in certain limited circumstances (eg, representations to a Government Minister) for a letter to appear in the name of a Cabinet Member or the Leader or the Leaders of all political groups represented on the Council by agreement, but this should be the exception rather than the norm. Letters which, for example, create legal obligations or give instructions on behalf of the Council should never be sent out in the name of a Member, Executive or otherwise.
- 10.4 Correspondence received by Democratic Services from the public with a request that it is either copied to Members and/or forwarded to Members will, subject to any overriding legal considerations, be forwarded / copied.
- 10.5 Officers responding to members queries should do so in a timely manner, and in accordance with the agreed standards for replying to letters and emails from Members. Namely:

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- a. Members will receive an acknowledgement within two working days of the date of the enquiry, to include the name and contact details of the officer dealing with the enquiry (subject to leave, etc);
- b. a response will be given as soon as possible but not later than 10 working days of the date of the enquiry. If it is not possible to give a detailed response within 10 working days, the councillor should be informed within that period of the date by which they can expect to receive the information requested and be given a reason for the delay.

Democratic Services, provides an alternative route whereby Members may make enquiries or request information from officers within the authority. Any Member may pass an enquiry to Democratic Services who will then refer it to the appropriate officer and follow it up as necessary. Members can expect to be updated as to progress by the officer responsible for replying to the request.

Publicity and Press Releases

- 11.1 Local authorities are accountable to their electorate. Accountability requires local understanding. This will be promoted by the Authority, explaining its objectives and policies to the electors and rate-payers. In recent years, all local authorities have increasingly used publicity to keep the public informed and to encourage public participation. Every Council needs to tell the public about the services it provides. Increasingly, local authorities see this task as an essential part of providing services. Good, effective publicity aimed to improve public awareness of a Council's activities is, in the words of the Government, to be welcomed.
- 11.2 Publicity is, however, a sensitive matter in any political environment because of the impact it can have. Expenditure on publicity can be significant. It is essential, therefore, to ensure that local authority decisions on publicity are properly made in accordance with clear principles of good practice. The Government has issued a Code of Recommended Practice on Local Authority Publicity. It is appended to this Officer / Member Protocol (Appendix A). The purpose of the Code is to set out such principles. The Code affects the conventions that should apply to all publicity at public expense and which traditionally have applied in both central and local government. The Code is issued under the provisions of the Local Government Act 1986 as amended by the Local Government Act 1988 which provides for the Secretary of State to issue Codes of Recommended Practice as regards the content, style, distribution and cost of local authority publicity, and such other matters as s/he thinks appropriate. That section requires that all local authorities shall have regard to the provisions of any such Code in coming to any decision on publicity.
- 11.3 Officers and Members of the Council will, therefore, in making decisions on publicity, take account of the provisions of this Code. If in doubt, Officers and/or Members should initially seek advice from the Communications Manager who will refer the matter to the Monitoring Officer, if necessary / appropriate. Particular care should be paid to any publicity used by the Council around the time of an election. Particular advice will be given on this by the Director of Legal & Governance, as appropriate.

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Involvement of Ward Councillors

- 12.1 Whenever a public meeting is organised by the Council to consider a local issue, all the Members representing the Ward or Wards affected should as a matter of course, be invited to attend the meeting. Similarly, whenever the Council undertakes any form of consultative exercise on a local issue, the Ward Members should be notified at the outset of the exercise. More generally, Officers should consider whether other policy or briefing papers, or other topics being discussed with an Executive Member,

Deleted: May 2023

should be discussed with relevant Ward Members. Officers should seek the views of the appropriate Executive Member(s) as to with whom and when this might be done.

Conclusion

- 13.1 Mutual understanding, openness on these sorts of sensitive issues and basic respect are the greatest safeguard of the integrity of the Council, its Members and Officers.

Officer / Member Protocol

- 14.1 This version was approved by the Council as part of the Constitution in May 2015.
- 14.2 Copies of the Protocol will be issued to all Members as part of the Constitution upon election.
- 14.3 Questions of interpretation of this Protocol will be determined by the Director of Legal & Governance.

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Appendix A

THE CODE OF RECOMMENDED PRACTICE ON LOCAL AUTHORITY PUBLICITY

Introduction

1. This code applies to all local authorities in England specified in section 6 of the Local Government Act 1986 and to other authorities in England which have that provision applied to them by other legislation. Where the term “local authorities” is used in this code it should be taken as referring to both those categories of authority. References to “the Act” are to the Local Government Act 1986.
2. Local authorities are required by section 4(1) of the Act to have regard to the contents of this code in coming to any decision on publicity. Section 6 of the Act defines publicity as “any communication in whatever form, addressed to the public at large or a section of the public”. The code therefore applies in relation to all decisions by local authorities relating to paid advertising and leaflet campaigns, publication of free newspapers and newsheets and maintenance of websites – including the hosting of material which is created by third parties.
3. Nothing in this code overrides the prohibition by section 2 of the Act on the publication by local authorities of material which in whole or in part appears to be designed to affect public support for a political party. Paragraphs 21 to 24 offer some guidance for local authorities on the management of publicity which may contain or have links to party political material.

Principles

4. Publicity by local authorities should:-
 - be lawful
 - be cost-effective
 - be objective
 - be even-handed
 - be appropriate
 - have regard to equality and diversity
 - be issued with care during periods of heightened sensitivity

Lawfulness

5. Local authorities should ensure that publicity complies with all applicable statutory provisions. Paid-for advertising must comply with the Advertising Standards Authority’s Advertising Codes.
6. Part 3 of the Communications Act 2003 prohibits political advertising on television or radio. Local authorities must ensure that their publicity does not breach these restrictions.
7. Section 125 of the Political Parties, Elections and Referendums Act 2000 places a specific restriction on the publication by a local authority of material relating to a referendum under Part 7 of that Act, during the period of 28 days immediately before the referendum is held.
8. Regulation 5 of the Local Authorities (Conduct of Referendums) (England) Regulations 2007 (S.I. 2007/2089) prohibits local authorities from publishing material

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in the 28 days immediately before a referendum which expresses support for, or opposition to a particular answer to a referendum question relating to the constitutional arrangements of the authority.

9. Regulation 15 of the Local Authorities (Referendums, Petitions and Directions) (England) Regulations 2000 (S.I. 2000/2852) prohibits local authorities from incurring expenditure to publish material which appears designed to influence people in deciding whether or not to sign a petition relating to the constitutional arrangements of the authority, or to assist others to publish such material.

Cost-effectiveness

10. In relation to all publicity, local authorities should be able to confirm that consideration has been given to the value for money that is being achieved, including taking into account any loss of potential revenue arising from the use of local authority-owned facilities to host authority publicity.
11. In some circumstances it will be difficult to quantify value for money, for example where the publicity promotes a local amenity which is free to use. In such a case authorities should be able to show that they have given thought to alternative means of promoting the amenity and satisfied themselves that the means of publicity chosen is the most appropriate.
12. If another public authority, such as central government, has issued publicity on a particular topic, local authorities should incur expenditure on issuing publicity on the same matter only if they consider that additional value is achieved by the duplication of that publicity. Additional value might be achieved if locally produced publicity gives a local context to national issues.
13. The purchase of advertising space should not be used as a method of subsidising voluntary, public or commercial organisations.
14. Local authorities should consider whether it is appropriate to seek advice from economic analysts, public relations experts or other sources of expert advice before embarking on a publicity campaign involving very large expenditure.

Objectivity

15. Local authorities should ensure that publicity relating to policies and proposals from central government is balanced and factually accurate. Such publicity may set out the local authority's views and reasons for holding those views, but should avoid anything likely to be perceived by readers as constituting a political statement, or being a commentary on contentious areas of public policy.
16. Any publicity describing the council's policies and aims should be as objective as possible, concentrating on the facts or explanation or both. Local authorities should not use public funds to mount publicity campaigns whose primary purpose is to persuade the public to hold a particular view on a question of policy. It is acceptable for local authority publicity to correct erroneous material which has been published by other parties, despite the fact that the material being corrected may have been published with the intention of influencing the public's opinions about the policies of the authority. Such publicity should seek to explain the facts in an objective manner.
17. Where paid-for advertising is used by local authorities, it should be clearly identified as being advertising. Paid-for advertising, including advertisements for the

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recruitment of staff, should not be used in any publication owned or controlled by a political party.

18. Advertisements for the recruitment of staff should reflect the tradition of political impartiality of local authority employees and should not (except in the case of advertisements relating to the appointment of staff pursuant to section 9 of the Local Government and Housing Act 1989 (assistants for political groups)) refer to any political activities or affiliations of candidates.

Even-handedness

19. Where local authority publicity addresses matters of political controversy it should seek to present the different positions in relation to the issue in question in a fair manner.
20. Other than in the circumstances described in paragraph 34 of this code, it is acceptable for local authorities to publicise the work done by individual members of the authority, and to present the views of those individuals on local issues. This might be appropriate, for example, when one councillor has been the “face” of a particular campaign. If views expressed by or attributed to individual councillors do not reflect the views of the local authority itself, such publicity should make this fact clear.
21. It is acceptable for local authorities to host publicity prepared by third parties – for example an authority may host a blog authored by members of the authority or a public forum on which members of the public may leave comments. Maintenance by a local authority of a website permitting the posting of material by third parties constitutes a continuing act of publication by that local authority which must accordingly have a system for moderating and removing any unacceptable material.
22. It is generally acceptable for local authorities to host publicity, such as a blog, which itself contains links to external sites over which the local authority has no control where the content of those sites would not itself comply with this code. This does not amount to giving assistance to any person for the publication of material which local authorities are not permitted to publish. However, particular care must be taken by local authorities during the period before elections and referendums to ensure that no breach of any legal restriction takes place. It may be necessary to suspend the hosting of material produced by third parties or public forums which contain links to impermissible material during such periods.
23. It is acceptable for publicity containing material prepared by third parties and hosted by local authorities to include logos of political parties or other organisations with which the third parties are associated.
24. It is acceptable for publicity produced or hosted by local authorities to include a logo associated with a particular member of the authority, such as a directly elected mayor, or leader of the authority. Publicity material produced by local authorities relating to a particular member must not seek to affect public support for that individual.
25. Where local authorities provide assistance to third parties to issue publicity they should ensure that the principles in this code are adhered to by the recipients of that assistance.

Appropriate use of publicity

26. Local authorities should not incur any expenditure in retaining the services of lobbyists for the purpose of the publication of any material designed to influence public officials, Members of Parliament, political parties or the Government to take a particular view on any issue.
27. Local authorities should not incur expenditure on providing stands or displays at conferences of political parties for the purpose of publicity designed to influence members of political parties to take a particular view on any issue.
28. Local authorities should not publish or incur expenditure in commissioning in hard copy or on any website, newsletters, newssheets or similar communications which seek to emulate commercial newspapers in style or content. Where local authorities do commission or publish newsletters, newssheets or similar communications, they should not issue them more frequently than quarterly, apart from parish councils which should not issue them more frequently than monthly. Such communications should not include material other than information for the public about the business, services and amenities of the council or other local service providers.
29. Publicity about local authorities and the services they provide should be freely available to anyone who wishes to receive such information in a format readily accessible and understandable by the person making the request or by any particular group for which services are provided.
30. All local authority publicity should clearly and unambiguously identify itself as a product of the local authority. Printed material, including any newsletters, newssheets or similar publications published by the local authority, should do this on the front page of the publication.

Equality and diversity etc

31. Publicity by local authorities may seek to influence (in accordance with the relevant law and in a way which they consider positive) the attitudes of local people or public behaviour in relation to matters of health, safety, crime prevention, race relations, equality, diversity and community issues.
32. Local authorities should consider how any publicity they issue can contribute to the promotion of any duties applicable to them in relation to the elimination of discrimination, the advancement of equality and the fostering of good relations. Care during periods of heightened sensitivity
33. Local authorities should pay particular regard to the legislation governing publicity during the period of heightened sensitivity before elections and referendums – see paragraphs 7 to 9 of this code. It may be necessary to suspend the hosting of material produced by third parties, or to close public forums during this period to avoid breaching any legal restrictions.
34. During the period between the notice of an election and the election itself, local authorities should not publish any publicity on controversial issues or report views or proposals in such a way that identifies them with any individual members or groups of members. Publicity relating to individuals involved directly in the election should not be published by local authorities during this period unless expressly authorised by or under statute. It is permissible for local authorities to publish factual information which identifies the names, wards and parties of candidates at elections.

Deleted: May 2023

35. In general, local authorities should not issue any publicity which seeks to influence voters. However, this general principle is subject to any statutory provision which authorises expenditure being incurred on the publication of material designed to influence the public as to whether to support or oppose a question put at a referendum. It is acceptable to publish material relating to the subject matter of a referendum, for example to correct any factual inaccuracies which have appeared in publicity produced by third parties, so long as this is even-handed and objective and does not support or oppose any of the options which are the subject of the vote.

Appendix B
Guidelines for Council-wide Briefing Notes

1. This Guidance applies to briefing notes issued on a Council-wide basis associated with / during the Budget process.
2. All Officer advice should always take account of and follow the general guidance set out in this Officer / Member Protocol and the Council's Constitution.
3. Specific advice is contained in this Officer / Member Protocol as to Council-wide briefing notes issued as part of / during the Budget process at paragraphs 5.12 and 5.13 and this should be followed.
4. The content of any briefing notes issued on a Council-wide basis associated with / during the Budget process, should follow this guidance as to its contents:
 - a. Topic;
 - b. Provenance - who requested the note be produce (advice may be reactive or pro-active – so it may be an Officer decision that this advice was needed to be placed before Members – in which case state who made that decision;
 - c. What is the current Council policy?
 - d. What is professional officer advice – including what are the ramifications of the current Council policy and any possible / proposed changes to that?
 - e. Who is the author of the briefing note?
 - f. The note should be dated.
5. Any such Council-wide briefing notes associated with the Budget process should, if not written by the relevant Directors, be cleared with them as well as the Chief Financial Officer.
6. Before being issued, any Council-wide briefing notes associated with the Budget process should be cleared with the Chief Executive.

Members should be left in no doubt as the provenance of any Council-wide briefing notes associated with / issued during the Budget process, and should be clear what is Officer professional advice regarding the ramifications of policy options / decisions.

Appendix C
COUNCILLORS' ACCESS TO INFORMATION
– A HIERARCHY OF RIGHTS

Introduction

1. The rights of access to information by Councillors is a complex mix of legislation available to Councillors and the public alike, legislation specific to local government and “common law rights” given to Councillors by the Courts. This Guidance endeavours to provide some guidelines for Members through this “maze”. Members may also seek advice “in confidence” from the Director of Legal & Governance.
2. For general rights of access available to the public, please see the Access to Information Procedure Rules as set out in the Council’s Constitution.

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What is the Hierarchy of Rights?

3. The law relevant to access to information by Councillors includes the following:
 - (1) **The Freedom of Information Act 2000.** This makes non-personal information freely available to all, with only limited exceptions.
 - (2) **The Data Protection Act 1998.** This relates to personal information, and generally makes this non-disclosable except in certain circumstances.
 - (3) Local Government Legislation
 - (a) **Access to Information provisions of the Local Govt Act 1972.** This gives the public access to Committee Minutes and Agenda, and to background material relevant to those documents.
 - (b) (i) Other legislation (Local Government (Executive Arrangements (Meetings and Access to Information) Regulations 2012)) ensures that Members are entitled to material relevant to public / private meetings of the Leader and Cabinet (and decision making by individual portfolio holders).
 - (ii) However, these rights do not apply to draft documents, to the advice of a political advisor or to most exempt / confidential information (unless such information is needed for the work of the Scrutiny Committee).
 - (4) (c) “Common Law Rights” (derived from Court judgements) give Members the right to inspect Council documents insofar as this is reasonably necessary to enable a Member to perform his/her duties as a Councillor – this is known as the “need to know” basis.
 - (d) However, Members do not have any right to “a roving commission” through Council documents – mere curiosity is not sufficient.

Navigating the Hierarchy of Rights

Freedom of Information Act 2000

4. (1) (a) In broad terms, if the information being sought by a Member is non-personal, then the Freedom of Information Act 2000 allows access to most Council documentation¹

¹ Strictly speaking, if there are rights of access to information under other legislation, then the Freedom of Information Act 2000 does not apply. However, for the purposes of simplicity and to develop common access to information procedures for both Councillors and the public alike, this note assumes that Freedom of Information Act-like principles apply to Councillors as well as to members of the public. In this way, we can start with wide, general powers of access only narrow down into more specific powers when strictly necessary.

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- (b) The first port of call for information under the Freedom of Information Act is the Council's Publication Scheme. This is located on the Council's website [Publication Scheme \(southampton.gov.uk\)](https://southampton.gov.uk) and sets out most of the Council's published material. This information can be accessed and used without any further reference to the Council. The remainder of this note assumes that the information being sought by a Councillor is not available under the Publication Scheme.
- (2) The Freedom of Information Act would allow access to information about the construction of a new leisure facility (which is likely to be non-personal information) - but note the possible "block" to obtaining this information (see paragraphs 4(3) and (4) below) but could not be used to gain access to information about a named individual's record of housing waiting list applications – this latter is covered by the Data Protection Act 1998 (see Section 6 below).
- (3) In certain circumstances, access to documentation via the Freedom of Information Act can be "blocked", although most of the "blocks" are subject to a "public interest test". So, for example:-
 - (a) Releasing commercially sensitive information to a member of the public is not likely to be in the public interest.
 - (b) Whereas (subject to the usual rules of confidentiality), it is likely to be in the public interest to release such information to a Councillor.
- (4) Examples of blocks ("exemptions") under the Freedom of Information Act are:
 - (a) Work in progress (draft reports, for example) need not be disclosed.
 - (b) Information subject to a data-sharing protocol (eg. between all member organisations of the Crime and Disorder Partnership) should not be released until all organisations have each agreed to disclosure. This is to ensure that crime & disorder and fraud investigations are not prejudiced.
 - (c) Commercially sensitive information.
 - (d) Where, in the opinion of a designated officer (who is to be the Monitoring Officer) disclosure of information would or would likely to inhibit the free and frank provision of advice, the free and frank exchange of views for the purposes of deliberation, or would otherwise prejudice or would be likely otherwise to prejudice the effective conduct of public affairs. This exemption is also subject to the public interest test.
- (5) If the rights outlined above are not sufficient to provide a Councillor with the information he needs, then it is necessary to navigate further down this hierarchy.

Data Protection Act 1998

- 5. (1) If the information sought by a Councillor relates to an identified living individual, then the Data Protection Act applies.
- (2) There are 2 classes of Data Protection – "normal" personal information and "sensitive personal information". Sensitive personal information includes:-
 - (a) Racial or Ethnic Origin
 - (b) Religious beliefs
 - (c) Trade Union membership
 - (d) Physical or Mental health
 - (e) Actual or alleged criminal offences and criminal records
 - (f) Sexual life
 - (g) Political opinions.

- (3) (a) Where “normal” personal information is involved, unless additional consent has been granted by the individual concerned, information about an individual can only be used for the purposes for which that information was obtained.
- (b) Councillors have the same rights as Council employees to access personal information.²
- (c) Putting the above together, a Councillor who needs to have information about a named individual’s housing waiting list application may do so. However (unless the individual concerned has given a specific or general consent) the same information could not be used for purposes concerned with (say) Council Tax or Housing Benefits.
- (4) (a) The Council has a duty to ensure that personal information disclosed to Members using the above procedures is used strictly for the purposes for which it is disclosed and that Members will keep the information secure and confidential (and then disposed of in a similarly careful manner).
- (b) Councillors must observe the Code of Conduct and all the provisions of the Constitution. Officers will automatically assume that Councillors will treat personal information in accordance with the previous paragraph.
- (5) (a) Where “sensitive” personal information is involved (see paragraph 5(2) above) then more rigorous procedures are necessary:-
 - (i) Either explicit consent of the person concerned must be obtained; or
 - (ii) If this is not practicable, Members must complete a form under the Data Protection (Processing of Sensitive Personal Data) (Elected Representatives) Order 2002.
- (b) Paragraphs 4(4), 5(3) and (4) above, of course, apply to “sensitive” personal information as they do to “normal” personal information.
- (6) If the rights outlined above are not sufficient to provide a Councillor with the information he needs, then it is necessary to navigate further down this hierarchy.

Access to Information Provisions of the Local Government Act 1972 / Local Authorities (Executive Arrangements) (Meetings and Access to Information) Regulations 2012

- 7. (1) In effect, the rights available to Councillors through the Freedom of Information Act and the Data Protection Act will begin to override both older legislation such as the Local Government Act 1972 and also older common law rights.³
- (2) (a) Where a Councillor cannot obtain the disclosure of information under the Freedom of Information Act (because, say, commercial confidentiality is too sensitive to permit it, or because of implications for fraud investigations) or the Data Protection Act (because a Councillor cannot establish a need to know the information, or because a Councillor wants to use the information in a context different to that for which the information was gathered) then the information may still become available to Members at a later date via

² and the Councillor concerned must have a “need to know”, and not just be “curious” – see paragraph 4(4) above.

³ But see Footnote 1

- Committee agenda, and the right to see background material associated with such an agenda.
- (b) Once a matter has reached the stage where it is before a Committee / Cabinet, then members of that Committee / Cabinet would have a "need to know" all relevant information; and other Councillors would be able to use the usual Access to Information provisions.
- (3) (a) Councillors also have additional rights of access to material in the possession/control of the Leader and Cabinet (rather than Council officers) relating to public/private meetings of the Cabinet or to any decision taken by an individual portfolio holder.
 - (b) However, the above rights do not apply to draft documents, to the advice of a political advisor or to most categories exempt/confidential information (unless the Scrutiny Committee require such exempt / confidential information as part of actions / decisions it is scrutinising).

General

- 8. (1) Material from Legal Services (where Legal Services is providing legal advice to one of its in-house clients at the Council) may be non-disclosable due to legal professional privilege.
- (2) Information supplied under the Data Protection Act 1998 must not be used or disclosed for political purposes.
- (3) (a) Requests for Information under the control of Officers should normally be made to the relevant Director.
- (b) Requests for information under the control of the Leader and Cabinet should normally be made to the Leader and/or the relevant Portfolio Holder.
- (4) (a) Councillors must not put undue pressure on Officers to release information to which the Councillor is not entitled to have access.
- (b) Should a Director need advice as to whether information can be released to a Councillor s/he should contact the Director of Legal & Governance.
- (c) The additional access to information rights given to Councillors are to allow them to do their jobs as Councillors. Confidential or exempt information should only be used in appropriate circumstances, in accordance with the proper performance of their duties as Councillors. Information should only be passed between Councillors if both Councillors can demonstrate a "need to know".
- (5) (a) Any complaints by a Councillor about the non-disclosure of information should be made in writing to the Director of Legal & Governance, whose decision shall be final as far as the Council is concerned.
- (b) However, if the Councillor remains dissatisfied, the Councillor may be able (under FOI) to refer the matter to the Information Commissioner.

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Appendix D
BEST PRACTICE GUIDANCE ON CONDUCT FOR MEMBERS DURING A
PROCUREMENT EXERCISE

A. BACKGROUND

1. Under the City Council's Code of Conduct for Members, a Member must not, amongst other things, in his/her official capacity or any other circumstance, conduct him or herself in a manner which could reasonably be regarded as bringing his/her office or the authority into disrepute, nor do anything which compromises or which is likely to compromise the impartiality of those who work for, or on behalf of, the Council.
2. In the context of a procurement exercise, this would include taking any action which could, in the opinion of the Monitoring Officer or Chief Financial Officer, compromise the objective handling of the tendering processes and lead to (or likely to expose the Council to) a successful legal challenge.
3. Tendering procedures are highly complex and there are risks involved in the failure to comply with the UK and European legislation. This guidance is intended to assist in raising awareness of the risks and to ensure that proper procedures are in place to minimise such risks.

B. LEGAL CONTEXT

4. When awarding contracts, the City Council is subject to the requirements of administrative law, contractual law, EU requirements on non-discrimination and free movement of goods and services, general common law principles and the specific rules on public procurement discussed below.
5. The public procurement remedies procedures are based upon the provisions of the 'Remedies Directive' (Directive (EEC) 665/89), the provisions of which were implemented into UK law in the Works, Supplies and Services Regulations (the Regulations'). There is a general statutory obligation under the regulations for contracting authorities to comply with the public procurement rules. There are also specific provisions which establish the procedures for remedy where an aggrieved contractor, supplier or service provider suffers, or is at risk of suffering, some form of loss due to non-compliance by the contracting authority with the procurement rules.
6. Enforcement of the procurement rules operate both at the EU and at the national level. The national courts or tribunals in each member state are empowered to take measures to remedy any violation of the law and to compensate for loss. At the EU level, the Commission can commence proceedings against the national government concerned under the EC Treaty if any contracting authority breaches the rules. In the UK, the obligation to comply with the provisions of the Regulations in relation to contracts that fall within the ambit of those regulations is considered in law to be a 'duty' owed to providers.
7. Non-compliance with EU law is not a criminal offence, but it can give rise to a breach of statutory duty and will open the Council to a legal challenge by way of Judicial Review and/or claim for damages. If a Member's action(s) or inaction(s) have caused the same, the member may have acted beyond his/her powers and/or be in breach of the Code of Conduct for Members. In such event, the Monitoring Officer will refer the matter to the Governance Committee for determination by way of a written complaint against the relevant Member(s). Ultimate sanction is disqualification from office and/or civil action in damages.

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8. If a corrupt practice or other criminal activity is alleged or discovered under the Prevention of Corruption Acts or Bribery Act 2010 against a Member or Officer, the Monitoring Officer will consider how the Police may be used to help safeguard and protect the interests of the Council.

C. BEST PRACTICE GUIDANCE

9. In light of the inherent risks involved in a failure to comply with legal requirements affecting tendering procedures, Members / Officers should have regard to the following:
 - 9.1 Communication (including any information, instruction, or response) from and to the City Council and Tenderers (or potential Tenderers or potential subcontractors to Tenderers) involved in a procurement process must be clear, duly recorded, appropriate and understood by the parties;
 - 9.2 Tenderers / sub-contractors are always advised not to arrange or participate in any meeting(s) or other form of communication with any Member(s) or Officer(s) of the City Council that has not been arranged under and in accordance with any specific guidance/protocol issued in relation to the procurement process in question. As a general rule, where no such specific guidance/protocol has been issued, such meetings or other form of communication should not take place without the written consent of the Monitoring Officer and the Chief Financial Officer;
 - 9.3 Where an existing supplier / sub-contractor to the City Council seeks a meeting or other form of communication with a Member - ostensibly about matters related only to the existing supply - and that existing supplier / subcontractor may potentially be or is, at that time, also a Tenderer / subcontractor in relation to either a planned / foreseen procurement process or an ongoing procurement process of which the Member ought reasonably to be aware of, the Member should decline to meet or otherwise ensure that a sufficiently senior officer is present at such meeting to safeguard the probity and propriety of the Council's actions or inactions;
 - 9.4 Any meeting between any Tenderer / sub-contractors and a Member or Officer of the City Council, should be kept to an absolute minimum, as the risk of allegation(s) of fraud and/or corrupt practices is a high possibility and one to be avoided. Any meetings that do take place with Tenderers / subcontractors must be contemporaneously minuted / noted and, in the exceptional event that a one-to-one meeting does take place, the contemporaneous minutes / notes of the meeting must be provided to the Chief Financial Officer within three days of the meeting, for the file, so as to protect and safeguard the relevant Member / Officer from any unwarranted accusations; and
 - 9.5 Confidential information relating to any Tenderer / sub-contractor (or prospective Tenderer or sub-contractor) must remain confidential, unless the Courts or the law orders otherwise. Where any Member or Officer is in any doubt about whether a meeting or other form of communication with a Tenderer / sub-contractor is appropriate or permitted, s/he should seek guidance from the Monitoring Officer and Chief Financial Officer.



Civic and Ceremonial Protocol

A Member will be elected by Full Council each year to hold the office of Chairman. The Chairman of the Council will be known as the Lord Mayor when carrying out his/her civic and ceremonial role. The responsibilities of the position will be carried out in accordance with the Letters Patent conferred by the Crown and guidance contained in this Protocol. This Protocol should be read in conjunction with the Civic Handbook – The Role of the Lord Mayor and Sheriff.

Key responsibilities of the Lord Mayor

1. To chair meetings of the Council effectively.
2. To preside over civic functions, including but not limited to the Remembrance Service, the reception following the annual meeting and to promote the City of Southampton Awards Scheme.
3. To act and conduct him/herself as the First Citizen and ambassador of the Council in promoting the City of Southampton and the Council's aims including its vision.
4. To lead the community in support of the Council's values and visions, to provide community leadership and to proactively engage with the Council, its priorities, aims and objectives and the partners of the Council (including, but not limited to, the local strategic partnership) in supporting the City and its citizens.
5. To assist the promotion of good causes. To promote, raise the profile and gain publicity for projects and events that are of a good charitable or voluntary nature that benefit the citizens of Southampton, particularly smaller organisations.
6. To attend funerals of officers who die in service and civic dignitaries past and present.
7. To raise funds for the charities chosen by the Lord Mayor, and to announce to the AGM Full Council a charity or charities that will be supported during the Civic Year that will benefit the citizens of Southampton. The Lord Mayor will report the amount raised to the AGM.
8. To give a summary of activities / achievements during the year at the AGM.
9. To represent the Council at events, including any international visits which should promote the Council's aims, values and/or vision.
10. To encourage citizenship and participation in the life of the City.
11. The Deputy Lord Mayor will undertake a similar role as the Lord Mayor and will be known as the Sheriff when carrying out his/her civic and ceremonial role. The Sheriff and the Lord Mayor will work together in developing a programme that would successfully fulfil the above roles.
12. To observe civic protocols when undertaking the civic and ceremonial role.

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Key responsibilities of the Sheriff

1. To deputise for the Lord Mayor, when appropriate, and undertake the key responsibilities of the Lord Mayor, at the direction of the Lord Mayor.
2. To chair Court Leet and Beat the Bounds.
3. To attend the Annual Sheriffs' Conference.

CIVIC PROTOCOLS

Definitions

In these protocols:

- 'The Lord Mayor's Office' is the office and staff designated by the Director of Legal and Governance as supporting the Lord Mayor and Sheriff.

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1. INTRODUCTION

- 1.1 The Lord Mayor, Sheriff and their escorts / consorts, when undertaking their civic and ceremonial roles, shall:
 - 1.1.1 not bring the Council into disrepute through abuse of office;
 - 1.1.2 follow any instructions issued by the Lord Mayor's Office;
 - 1.1.3 not attend any function or otherwise give support to any organisation or person, whose objectives are contrary to law and/or Council policy,
 - 1.1.4 not solicit engagements or visits at home or abroad or otherwise procure favours by virtue of office; and
 - 1.1.5 not overspend the budget / allowance allocated by the Council to the Lord Mayor.
 - 1.1.6 it will be the Lord Mayor and/or Sheriff's responsibility to ensure that, in attending any event or initiative on behalf of the Council when undertaking their civic and/or ceremonial roles, that the Lord Mayor and/or Sheriff and their escorts / consorts, shall behave in a manner appropriate and fitting to their position as First and Second Citizens of the City, and any breach of this protocol may constitute a breach of the Code of Conduct for Members.

2. ANNUAL MEETING OF THE COUNCIL / COUNCIL MEETINGS

- 2.1 The Annual Meeting includes the Lord Mayor Making ceremony. The Lord Mayor's Office will prepare the Council's guest list in liaison with the Director of Legal and Governance. Traditionally the incoming Lord Mayor and Sheriff are allowed a personal guest list of approximately ten. These are usually family, friends and work colleagues whom the Lord Mayor invites to the Lord Mayor Making Ceremony and the parlour for refreshments after the meeting.
- 2.2 The Lord Mayor will be guided and supported in chairing Full Council meetings by the Director of Legal and Governance. The Lord Mayor will be provided with appropriate support, guidance and assistance including (but not limited to) briefing the Lord Mayor prior to the Council meeting on procedural and other relevant issues.

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3. THE ELECTION OF THE LORD MAYOR

- 3.1 The election of a Chairman of the Council (Lord Mayor) shall be the first item of business conducted by the Council in accordance with Local Government Act 1972 and the Constitution. The process shall be that required by law and the Constitution. If making nominations and undertaking this process, members shall take account in nominating any prospective candidate of the responsibilities of the job as set out in this Protocol, and Members shall, subject to the inherent discretion of the Council to elect whomsoever they deem fit as Chairman / Lord Mayor within the law and the Council's Constitution use their best endeavours to avoid a contest at the Annual General Meeting.

4. SUPPORT TO CHARITIES

- 4.1 The Lord Mayor must abide by any guidance issued from time to time by the Director of Legal and Governance, and/or the Chief Financial Officer in respect of the Lord Mayor's charities and/or the budget allocated to the Lord Mayor by the Council.
- 4.2 The Lord Mayor may select one or more charities that s/he shall announce at the Annual General Meeting, which s/he shall support. These charities will already be established and registered with the Charity Commission. If, in the opinion of the Chief Financial Officer, any charity is unacceptable for legal or financial reasons, the Lord Mayor shall select an alternative.
- 4.3 All administrative functions related to the Lord Mayor's charities must be undertaken by the appropriate officers of the charity in question and not by the Lord Mayor or the Council, or by officers.

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The Lord Mayor's Charity

- 4.4 It is expected that the charity will undertake all fund raising and its administration, as the Council does not have the staffing resources to support this type of activity. However, officers are happy to advise the charity as to the suitability of events, appropriate procedures and matters of protocol if required.
- 4.5 The Lord Mayor's Charity has been registered with the Charity Commission. All monies raised during the Lord Mayor's year of office will be distributed to the chosen charities as soon as possible after the end of the Lord Mayor's term of office.

5. APPOINTMENT OF CHAPLAIN

- 5.1 The Lord Mayor may appoint a Chaplain, and in accordance with the Council's values and visions The Lord Mayor's Office shall advise any incoming Lord Mayor on these issues and options.
- 5.2 To encourage a deeper and broader relationship between the Council and faith communities, the religious advisers will act as a 'sounding board' to advise on effective engagement with faith communities, and the impact of Communities and Local Government policy on faith communities.

6. ANNUAL CIVIC SERVICE

- 6.1 The Lord Mayor may hold an Annual Civic Service in June at the place of worship determined by the Team Rector of the City Centre Parish. Alternatively, the Lord Mayor may hold an alternative event which will enhance the Council's understanding of, and engagement, with faith communities in the City. Such events must be inclusive of all sections of the community and open to all faiths.

7. EVENTS

- 7.1 The Lord Mayor should work with officers to produce a proactive programme, which meets the Civic and Ceremonial Portfolio objectives. The Lord Mayor will take account of the Executive's requirements and priorities in determining the programme. All invitations to civic / ceremonial events to be undertaken by the Lord Mayor and/or Sheriff or any proposal for a civic event or engagement, however arising, will be processed through officers who will liaise closely with the Lord Mayor, conduct any necessary research and advise the Lord Mayor and/or Sheriff on their suitability. Attendance at all engagements will be co-ordinated by officers. Events attended by the Lord Mayor should be of a non-political nature. The advice of the Leader and/or Director of Legal and Governance should be sought if necessary. Delegations or visits led by the Lord Mayor to places outside Southampton should be subject to appropriate planning, budget and reporting, and must be organised by officers.

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- 7.2 The Sheriff should cover events / engagements that the Lord Mayor is unable to undertake. Where the Sheriff is not available, the Council's representative should be a Councillor (with priority for former Mayors/Lord Mayors). Invitations should only go beyond Sheriff when it is considered that the lack of civic presence would be seen as detrimental to the Council. Officers should decide this in consultation with the Director of Legal and Governance when necessary. As the consorts / escorts of both the Lord Mayor and Sheriff have no legal status, they should rarely attend functions independently of the Lord Mayor or Sheriff. Consorts / escorts must never attend an event / engagement as a representative of the Council.

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- 7.3 At events hosted by the Council, such as conferences and seminars, the Lord Mayor will normally give a welcome to delegates. At events promoting Council achievements (eg opening new facilities) the Lord Mayor will normally undertake ceremonial duties such as cutting of a ribbon, and the Leader or appropriate Cabinet Member will normally make the official speech.

- 7.4 Outside of any formal presentation of a Freedom of the City, or City of Southampton award at the council's AGM, it is recognised that the Lord Mayor may want to celebrate the important contribution particular individuals, groups, or organisations make to the city of Southampton through an informal Lord Mayor's Award presentation or 'thank you' event during their Lord Mayoral year. Such arrangements should be discussed and agreed with the Lord Mayor's Office.

8. VISITS ABROAD

- 8.1 Any planned visits abroad should be discussed with officers who will refer the issue to the Director of Legal and Governance if necessary. Visits should be for official purposes and not of a personal or political nature.

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- 8.2 If the Lord Mayor proposes such a visit, as a guide it will be necessary to consider the following:

8.2.1 the purpose of the visit, the benefits to Southampton and its residents and how it will contribute to the city and/or detailed itinerary;

8.2.2 the names of others who will be accompanying the Lord Mayor, details of the costs and any hospitality that will be received and from whom;

8.3 Invitations abroad should be arranged through officers. The Director of Legal and Governance will decide on any logistical or other arrangements necessary or appropriate or ancillary to any visit abroad, eg whether or not officers of the Council should accompany the Lord Mayor.

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9. ADMIRAL OF THE PORT

9.1 As Admiral of the Port, the Lord Mayor has no formal powers as such associated with this particular office. However, in view of the historic relationship between the City Council and particularly the Lord Mayor as Admiral of the Port and port-related activities and because of the significance of the port to Southampton's life, the Lord Mayor shall maintain, promote, enhance and support those links, whether in the business, leisure, tourism or other aspect of the City's life.

10. ALLOWANCE

10.1 Both the Lord Mayor and Sheriff are paid an allowance during their term of office to reflect expenses incurred. This is to cover general expenses and receptions they wish to host. The Lord Mayor and officers should ensure that overall spend on the civic purse, civic hospitality and civic functions is within budget. The Lord Mayor should abide by any rules or guidance issued from time to time by the Director of Legal & Governance and/or the Chief Finance Officer in respect of the budget allocated to the Lord Mayor by the Council.

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11. USE OF THE OFFICIAL CAR

11.1 The Lord Mayor and Sheriff are provided with transport for official functions where appropriate. The transport should not be used by the Lord Mayor and Sheriff other than in the civic and ceremonial capacity of these offices. Instructions to the Town Sergeants and attendants providing the chauffeuring service are given by officers. It is normal for the Lord Mayor or their escort to be collected from the Lord Mayor's residence; where this is not practical, arrangements shall be agreed in advance with officers.

12. USE OF LORD MAYOR'S OFFICE AND PARLOUR

12.1 The Lord Mayor and Sheriff may use accommodation (the Lord Mayor's office and parlour) provided by the Council to undertake their duties. Use of this accommodation is managed through officers. The Lord Mayor and/or Sheriff shall not use this accommodation other than for civic and/or ceremonial purposes without the prior consent of officers. The accommodation is the asset of the Council under the control of officers.

13. ACCEPTANCE OF GIFTS

13.1 Personal gifts received by the Lord Mayor and Sheriff must be declared in the normal way. Gifts presented to the Lord Mayor and /or Sheriff (in his/her ceremonial capacities as first or second citizen for the City) shall be accepted by the Lord Mayor or Sheriff for the city / Council, may not be retained by the Lord Mayor or Sheriff either during their municipal year or after and shall be passed to officers who shall

manage such gifts on behalf of the Council. Gifts received during the year shall be displayed in the Lord Mayor's Parlour. In exceptional circumstances, the Director of Legal and Governance may decide that it is appropriate for them to retain a gift (for example, when the gift is of nominal value and/or similar gifts are presented to and retained by other Members and/or officers).

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14. USE OF IMAGES OF THE LORD MAYOR AND/OR SHERIFF IN ELECTORAL MATERIAL

14.1 It is considered inappropriate for the Lord Mayor and/or Sheriff to appear in any electoral material, whether associated with their election, or another candidate's election, in any official regalia or robes. The Lord Mayor and Sheriff should use all reasonable endeavours to avoid this from occurring. Any such occurrence may well be reported to the Governance Committee depending upon the circumstances.

15. MEDIA

15.1 Given the status of the Lord Mayor and Sheriff as First and Second Citizens of the City, any dealings with the media should be conducted via Public Relations and officers should be advised. The Communications team is responsible for dealing with the press and media on behalf of the Council. Therefore, all official communication relating to the Council (but not party political or private matters) should be dealt with by the team. The Lord Mayor and Sheriff should be aware that any private / party political communications they issue may bring their office into disrepute and should always, therefore, seek advice before doing so.

16. SUPPORT FROM OFFICERS

16.1 Officers will provide to the Lord Mayor and Sheriff upon their appointment to office information on:

16.1.1 The different allowances and how they may be used;

16.1.2 Awareness of tax liabilities of allowance

16.1.3 Local charities and regular yearly events and functions;

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16.2 During the Civic year, officers will:

16.2.1 manage the civic diary and ensure arrangements for chauffeuring are in place;

16.2.2 receive and follow up invitations;

16.2.3 arrange occasional events;

16.2.4 give proper briefings and advice as necessary;

16.2.5 manage the budget, in consultation with the Director of Legal and Governance

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16.2.6 prepare necessary reports for the Council / Committee etc;

16.2.7 provide such other support as is necessary and appropriate.

16.3 Officers are under the managerial control of the Director of Legal and Governance and ultimately the Executive Director of Corporate Services.

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17. SUPPORT FROM THE REST OF THE COUNCIL

17.1 During the course of the Lord Mayoral year, the Lord Mayor and the Director of Legal and Governance will liaise regularly. Officers will take steps in order to enable regular briefings to take place, and will liaise with the Director of Legal and Governance to ensure this happens.

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17.2 At the commencement of the Lord Mayoral year, the Lord Mayor will have meetings with the Chief Financial Officer and Director of Legal and Governance, so the Lord Mayor may be briefed and aware of issues of interest. The Lord Mayor's role will include supporting the council's corporate priorities and the key themes that the Lord Mayor wishes to adopt should be explored to ensure they match the council's corporate plan. In this way, all of the engagements and initiatives that the Lord Mayor undertakes will be supportive of the work of the council.

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17.3 During the Lord Mayoral year the Lord Mayor may wish to be briefed by officers on other issues of interest to the Lord Mayor or on issues that arise relevant to the Lord Mayoral duties. Meetings may also be arranged on behalf of the Sheriff.

18. END OF YEAR REPORT

18.1 At the end of the Lord Mayor's municipal year, the Lord Mayor will have the opportunity to review the year with the Director of Legal and Governance. The views of the Lord Mayor will be taken into account in making changes to this protocol, the work of officers and in the planning of future initiatives. A report on the work of the Lord Mayor will be included on the Lord Mayor's web page.

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19. CIVIC EVENTS CO-ORDINATION

19.1 Following identification of the key themes that the Lord Mayor wishes to adopt, a meeting will be held with the Leader of the Council to set a programme for the co-ordination of events. The meeting will ensure that appropriate Members and Officers represent the Council according to the type of function and will advise external organisations to whom representative invitations should be addressed. The programme of events will be reviewed by the Director of Legal and Governance, as appropriate to ensure that the programme continues to match the council's corporate objectives.

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20. GUIDANCE ON THE USE OF THE SOUTHAMPTON COAT OF ARMS

20.1 Southampton's Coat of Arms has been in use since the 12th Century. The final addition to the Coat of Arms was made in 1575.

20.2 The Coat of Arms comprises:

- **The Arms:** shown on a shield and divided into two parts. The top half is white or silver with two red roses side by side. The bottom half is red with a single white or silver rose in the centre.
- **The Crest:** A queen holding the sword of justice and the balance of equity resting upon a castle surmounting a knight's helmet and red and white wreath.
- **The Supporters:** A two mast, armed Tudor ship on each side of the shield with a yellow or gold lion standing in the bow holding up the shield in its front paws.

Full details on the history and makeup of the Arms is available from the Council's City Archives Services.

20.3 The Coat of Arms are the legal property of the City of Southampton and may only be used by or with the permission of Southampton City Council (as registered heraldic owner) in accordance with this Guidance and general heraldic law.

20.4 Use of the full Coat of Arms

20.4.1 Use of the full Coat of Arms (shield, crest and supporters together) is reserved to Full Council and the Lord Mayor of Southampton.

20.4.2 The full Arms are only to be used in relation to wholly Council functions or in relation to the Lord Mayor's civic duties and obligations. This will include, but is not limited to, use on Lord Mayor's Office official stationary, portraits and associated memorabilia related to the Office.

20.4.3 Use of the full Arms ~~may, and after consultation with the Director of Legal and Governance, and the Lord Mayor, also be used in relation to:~~

- Use the making of Honorary Aldermen and the granting of the Freedom of the City
- the procurement and presentation of high-quality Civic gifts to visiting dignitaries of national and international stature.
- Historic books, documents & manuscripts produced by the Council whether intended for publication or archival purposes.

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20.5 Use of the Shield or Shield & Crest

20.5.1 use of the Shield / Shield & Crest ~~after consultation with the Director of Legal and Governance, and the Lord Mayor and is limited to:~~

- All other uses by the Council
- Requests by third parties for use in relation to non-profit making or charitable purposes where such use is made to denote the support of the Council or Lord Mayor.

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Such uses may include graphical representations to accompany written "introductions" or statements of support supplied on behalf of Full Council or by the Lord Mayor's Office, graphical representations to denote historic, heraldic or other Civic matters such as dissertations etc by local history groups and representation on items such as calendars and music compilations where it is determined that publication is in the interests of the Council and does not undermine the historic status of the Arms.

20.6 No requests from third parties relating to commercial, profit generating or non-charitable uses will be permitted.

20.7 Where this Guidance indicates that use is at the discretion of the ~~Director of Legal and Governance,~~ subject to the following paragraph, that decision shall be final.

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20.8 If a third party remains dissatisfied by a refusal in accordance with this Guidance, they may submit a request in writing for the matter to be reconsidered. The matter will be referred to the Governance Committee for determination at their next available scheduled meeting.



Code for Dealing with Joint Arrangements with Third Parties

1. INTRODUCTION

This Code provides guidance and recommended procedures to avoid conflicts of interest for the Council, its employees and consultants engaged in any joint or proposed joint arrangements with outside bodies on which Members and/or employees will be representatives whether or not assets and/or staff transfer, permanently, temporarily or by secondment. In this Code, "Joint Arrangements" includes proposed, evolving or developing joint arrangements including (but not limited to) the situation before any legal entity or Special Purpose Vehicle (SPV) has been created.

This guidance must be read in conjunction with all other appropriate legislation, guidance, codes and the like. This includes, but is not limited to:

- Localism Act 2011
- Section 117 of the Local Government Act 1972
- The Council's Constitution, including (but not limited to)
 - Members' Code of Conduct
 - Employees' Code of Conduct (when issued)
 - Protocol for Officer / Member relationships
 - Chief Officer Employment Procedure Rules
 - Financial Procedure Rules
 - Contract Procedure Rules
- Disciplinary rules and procedures
- National and local conditions of service
- Internal and external legal advice regarding the conduct of Members and employees in joint working arrangements
- Posts which are "politically restricted" by virtue of the provisions of the Local Government and Housing Act 1989 (as amended)

2. PURPOSE

The purpose of this Code is to ensure probity and confidence in the Council's dealings with outside bodies. This includes taking steps to avoid conflicts of interest and bias, to maintain commercial confidentiality while safeguarding the use of public money and to limit the financial exposure of the Council, its Members and Officers.

3. IDENTIFYING AND DEALING WITH THE POTENTIAL FOR CONFLICT

In any proposal where Members or employees may have joint interest, or where there are joint working arrangements involving public funds, or transfer of public assets and the like, the following must be established:-

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(a) Is there a conflict?

It is impossible to list all areas of a potential conflict and employees and Members are personally responsible for asking themselves whether there is or is likely to be a conflict of interest. The interest need not be pecuniary and will arise wherever there is a possibility of bias, which may influence the decision. There is a danger of bias where an interest affects an individual or a member of their household more than the generality of others who may be affected by a decision.

The type of decisions being made will include:

- transfer of assets from the Council to another person/party with whom they have an interest
- granting of public funds by the Council to another person/party with whom they have an interest
- a decision to enter into a scheme with another person/party with whom they have an interest with an immediate or potential financial impact on the Council
- contractual arrangements between the Council and another party/parties with whom they have an interest and negotiations on such arrangements

Those with a position of potential influence will be:

- members of the Executive / other Members who are advisors (regardless of political party)
- directors on a board or shadow board and subscriber representatives on companies
- trustees
- employees with delegated decision-making positions or a policy formulation role
- secondees from the Council to another party with delegated decision-making ability or policy formulation posts

(b) Employees

Employees must be clear from whom they take instructions at all times. If an employee's job within the Council would involve them making proposals, drafting policy or influencing any decision or action which will benefit a person or body with whom they have either a direct or potential interest and with whom the Council has or intends to enter into joint arrangements, they must:

- (i) Prepare a report for their line manager, Executive Director or Chief Executive, clearly setting out:
- the basis of their direct or potential interest
 - any adverse or potentially adverse consequences for the authority and/or benefits to the third party
 - Set out their current or potential areas of influence within the third party.

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- (ii) Employees who have prepared a report in accordance with paragraph (b)(i) above shall not be permitted to prepare reports for Members, make any delegated decision, commit expenditure, or give instructions to other employees to do so on any matter where they have identified such an interest or potential interest.
- (iii) Employees who have applied for, or intend to apply for or have been appointed to a position with a body outside the Authority with whom the Council has or intends to enter into joint arrangements shall not be permitted to instruct other employees, make proposals or delegated decisions or prepare reports on any matters that are directly applicable to any proposed contractual relationship between the Council and their new or potential employer.
- (iv) Secondments to a joint partner or any shadow arrangement set up by the Council to facilitate the negotiations shall be by way of letter clearly setting out the terms of the secondment, use of information, reporting lines, restrictions on activities and the like. Anyone appointed to such an arrangement shall not brief Members or otherwise do anything which may be seen to influence those making decisions on behalf of the Council unless invited to do so by the relevant Executive Director or Chief Executive and shall only then do so in the company of another Council officer.
- (v) In any report prepared for consideration by Members involving arrangements between the Council and a third party with whom the Council has an interest the report shall indicate:
- the nature of the joint interest/influence;
 - any proposed transfer of assets included in the proposal together with details of valuations of the assets and full financial appraisal. Such a report must contain the comments of the Chief Financial Officer;
 - Where a report is lengthy (for example in bidding documents / government submissions etc) the report must clearly state, in the recommendations, each aspect of the bid and seek approval. It is not sufficient merely to seek endorsement of the bid/submission;
 - Where the proposal affects employees this must be clearly stated in the report.
- (vi) At the outset of any such joint arrangements the relevant Executive Director or Chief Executive shall ensure that a clear structure of accountability, line management and reporting lines. This will require review on a regular basis. It must deal with any proposals for secondments. All secondments (whether to posts in the Council or to an outside body) must be made by letter to the employee concerned setting out the structure applicable. All employees working on the proposal must receive written details (whether by way of letter or copy of structure chart) making it clear to them who their line manager is and from whom they may take instructions and to whom they may divulge information (be it their line manager, another employee or committee).

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Employees may apply for an employed position with a joint partner of the Authority provided they shall not be employed by the Council and the joint partner at the same time. The employee may use their skills, knowledge and expertise acquired whilst in the employ of the Council but shall not use any information they have obtained whilst in the Council's employ. Such information shall remain confidential to the Council and not be used for the benefit of the joint partner.

(c) Members

Where Members are likely to be in the position of having a joint influence through being a subscriber, director or other member of a company or third party with which the Council is entering into a joint arrangement adherence must be had to the Members' Code of Conduct. If the Member's position is such that they could be involved in the decision making process on both sides, the relevant Members should consider whether they need to declare a prejudicial interest and not take part in any discussion or vote on the matter. Nor must they be in any position where they may be perceived as influencing the matter within the Authority.

Members shall be informed of any arrangements made under paragraphs (b)(iv) or (b)(vi) above in connection with restrictions on access to Members by those staff seconded to any shadow arrangements.

4. SEPARATION OF FUNCTIONS

In any situation where joint arrangements are such that Council officers are advising the Authority and the proposed new provider or special purpose vehicle appropriate arrangements shall be considered by the relevant Executive Director or Chief Executive. Where it is necessary for such advice to continue from within the Council pending the new provider being formally established with their own ability to operate financially and contractually the relevant Executive Director or Chief Executive shall ensure robust and sound arrangements are in place to ensure that confidentiality is maintained, advice is provided separately to the Council from the SPV and such other arrangements and/or requirements as may be advised by the Monitoring Officer / Director of Legal & Governance, and/or Chief Financial Officer from time to time. This shall include (but not exclusively) arrangements for:

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- Physical separation of staff
- Confidentiality of paper and electronic information in respect of the project
- Separation of support services such as post handling and typing
- Guidance to staff on arrangements for the contact between them

The relevant Executive Director or Chief Executive shall ensure that all appropriate Members, the Monitoring Officer and the Chief Financial Officer are informed when and what the arrangements are made.

The Chief Financial Officer shall take steps to ensure that arrangements are put in place, and that they are maintained.

5. CONSULTANTS

In preparing any consultants' briefs drafting contracting terms or otherwise employing consultants, employees must have regard to whether there may be a conflict or

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potential conflict of interest or whether confidential information may be disclosed which could benefit another party for whom the consultant also acts, even if that other party is a body partly or solely set up by the Council.

In any brief to consultants where they may be required to give advice to the Council and to a third party with whom the Council is or will enter into an agreement, the consultants shall from the point where a potential conflict of interest may arise only act for one party and not both. All Consultancy contracts and/or letters of appointment will contain an appropriate clause, concerning conflicts of interest and consultants shall be under a duty to immediately notify the Council of any potential conflict. Where a contract has to be terminated or be amended due to a conflict of interest this should be at no cost to the Council. Employees must avoid preparing any brief which may give rise to a consultant acting for both the Authority and a third party where there is a potential for conflict.

6. MEANING OF CONFLICT OF INTEREST

Any interest in a matter, which creates a danger of bias. This shall arise where the interest affects the individual concerned or an organisation, which they influence more than the generality of those affected by the decision.

7. SANCTIONS

In the event of any alleged breach of this Code, if the alleged breach is also an alleged breach of the Members Code of Conduct, it will be dealt with in accordance with the procedures set out by the Localism Act 2011.

In the event of an alleged breach by an officer, the matter will be considered by the Chief Executive following consultation with the Director of Legal & Governance, in accordance with the Council's disciplinary rules and procedures.

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8. FURTHER GUIDANCE

Further and additional guidance may be issued on a case-by-case basis or as needed by the Monitoring Officer / Director of Legal & Governance, and/or the Chief Financial Officer.

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PROTOCOL FOR THE MONITORING OFFICER

A General introduction to statutory responsibilities

1. The Monitoring Officer is a statutory appointment pursuant to section 5 of the Local Government and Housing Act 1989. This Protocol provides some general information on how those statutory requirements will be discharged in Southampton City Council.
2. The current responsibilities of the Monitoring Officer role rest with the Director of Legal & Governance, who undertakes to discharge the statutory responsibilities with a positive determination and in a manner that enhances the overall reputation of the Council. The Monitoring Officer will appoint a Deputy Monitoring Officer as appropriate. In doing so, he will also safeguard, so far as is possible, Members and Officers, whilst acting in their official capacities, from legal difficulties and/or criminal sanctions.
3. A summary list of the statutory responsibilities appears in the table annexed to this document. In general terms, the Monitoring Officer's ability to discharge these duties and responsibilities will depend, to a large extent, on Members and Officers:
 - a. complying with the law of the land and ensuring good corporate governance (including any relevant Codes of Conduct);
 - b. complying with any General Guidance issued, from time to time, by the Governance Committee and the Monitoring Officer;
 - c. making lawful and proportionate decisions; and
 - d. generally, not taking action that would bring the Council, their offices or professions into disrepute.

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B Working Arrangements

4. Having excellent working relations with Members and Officers will assist in the discharge of the statutory responsibilities of the Monitoring Officer and keep the Council out of trouble. Equally, a speedy flow of relevant information and access to debate (particularly at the early stages of any decision-making by the Council) will assist in fulfilling those responsibilities. Members and Officers must, therefore, work with the Monitoring Officer (and his staff) in discharging these responsibilities.
5. The Monitoring Officer issues guidance to officers to assist them in understanding the nature, breadth and requirements that the Monitoring Officer puts upon all officers. The guidance also explains how the Monitoring Officer will approach the role. The Monitoring Officer considers that the role is a positive and preventative one, related to legality, avoidance of maladministration and observance of codes of conduct / practice where there is actual / potential transgression by the Council. The Monitoring Officer gives authoritative advice and guidance on these issues which will be conducive to a culture of propriety and integrity. This will provide comfort for officers and Members alike. However, although the Monitoring Officer will seek to be positive about the role, it must be recognised that the role imposes a personal duty to make a public, statutory report where it appears to be necessary. This might ultimately force the authority to consider issues it might not wish to.

The Monitoring Officer and the authority should co-operate in everyway possible so as to reduce the chance of the need for the Monitoring Officer to issue a formal report. In support of this, the Monitoring Officer places significant reliance upon the advice and support given by colleagues in Legal Services who will, in providing

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advice do so in an enabling manner, but also identify areas of particular risk and concern, assisting officers / Members to achieve their objectives, but ultimately in a lawful and proper manner.

6. The following arrangements and understandings between the Monitoring Officer, Members and Chief Officers are designed to ensure the effective discharge of the Council's business and functions. The Monitoring Officer will:-
- a. be alerted by Members and Officers to any issue(s) that may become of concern to the Council, including, in particular issues around legal powers to do something or not, ethical standards, probity, propriety, procedural or other constitutional issues that are likely to (or do) arise;
 - b. have advance notice (including receiving Agendas, Minutes, Reports and related papers) of all relevant meetings of the Council, including joints bodies, partnerships, etc at which a binding decision of the Council may be made (including a failure to take a decision where one should have been taken) at or before the Council, Cabinet, by Cabinet Members under individual delegations, Committee meetings and/or Council Management Team (or equivalent arrangements);
 - c. have the right to attend any meeting of the Council (including the right to be heard) before any binding decision is taken by the Council (including a failure to take a decision where one should have been taken) at or before the Council, Cabinet, Cabinet Member decision meetings, Committee meetings or Executive Management Board (or equivalent arrangements);
 - d. in carrying out any investigation(s) have unqualified access to any information held by the City Council and to any officer who can assist in the discharge of those functions;
 - e. ensure the other statutory officers (Head of Paid Service and the Chief Financial Officer) are kept up-to-date with relevant information regarding any legal, ethical standards, probity, propriety, procedural or other constitutional issues that are likely to (or do) arise;
 - f. meet regularly with the Head of Paid Service and the Chief Financial Officer to consider and recommend action in connection with Corporate Governance issues and other matters of concern regarding any legal, ethical standards, probity, propriety, procedural or other constitutional issues that are likely to (or do) arise;
 - g. report to the Council, from time to time, on the Constitution and any necessary or desirable changes following consultation, in particular, with the Head of Paid Service and Chief Financial Officer;
 - h. as per the statutory requirements, make a report to the Council, as necessary on the staff, accommodation and resources he requires to discharge the statutory functions;
 - i. have a special relationship of respect and trust with the Lord Mayor, Sheriff, Leader, Group Leaders and Chairs of the committees, sub-committees and panels with a view to ensuring the effective and efficient discharge of Council business;
 - j. develop effective working liaison and relationship with the external Auditor and the Local Government and Social Care Ombudsman (including having the authority, on behalf of the City Council, to complain to the same, refer any breaches to the same or give and receive any relevant information, whether confidential or otherwise, through appropriate protocols, if necessary) and settle any compensation payments for alleged or actual maladministration found against the Council;

- k. maintain and keep up-to-date relevant statutory registers for the declaration of members' interests, gifts and hospitality;
- l. give informal advice and undertake relevant enquiries into allegations of misconduct and, if appropriate, make a written report to the Governance Committee (unless the Chair of Governance Committee agrees a report is not necessary);
- m. in consultation, as necessary, with the Chair of the Governance Committee, defer the making of a formal report under Section 5 Local Government and Housing Act 1989 where another investigative body is involved;
- n. have sufficient resources to enable them to address any matters concerning the Monitoring Officer functions;
- o. subject to the approval of the Governance Committee, be responsible for preparing any training programme for members on ethical standards and Code of Conduct issues;
- p. appoint a deputy and keep them briefed on any relevant issues that s/he may be required to deal with in the absence of the Monitoring Officer;
- q. have responsibility for Local Government and Social Care Ombudsman and whistle-blowing functions of the authority;
- r. ensure that Members and Officers of the authority are fully aware of their obligations in relation to probity.

The Director of Legal & Governance will be the Proper Officer for Access to Information, decision-making, Data Protection Act 1998 and the Freedom of Information Act 2000.

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- 7. To ensure the effective and efficient discharge of these arrangements, Members and Officers will report any breaches of statutory duty or Council policies or procedures and other vices or constitutional concerns to the Monitoring Officer, as soon as practicable.
- 8. The Monitoring Officer is also available for Members and Officers to consult on any issues of the Council's legal powers, possible maladministration, impropriety and probity issues, or general advice on the constitutional arrangements.
- 9. To ensure the effective and efficient discharge of this Protocol, the Chief Financial Officer will ensure adequate insurance and indemnity arrangements are in place to safeguard the interests of the City Council and the proper discharge of the Monitoring Officer role.

C Sanctions for breach of Southampton's Code of Conduct for Members

- 10. Complaints in relation to a breach of the Code of Conduct for Members will be investigated in accordance with the Council's adopted procedures

D Monitoring the Protocol

- 11. The Monitoring Officer will report to the Governance Committee as to whether the arrangements set out in this Protocol have been complied with and will include any proposals for amendments in the light of issues which have arisen.

E Conflicts and Interpretation

- 12. Where the Monitoring Officer has received a complaint or is aware of an event which may lead to them issuing a statutory report relating to a matter upon which they have

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previously advised the Council, they shall consult the Chief Executive who may then either refer the matter to the Deputy Monitoring Officer for investigation and report to the Chief Executive, ask a neighbouring authority to make their Monitoring Officer available to investigate the matter, or instruct an external solicitor or counsel and report to the Chief Executive and/or the authority as appropriate.

13. Questions of interpretation of this guidance will be determined by the Monitoring Officer.

F Protocol for the Monitoring Officer

14. This Protocol was approved by Full Council for inclusion within the Council's Constitution onMay 2024.

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SUMMARY OF MONITORING OFFICER FUNCTIONS

	Description	Source
1	Report on contraventions or likely contraventions of any enactment or rule of law.	Local Government & Housing Act 1989 ss 5, 5A (as inserted by SI 2001/2237).
2	Report on any maladministration or injustice where Ombudsman has carried out an investigation.	Local Government & Housing Act 1989 ss 5, 5A (as inserted by SI 2001/2237).
3	Appointment of Deputy and power to delegate.	Local Government & Housing Act 1989 s 5, Local Government Act 2000 s 82A (as inserted by the Local Government Act 2003 s 113).
4	Power to delegate	Local Government Act 2000 s 82A.
5	Report on resources.	Local Government & Housing Act 1989 s5.
6	Receive copies of whistle-blowing allegations of misconduct.	Code of Members' Conduct
7	Investigate misconduct in compliance with the Council's adopted Code of Conduct	Localism Act 2011 s 28
8	Establish and maintain registers of Members' interests and gifts and hospitality.	Localism Act 2011 Chapter 7
9	Advice to Members on interpretation of Code.	Code of Members' Conduct.
10	Key role in promoting and maintaining high standards of conduct through support to the Standards Committee.	Localism Act 2011 Chapter 7
11	Compensation for maladministration.	Local Government Act 2000 s 92.
12	Advice on vires issues, maladministration, financial impropriety, probity and policy framework and budget issues to all Members.	Department for Levelling Up, Housing, & Local Government, Local Government & Social Care Ombudsman,

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PARTNERSHIP CODE

INTRODUCTION

1. Partnership working can bring significant benefits, including improved outcomes and more efficient and integrated services for people who live, work and visit the city. However, partnerships need to be properly established and well managed if they are to deliver benefits and value for money.
2. This Partnership Working Code outlines the minimum requirements for establishing, managing and reviewing partnerships, as well as expected conduct of Council officers and Councillors who are a member of a partnership. The Code should be read in conjunction with other Council documents including the Council's Constitution [Code of Conduct for Members](#), [Officer Code of Conduct](#) and [Code for dealing with Joint Arrangements with Third Parties](#).

PURPOSE

3. The purpose of this Code is to ensure that Councillors and Council officers involved in establishing, managing or contributing to a partnership are able to:
 - Demonstrate a clear rationale for the partnership and the Council's involvement
 - Obtain appropriate approval for setting up or being involved in a new partnership
 - Understand the Council's role, and their role, in a partnership
 - Apply clear standards for partnership working
 - Ensure time and resources invested in the partnership contributes to the Council's priority outcomes and is (and will continue to be) worthwhile in terms of adding value.

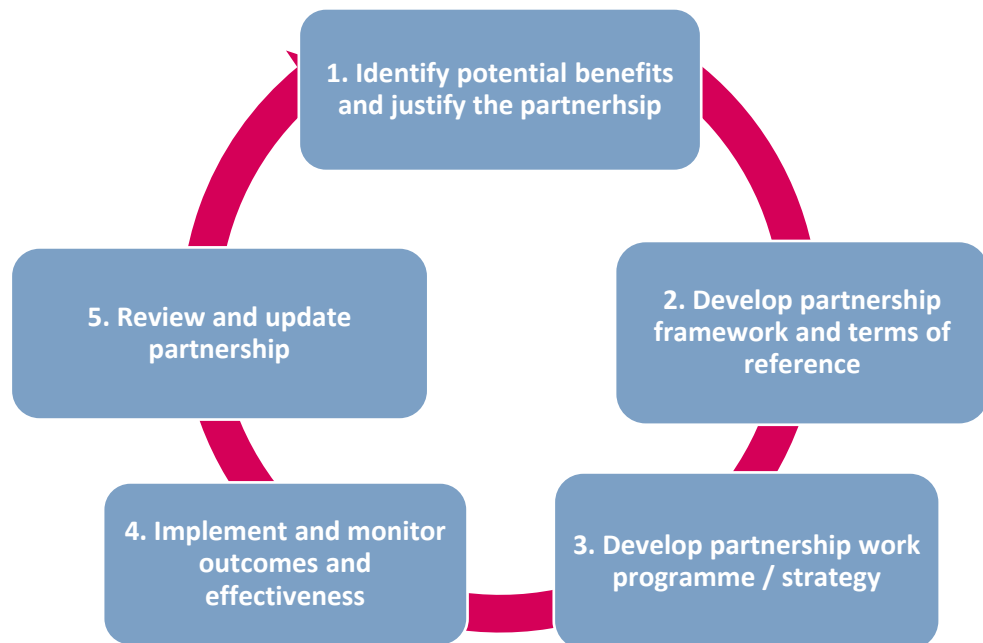
WHAT IS A PARTNERSHIP?

4. In its broadest sense, a partnership can be defined as: *'an agreement between two or more independent bodies to work collaboratively to achieve an objective'*. The key characteristic is that the partners aim to achieve something they could not do alone, by pooling skills and other resources. For the purpose of this Code, these are two main types of partnerships. They are:

Formal or strategic partnerships	Informal or non-strategic partnerships
<p>The partnership meets one or more of the following:</p> <ul style="list-style-type: none"> • It is critical to the delivery of key Council objectives or level 1 strategies • It meets or delivers one of the Council's statutory obligations e.g. Crime and Disorder Act 1998 • The Council's reputation could be damaged if the partnership fails to deliver 	<p>The partnership meets one or more of the following:</p> <ul style="list-style-type: none"> • It supports the delivery of an operational strategy or objective • It is established around a specific issue which will benefit from a range of partners being involved

IF THE COUNCIL IS ESTABLISHING OR LEADING A PARTNERSHIP

5. If you are establishing or leading a partnership on behalf of the Council you will need to give consideration and resources to its development, delivery and review and follow the **Partnership Cycle** obtaining appropriate approvals at each stage. The below sections provide detail as to the actions you will need to take.



STEP 1: Identify potential benefits and justify the partnership

6. You should contact the Strategy & Performance Team as early as possible for an initial discussion about the proposals to establish a partnership. This will focus on identifying the need for the partnership, and the resources, timeline and approval route to establish and continue a partnership that is effective and value for money.
7. It is critical that partnership, whether formal or informal, provides value for money, and has clear outcomes that meet the strategic aims of the Council, as outlined in the [Southampton Corporate Plan 2020-2025](#). A formal or significant partnership should only be established if it is critical to the delivery of a key Council outcome or statutory obligation.
8. The Intelligence, Insight and Communications team will support you to:
- Review the requirement for a new partnership
 - Identify whether the partnership is formal/strategic or informal/non-strategic
 - Agree appropriate governance routes to obtain approval to proceed with establishing the partnership
9. The proposal to develop a new partnership must be agreed with the Intelligence Insight and Communications team, and approved by the EMB sponsor and lead Councillor before you can proceed with establishing the partnership and developing the terms of reference for both formal and informal partnerships.

STEP 2: Develop the partnership framework and Terms of Reference

10. Partnership arrangements can be complicated and could become overly bureaucratic. It is important to achieve a balance between having sufficient clarity about the purpose, benefits and role of the partnership, and ensuring any resources input into its development and monitoring are appropriate.
11. You will need to consider and document the following issues in the partnership's 'terms of reference':
 - Aims and objectives
 - Membership
 - Proportionate and effective governance arrangements
 - Protocol for dealing with conflicts.
12. You should refer to the Council's constitution for the [Code for Dealing with Joint Arrangements with Third Parties](#). This provides recommended procedures to avoid conflicts of interest for the Council, its employees and consultants engaged in any joint arrangements involving public funds, or transfer of public assets.
13. You should undertake a risk assessment for the partnership, and establish appropriate processes and procedures to ensure that:
 - All partners are aware of and understand the nature and extent of the key risks that they face both individually and as part of the partnership.
 - There is a shared commitment to effectively manage the key risks to ensure the partnership's objectives are achieved.

Further information on managing partnership risks is available to Southampton City Council Members and employees via the Council's intranet.
14. You must consider if establishing the partnership has any equality implications against the Equalities Act 2010 and ensure that the partnership considers and promotes its statutory Equality Duty. [The Equalities guidance and Equality and Safety Impact Assessments](#) provide a framework to ensure the decisions, strategies and policies of the partnership comply with their duties and ensure any potential negative impacts are mitigated and followed up as appropriate.
15. You should also consider whether the lifetime of the partnership is expected to be long-term or temporary. Some informal/non-strategic partnerships established to support a particular project or in response to a particular issue may only be required for a fixed period of time.
16. Arrangements for the partnership should then be documented in a formal written agreement or Terms of Reference, and this should be published on the Council's website. The Intelligence, Insight and Communications team can provide example Terms of Reference.
17. The draft Terms of Reference must be submitted to the Intelligence, Insight and Communications team and distributed to key stakeholders for review. As a minimum, this should include the partnership's EMB sponsor, Cabinet portfolio holder or lead Councillor for an informal partnership. Once a final draft is agreed, approval of the Terms of Reference should be sought from EMB and Cabinet for a formal / strategic partnership.

STEP 3: Develop the Partnership Work Programme

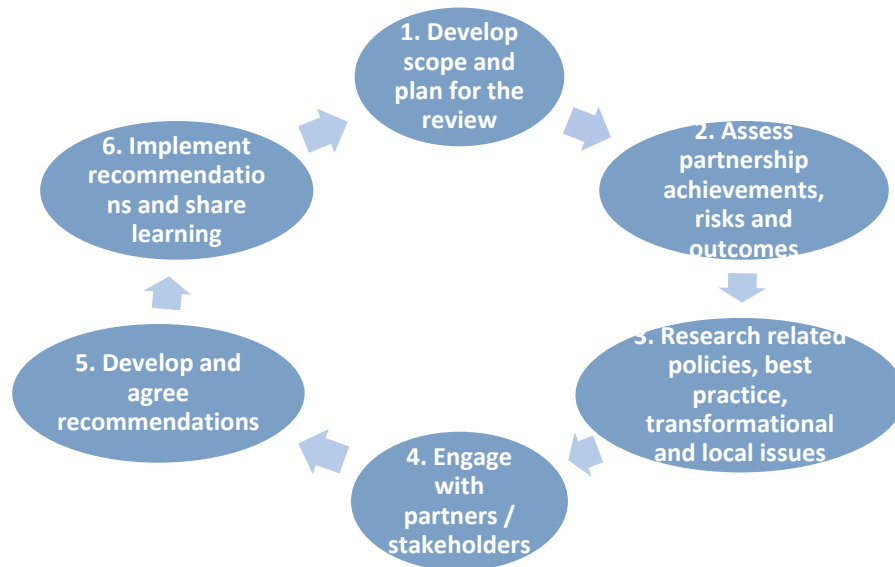
18. Once the partnership's Terms of Reference are approved, the objectives and aims of the partnership will need to be translated into an agreed work programme. This will outline how the partnership will achieve its objectives and set out the actions and outcomes that the partnership's success will be measured against.
19. Southampton City Council has an agreed Strategy and Policy Framework, which forms a key part of our 'one council' approach to strategy and policy development. If a new strategy requirement is identified as part of the development of the partnership work programme, you must contact the Intelligence, Insight and Communications team and follow the agreed strategy development process.

STEP 4: Implement and monitor the partnership

20. The owner of the partnership will oversee and be responsible for implementing and monitoring the success, risks and outcomes of the partnership, and will need to ensure that the following issues are agreed and addressed on an ongoing basis:
 - Agree resources to deliver objectives
 - Agree clear accountability, monitoring and reporting processes
 - Establish communication mechanisms
 - Undertake risk assessments
 - Reporting outcomes and performance – reports should be shared and discussed regularly with the EMB sponsor and lead Member
 - Establish ongoing governance arrangements, including any sub groups.

STEP 5: Review and update the partnership

21. During their lifetime, partnerships need to adapt to changing circumstances. As a minimum, an annual review should be undertaken of the outcomes achieved, including targets, performance, risk management, financial controls, value of the partnership (in terms of the partnership's and Council's objectives) and whether it is still fit for purpose and providing value for money. The review should be sufficiently robust and challenging, whilst remaining proportionate and appropriate to the working arrangements of the partnership.
22. The review of the partnership may be led by the partnership, however, independent input should be sought through the involvement of the Intelligence, Insight and Communications team.
23. The following steps should form part of the review:



24. At the end of the review, a report must be produced including recommendations. This should be cleared by the Projects, Policy & Performance team to ensure there are no significant implications for other partnerships, and that best practice opportunities, gaps and duplications have been identified. It should also be cleared by the partnership chair, and must be approved by the EMB sponsor and lead Member, as well as the partnership itself.

DISSOLVING THE PARTNERSHIP

25. If you are considering dissolving the partnership, you should contact the Strategy & Performance team as early as possible for advice on the process to follow.
26. You will need to prepare a briefing paper, with the Chair of the partnership, for approval by the EMB sponsor and lead Councillor for both formal/strategic and informal partnerships. This paper should clearly set out the following issues, in relation to dissolving the partnership:
- The rationale for dissolving the partnership
 - Implications for the Council's priorities or statutory duties
 - Any unmet need of the Council and partners
 - Continued risks to the Council if the partnership no longer exists
 - Costs or funding implications
 - Proposals for resolving any outstanding issues
 - Overall learning and outcomes of the partnership
 - Views of the partnership members
 - Timeline and process for dissolving the partnership.

COMMITTING RESOURCES TO A PARTNERSHIP WHERE THE COUNCIL IS NOT THE LEAD AUTHORITY

27. Where the Council is not leading a partnership, but there is a clear benefit in contributing or attending it, there will still be resource and reputational implications to be considered. It is important that the Council understands the potential benefit and outcomes that the partnership can offer to support the Council's objectives and priorities.

28. If you are proposing to commit Council resources to a partnership, contact the Intelligence, Insight and Communications team to have an initial discussion about the partnership aims and objectives, to ensure the potential benefits of the partnership fit with the Council's priorities and strategies, and do not duplicate other partnerships.
29. The relevant EMB member and lead Councillor should be briefed on the aims and objectives of the partnership, the expected input and commitment from the Council and potential impact on the Council's priorities.

IF YOU ARE A MEMBER OF A PARTNERSHIP

30. It is important that members of a partnership understand their own role and responsibilities. When committing Council resources (including employee time and money) to a partnership, your first and foremost duty is to the Council. As a Councillor or Council officer, you must adhere to the [Code of Conduct for Members](#) and [Officer Code of Conduct](#) in the Council's Constitution.
31. As a member of a partnership, you should consider if the partnership is following good practice, that it is contributing to the Council's values and priority outcomes and that it adds value, by actively engaging in any review of the partnership and ensuring that all the appropriate frameworks are in place.
32. Individually, as a representative of the Council on a partnership you should:
 - Represent the Council's views within the partnership
 - Act as the key link back to the Council to promote success of the partnership and inform / engage others in the decisions and activity of the partnership through effective communication
 - Be an active participant in meetings, develop issues for consideration by the partnership and execute additional activity in relation to delivering the partnership's objectives
 - Provide professional advice and expertise as appropriate to the partnership
 - Behave with honesty and integrity at all times, act in good faith and not take advantage, misrepresent or conceal anything pertinent to the partnership
 - Avoid and work to resolve conflicts
 - Highlight any personal interests, if they arise.
33. If you are concerned about anything to do with the partnership activity, contact the Projects, Policy & Performance team in the first instance who will offer support and advice on the matter, including whether it is appropriate to escalate the concern to the partnership chair, EMB sponsor or lead Councillor.

Contact:

Projects, Policy & Performance team: policy&strategy@southampton.gov.uk



PART 6: MEMBERS' ALLOWANCE SCHEME

Members' Allowances Scheme

Southampton City Council, in exercise of the powers conferred by the Local Authorities (Members' Allowance) (England) Regulations 2003 have made a scheme for the payment of Members Allowances as follows:

1. Basic Allowance

- a. Basic Allowance is intended to recognise the time devoted by Councillors to their work, including approved duties and such inevitable calls on their time as meetings with constituents, political group and Council meetings. It is also to cover the costs of phone calls and other incidental costs for which no other provision is made.
- b. The Basic Allowance for each member will be £13,900.00 per annum from 8th May 2023.
- c. When the term of office of a Member or Special Responsibility begins or ends otherwise than at the beginning or end of a financial year, entitlement shall be to payment of such part of the basic allowance as is proportionate to the number of days served as a Member in that year.

2. Special Responsibility Allowance

- a. For each financial year a Special Responsibility Allowance shall be paid to those Councillors who hold the special responsibilities specified below in relation to the work of the Council.
- b. The Council will pay the following annual amounts for Special Responsibilities:

Leader of Council	£27,800.00
Executive Members	£13,900.00
Opposition <u>Group Leader</u>	£4,633.33
per group member (based on a per group figure of 1/26 th of the Basic Allowance x by no in Group)	
Chair of Overview and Scrutiny Management Committee	£6,950.00
Chairs of Regulatory Panels, Committees and Sub-committees	£6,950.00
Chairs of Scrutiny Panels, Committees and Commissions	£3,475.00
- c. Members are entitled to claim one Special Responsibility Allowance only.
- d. Special Responsibility Allowances are paid pro rata from the date the appointment is made to the date the appointment ceases inclusive.
- e. At least one Special Responsibility Allowance shall be paid to a person who is not a member of the controlling group or the Executive.
- f. Where the term of office of a Member begins or ends otherwise than at the beginning or end of a year, entitlement shall be to payment of such part of the special responsibility allowance as is proportionate to the number of days served as a Member in that year.

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- g. Where a special responsibility is shared between more than one Member over the course of a financial year, each Member shall be entitled to a pro rata payment equivalent to actual number of days served in undertaking that special responsibility.

3. Co-optees' Allowance

- a. An allowance shall be payable to any person co-opted as a Member of any Committee or Panel which usually meets at least four times in any financial year in respect of their attendance at that Committee or Panel or any conference approved by that Committee or Panel.
- b. The amount of co-optee allowance shall be £719.00 per annum.
- c. Where the term of office of a Member begins or ends otherwise than at the beginning or end of a year, entitlement shall be to payment of such part of the co-optees' allowance as is proportionate to the number of days served as a Member in that year

4. Travel and Subsistence Allowances

- a. Councillor and non-Councillor Members are entitled to receive payment of travelling and subsistence allowance where expenditure has been necessarily incurred on travelling inside or outside of the UK or on subsistence for the purposes of performing approved duties, including:
 - i. Civic duties undertaken by the Lord Mayor and Sheriff.
 - ii. Attendance at a meeting of the Council or of any of its Executive, Committees, Panels, Briefings or Working Parties or such other duties as are approved by the Council under this paragraph.
 - iii. Site visits duly authorised by the meetings of the Executive, Council, Committees or Panels.
 - iv. Attendance at conferences duly authorised by meetings of the Executive, Council, Committees or Delegated Powers.
 - v. Attendance at joint meetings with other local authorities authorised by meetings of the Executive, Council, Committees and Panels.
 - vi. Meetings, including public meetings, by prior arrangement with or at the request of Council officers on Council business.
 - vii. Attendance at one Group meeting before each Council Meeting or Executive Meeting, limited to a claim for up to four hours.
 - viii. Meetings with residents and other associations or such other duties as are approved by the Council under this paragraph.
 - ix. Meetings of bodies where appointments of representatives are made directly by the Council (including those made by the Executive).
- b. If the duty or work you are doing for the Council is not on the above list, Members need to ensure such a duty or work approved by the relevant Committee before claiming any travel and subsistence allowance.
- c. Travel Allowance Rates
 - i. Allowances for travel are set at the same rate as that for Southampton City Council employees.

- ii. Where a Member uses a private car, the mileage rate shall not exceed 45p per mile.
- iii. All claims for travel allowances for mileage must be accompanied by an appropriate VAT receipt for fuel.
- iv. For journeys exceeding 100 miles (excluding London), mileage will be paid only up to the rate of the standard class rail fare.
- v. The rate for motorcycles shall not exceed 24p per mile.
- vi. The rate for pedal cycles shall not exceed 37.1p per mile.
- vii. The rate of travel by taxi shall not exceed:
 - in cases of urgency or where no public transport is reasonably available; the amount of the actual fare and any reasonable gratuity paid; and
 - in any other case, the amount of the fare for travel by appropriate public transport.

In order to claim taxi fares, receipts will be required.
- viii. Bus and rail fares, tolls or ferry charges and parking fees will be reimbursed at actual cost.
- ix. Air Travel must be booked through the City Council (PA Team) having been authorised by the relevant Director/Head of Service and will be paid direct from divisional budgets.

e. Subsistence Allowance Rates

- i. Subsistence allowance rates are set at the same rate as that for Southampton City Council employees.
- ii. Members may claim the following maximum subsistence allowances, on a meals basis:

Breakfast allowance (more than 4 hours away from normal Place of residence, before 11:00 am)	£6.00
Lunch allowance (more than 4 hours away from normal place of residence, including lunchtime between 12 noon and 2:00 pm)	£8.20
Tea allowance (more than 4 hours away from normal place of residence, including the period 3:00 pm to 6:00 pm)	£3.60
Evening allowance (more than 4 hours away from the normal place of residence ending after 7:00 pm)	£10.50
- iii. Claims should be reduced by an appropriate amount in respect of any meal provided free of charge.
- vi. Claims will be paid on production of a valid receipt. Where the amount on the receipt is less than the rates set out above, the amount paid will not exceed the amount on the receipt.

5. Dependents' Carers' Allowances

Members who are responsible for providing care to children / dependent relatives qualify for a Dependant Carers' Allowance to assist with financial loss incurred in paying for care of the child / dependant relative whilst attending the approved duties specified at 3(a) above.

- a. The allowance will cover paid care for the children/dependant relative who live with the claimant.
- b. The paid carer cannot be a member of the immediate family or household.
- c. The allowance will be reimbursed at the cost for both childcare and more specialist care.
- d. Claims for child care and more specialist care should be made on the Members' (Dependent Carers) Allowances form. Payment will only be made on production of a completed and signed form together with an invoice or receipt from the paid carer.
- e. Members are encouraged to use a registered childminder / carer where practicable.
- f. The allowance should also have no daily or monthly maximum claim when undertaking Approved Councillor Duties.

6. Annual Adjustment of Allowances

- a. This scheme of allowances will come into operation on 8th May 2023.
- b. Basic and Special Responsibility Allowances are based on the Living Wage and will be adjusted in line with changes to the Living Wage in accordance with the following scale:

Basic Allowance	Equivalent to 27 hour week
Leader of the Council SRA	Equivalent to 2 x Basic Allowance
Cabinet Member SRA	Equivalent to 1 x Basic Allowance
Opposition Group Leader SRA	Based on a per Group member figure 1/26 th of the Basic Allowance
Chair of Overview and Scrutiny Management Committee	Equivalent to 0.5 x Basic Allowance
Chair of Regulatory Panel, Committee or Sub-committee	Equivalent to 0.5 x Basic Allowance
Chair of Scrutiny Panel, Committee or Commission	Equivalent to 0.25 x Basic Allowance
Co-opted member	Link to NJC pay award for Local Government employees
- c. The travel, subsistence and carer rates will be adjusted in line with the rate for Southampton City Council employees.
- d. Where an allowance has been paid to a Member in respect of any period of service and they:
 - i. are suspended for that period;
 - ii. cease to be a Member of the Authority;

iii. are in any other way not entitled to receive an allowance in respect of that period such part of the allowance as relates to that period shall be repaid to the Authority.

e. A member may elect to forgo an allowance or any part of an allowance by giving notice of such intention in writing to the Director of Legal and Governance.

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7. Pensions

There is currently no pension scheme for Members.

8. Claims and Payments

Claim forms are available from the Member Services. Claim forms should be returned to the Democratic Services, Meeting Support and PA Manager. It is important that claim forms are fully completed and signed to avoid delay.

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a. Councillors and co-optees should submit claim forms before the 1st of each month (or nearest possible date when the 1st falls on a weekend). This gives time for claims from Councillors to be authorised and payment to be made through the Payroll Group on the 23rd of that month. Travel and Subsistence, Co-optees Allowance and Dependant Carers Allowance for Members will be paid through the Payroll Group in the same manner as Basic and Special Responsibility Allowances. Payments to Co-optees (or other Members in exceptional circumstances only) may be made by cheque, generally within 34 weeks of the claim form being received.

b. All claims must be made within three months of the date of the relevant meeting/s.

9. Other entitlements

a. Rail warrants can be obtained for Members on request for Approved Duties. It is advisable to allow three working days for these to be issued and despatched.

10. The Council adopted the LGA Policy on Parental Leave on 18th October 2018. The LGA Policy can be found [here](#).

Review of Allowances

The City Council shall, pursuant to the Local Authorities (Members Allowances) (England) Regulations 2003, establish and maintain an Independent Remuneration Panel to consider and advise on the categories and levels of Members Allowances paid by the Authority.

The Panel will comprise not less than three people who shall not be Members of any District, County or London Borough Council. The number of people appointed to the Panel, the terms of appointment to the Panel and the level of remuneration payable to appointees will be determined and reviewed from time to time by the Director of Legal and Governance.

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The Panel shall be convened at such times as may be deemed appropriate by the Director of Legal and Governance and in accordance with the Regulations to comment on and review any Allowance Scheme in force in the Authority. Any such scheme must in any event be reviewed every four years from adoption or amendment.

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The Panel shall produce a report which shall set out the Panel's recommendations in respect of the payment of such Allowances as it thinks fit. That report shall be made available for inspection by members of the public and notice of the proposed recommendations published in a local newspaper circulating in the area.

The report of the Panel will be considered by Governance Committee and Full Council as soon as is reasonably practicable after publication of the Notice referred to above. Following consideration of the Panel's report Full Council shall set the level of the Allowances paid by the Authority until such time as they are again submitted for review by the Independent Remuneration Panel.

The Independent Remuneration Panel last met in October 2022. After having regard to the recommendations of the Independent Remuneration Panel as set out in the Panel's report, the decision of Full Council held on 16th November 2022 was not to accept the recommendations except in respect of (a) the proposed dependant carer's allowance and (b) to remove the members IT allowance and adopt a core Members Allowance Scheme based on the current scheme from 8th May 2023. (ii) To sincerely thank the members of the Independent Remuneration Panel for their work in reviewing the Members' Allowance Scheme. (iii) To freeze Members' Allowances in 2023/24.

A decision was made by Full Council held on 21 February 2024 to accept the premise for the original recommendation for increases by the IRP but agree these be frozen until the expiration of the current adopted Member Allowance Scheme in May 2027. The next Independent Remuneration Panel is due to be held in October 2026.

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EXPLANATORY NOTES

Payment of Allowances

The payment of allowances and related matters are handled within HR Pay. Enquires regarding the payment of your allowances should be made to HR Pay.

The following points should assist you to understand how the allowances are paid and answer some of the general points that could arise from time to time:

- Records of Members allowances showing the amount and nature of the payment are open to inspection by Local Government electors resident in the area and are subject to both internal and external audit.
- Claim Forms need to be completed for dependant carers and travel and subsistence allowances, although it is NOT necessary to claim for the Basic Allowance, Special Responsibility Allowance or Co-optees Allowance. These allowances will be paid directly into your bank or building society account on the 23rd of each month.
- New members and retiring Members will be paid allowances pro rata to their period of office.

Social Security and Income Tax

Guidance notes have been produced by the Government on the interaction of Members allowances with the tax and social security benefits system. The guidance covers such matters as the extent to which Members allowances are liable to tax, what expenses can be offset against tax and the circumstances and extent to which the receipt of allowances may affect entitlement to benefits.

Basically, Members allowances are treated as earnings and therefore deduction of tax and national insurance contributions are made as required unless payments fall below the lower earnings limits. Members can therefore be affected, both as contributors and beneficiaries of the Social Security Scheme. These contributions can give rise to pension entitlement and other Social Security Benefits. If a member has any doubts about how they are affected they should contact the local Social Security Office.

Members are entitled to claim Tax Allowances from the Inland Revenue for expenses wholly and necessarily incurred in connection with Ward Duties. Claim form P87 and advice is available from the Inspector of Taxes, District 1, 8 Ogle Road, Southampton (Tax Ref No. 718/S2066). With regard to the payment of allowances for Civic Dignitaries, the local Inspector has agreed that the allowance is no more than a reimbursement of expenses with the exception of the cost of clothing. Specific advice is available for the Lord Mayor and Sheriff on the implications of returning such expenditure to the Inland Revenue.

Statutory Sick Pay

Members who are below the state pension age and pay National Insurance are entitled to claim Statutory Sick Pay for periods of sickness in excess of three days. To make a claim:

- Complete a self-certificate, which is available from doctors' surgeries, for the first seven (7) days of sickness and obtain a doctors' statement where the sickness period exceeds seven (7) days. Send these documents to HR Pay.
- Periods of sickness should be clearly indicated on the Members "Application for Allowances" forms.

Contacts for further information.

The local tax and benefits offices will be able to deal with queries related to personal circumstances.

If you need further guidance or advice on how the Council treats allowances under PAYE, please contact the Payroll & Pensions Team at Payroll.Pensions@southampton.gov.uk

If you have any other queries about the Allowance Scheme, please contact Sarah Dale, Democratic Services, Meeting Support and PA Manager (Tel 023 8083 4791 or e-mail sarah.dale@southampton.gov.uk).



EXECUTIVE MANAGEMENT TEAM STRUCTURE – MAY 2023

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Executive Management Team (southampton.gov.uk)



PART 8: ANCILLARY DOCUMENTS

APPOINTMENT OF STATUTORY AND PROPER OFFICERS

Introduction

- 1.1 This report reviews the position of the statutory and Proper Officers within the authority and records the appointment of Proper Officers by the Director of [Legal & Governance](#),
~~_____~~
- 1.2 The Local Government Act 1972 and other legislation requires local authorities to make specific statutory appointments which carry specific responsibilities. Three of those posts are the statutory officer posts, namely the Head of Paid Service, Chief Financial Officer and Monitoring Officer. These are identified in Appendix A.
- 1.3 Earlier local government legislation required local authorities to appoint officers with specified titles but the Local Government Act 1972, in the main, abolished the procedure. This was in order to give local authorities freedom in deciding what officer posts to establish. It follows that the officers responsible for certain statutory duties can no longer be identified by the post they occupy. Consequently, the Act makes provision for certain officers to be designated by their employing authority as the "Proper Officer" to carry out particular functions under various Acts of Parliament. Those posts designated as Proper Officer are specified in Appendix B.

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Appointment

- 2.1 The Director of [Legal and Governance](#) has delegated authority to act as / make any Proper Officer appointments.
~~_____~~
- 2.2 If the office of any of the Proper Officers is vacant or the person appointed is absent or otherwise unable to act then the most senior available officer or person to the Proper Officer is authorised to act as Proper Officer.

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Appendix A

STATUTORY OFFICERS

Legislation requires local authorities to identify specific officers for particular responsibilities. These are detailed below:

STATUTORY REQUIREMENTS

ALLOCATED TO

STATUTORY OFFICERS

Section 4 Local Government Act 1989

Head of Paid Service

Chief Executive

Section 151 Local Government Act 1972

Chief Financial Officer

Executive Director Corporate Services

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Section 5 Local Government Act 1989

The Monitoring Officer

Director of Legal & Governance

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OTHERS

Director of Adult Social Services
(Section 6 Local Authority Social Services Act 1978)

Executive Director Community Wellbeing

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Deleted: & Housing

Section 18 Children's Act 2004

Director of Children's Services

Executive Director Wellbeing (Children & Learning)

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Representation of the People Act 1983

Electoral Registration Officer
(Section 9-13A Representation of the People Act 1983)

Mark Heath (personal appointment)

Agriculture Act 1970

Agricultural Analyst

Hampshire Scientific Service, Hampshire County Council, Hyde Park Road, Southsea, Portsmouth PO5 4LL

Food Safety Act 1990

Public Analyst
(Section 5 Food Safety Act 1990)

Hampshire Scientific Service, Hampshire County Council, Hyde Park Road, Southsea, Portsmouth PO5 4LL

Weights & Measures Act 1985

Inspector of Weights and Measures
(Section 69(1) Weights & Measures Act 1985)

Trading Standards Officer Team Leader

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Registrations Service Act 1953

Registrar of Births and Deaths
(Sections 5 & 6, Registrations Service Act 1953)

Superintendent Registrar
Registrar of Births, Deaths & Still Births
Registrar of Marriages

Environmental Protection Act 1990

Officer identified as dealing with stray dogs
(Section 149 Environmental Protection Act
1990)

Animal Welfare Officer

The Cremation Regulations 1930

Regulation 7 requires that the Cremation
authority appoints a Registrar for Cremation

Service Manager - Bereavement is appointed
as the Registrar for Cremations

Data Protection Act 1998

Director of Legal & Governance

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Local Government Act 2000, Section 21ZA

Scrutiny Officer

Scrutiny Manager

PROPER OFFICER RESPONSIBILITIES

Earlier local government legislation required local authorities to appoint officers with specified titles but the Local Government Act 1972, in the main, abolished the procedure. This was in order to give local authorities freedom in deciding what officer posts to establish. It follows that the officers responsible for certain statutory duties can no longer be identified by the post they occupy. Consequently, the Act makes provision for certain officers to be designated by their employing authority as the "Proper Officer" to carry out particular functions under various Acts of Parliament.

1. DIRECTOR OF LEGAL & GOVERNANCE

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The Director of legal & Governance is appointed the Proper Officer in relation to:

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- (a) any reference in any enactment passed before or during the 1971 -72 session of Parliament other than the Local Government Act 1972 or in any instrument made before 26 October 1972 to the clerk of a Council or the town clerk of a borough which, by virtue of any provision of the said Act, is to be construed as a reference to the Proper Officer of the Council;
- (b) any reference in any local statutory provision to the clerk of the Council or similar which, by virtue of an order made under the Local Government Act 1972 or the Local Government Act 1992 is to be construed as a reference to the Proper Officer of the Council:
- (c) the following provisions:

Local Government Act 1972

Section of the Act	Proper Officer's Functions
Sections 83(1)-(4)	Witness and receipt of declaration of acceptance of office
¹ Section 84	Receipt of declaration of resignation of office
Section 88(2)	Convening of meeting of Council to fill casual vacancy in the office of Chair
¹ Section 89(1)(b)	Receipt of notice of casual vacancy from two local government electors
Section 96(1)	Receipt of notices of pecuniary interest
Section 96(2)	Keeping record of disclosures of pecuniary interest under Section 94 and of notices under Section 96(1)
Section 100(B)(2)	Circulation of reports and agendas
Section 100(B)(7)	Supply of papers to the press
Section 100(D)(1)(a) and 100D(5)(a)	Background papers
Section 100F(2)	To decide which documents are excluded from members inspection
Section 191	Functions with respect to Ordnance Survey
Section 210(6) & (7)	Charity functions of holders of offices with existing

¹ The Electoral Registration Officer may deputise for the Director of Governance, Legal, & HR for these matters

Section of the Act	Proper Officer's Functions
	authorities transferred to holders of equivalent office with new authorities or, if there is no such office, to the Proper Officer
Section 225(1)	Deposit of documents
Section 229(5)	Certification of photocopies (note Section 3)*
Section 234	Authentication of documents (note Section 3)**
Section 236(9) & (10)	Service of byelaws on other authorities
Section 238	Certification of byelaws
Schedule 12 paragraph 4(2)(b)	Signature of summonses to Council meetings

Local Government Act 1974

Section of the Act	Proper Officer's Function
Section 30(5)	Notice of Local Government and Social Care Ombudsman's report.

Local Government (Miscellaneous Provisions) Act 1976

Section of the Act	Proper Officer's Function
Section 41	Evidence of resolutions and minutes of proceedings

2. CHIEF FINANCIAL OFFICER (EXECUTIVE DIRECTOR, CORPORATE SERVICES)

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The Chief Financial Officer is appointed the Proper Officer in relation to the following:

- (a) Any reference in any enactment passed before or during the 1971/72 session of Parliament other than the Local Government Act 1972 or in any instrument made before the 26 October 1972 to the Treasurer or a Treasurer of a Borough which by virtue of any provision of the said Act is to be construed as a reference to the Proper Officer of the Council
- (b) Any reference in any local statutory provision to the Treasurer of a specified Council or the Treasurer of a specified Borough which, by virtue of an order made under Section 254 of the Local Government Act 1972, or the Local Government Act 1992 is to be construed as a reference to the Proper Officer of the Council
- (c) Provisions of the Local Government Act 1972, as follows:-

Local Government Act 1972

Section of the Act	Proper Officer's Function
Section 115(2)	Receipt of money due from officers
Section 146(1)(a) & (b)	Declarations and certificates with regard to securities

3. DEMOCRATIC SERVICES AND MEMBER SERVICES MANAGER OF DEMOCRATIC SERVICES

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The Democratic Services and Member Services Manager is appointed the Proper Officer in relation to the following:

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(a) The following provisions:

Local Government Act 1972

Section of the Act	Proper Officer's Functions
Section 100(C)(2)	Summaries of minutes
Schedule 12 paragraph 4(3)	Receipt of notices regarding addresses to which summons to meetings are to be sent
Section 229(5)	Certification of photocopies (only in respect of Minutes and Records of Decision)*
Section 234	Authentication of documents (only in respect of Minutes and Records of Decision)**
Section 248(2)	Keeping roll of Freemen

Local Government and Housing Act 1989

Section of the Act	Proper Officer's Function
Sections 15 and 16	Appointment of Members to Committees in accordance with Group Leader or Group Leader's representatives wishes.

(b) The Director of Legal & Governance is appointed the Proper Officer in relation to the following:

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Issues in respect of Electoral Registration, etc.

4. HEAD OF TRANSPORT & PLANNING

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Local Government Act 1972

Section of the Act	Proper Officer's Functions
³ Schedule 16	Receipt of deposit lists of protected buildings

Also appointed the Proper Officer in respect of powers contained in Section 78 of the Building Act 1984, ie, to act as "the surveyor" empowered to take and authorise emergency action in respect of damage and dangerous buildings, walls etc, and to order the demolition of buildings rendered dangerous by fire damage, without the prior authorisation of the Council.

and Regulation 4 of the Neighbourhood Planning (Referendums) Regulations 2012.

5. DIRECTOR OF ENVIRONMENT

The Director of Environment is appointed the Proper Officer in relation to:

- (a) Sections 9(1), 9(2), 13(2)(h), 13(3)(b) and 20(b) of the Registration Services Act 1953
- (b) the provisions of the Registration of Births, Deaths and Marriages Regulations 1968 to 1994.

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**6. THE CONSULTANT IN COMMUNICABLE DISEASE CONTROL (CCDC)
THE COUNCIL'S SCIENTIFIC OFFICER**

The Consultant in Communicable Disease Control with Southampton University Hospitals NHS Trust is appointed the Proper Officer for the purposes of:-

- (a) Sections 11(1), 11(3), 18(1), 20(1), 21(1), 22(1), 23(2), 24(1), 26(2), 29(4), 30(2), 31(1), 32(1), 34(3), 34(5), 35(1), 36(1), 37(1), 38(1), 39(1), 39(3), 40, 41 (1), 42(1), 43(1), 48(1), 50(2)(b) and 51 (1) of the Public Health (Control of Disease) Act 1984.
- (b) Regulations 6, 8, 10 and 12 of The Public Health (Infectious Diseases) Regulations 1988.
- (c) All functions of the "Medical Officer" under the Public Health (Aircraft) Regulations 1979 (as amended) and the Public Health (Ships) Regulations 1979 (as amended).

In accordance with the provisions of Section 101 Local Government Act 1972 the Consultant in Communicable Disease Control may when absent authorise another community physician with experience in environmental health and the control of communicable diseases to act as Proper Officer.

7. EXECUTIVE DIRECTOR RESIDENT SERVICES

The Executive Director Resident Services is appointed the Proper Officer in relation to the following:

- (a) the issue of certificates under the provisions of the Rent (Agriculture) Act 1976 in relation to the provision of alternative accommodation
- (b) the provisions of Schedule 15 Part (iv) of the Rent Act 1977 relating to certificates as to the provision of suitable alternative accommodation.

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8. OTHER – NATIONAL ASSISTANCE ACTS

The Head of Young Peoples Services, Director of ASC Operations and Executive Director for Community Wellbeing & Adults are appointed the Proper Officers in relation to Section 47 National Assistance 1948 and Section 1 National Assistance (Amendment) Act 1951.

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9. OTHER – CALDICOTT GUARDIAN

The Executive Director for Wellbeing Children & Learning and Executive Director Community Wellbeing g are jointly appointed the Caldicott Guardian under recommendations of the Caldicott Committee and its reports Review of Patient-Identifiable Information (1997) and Information: to Share or not to Share (2013), and under obligations contained in the Data Protection Act 1998 (as amended), Human Rights Act 1998 the Social Care Records Guarantee.

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Commented [DS12R11]: think this is just Rob and Claire?

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10. NON-EXECUTIVE DECISION-MAKING

The report author of any report to be considered by the Council or a Committee / Sub-Committee thereof is appointed as Proper Officer under the Local Government Act 1972 in relation to:

- (a) The identification of and compilation of lists of background papers to reports;
- (b) The identification of confidential documentation.

11. RETURNING OFFICER

As Returning Officer and Electoral Registration Officer, to undertake all functions and responsibilities for local, national, European and any other elections, in accordance with UK and European legislation and regulations, save where otherwise provided including, but not limited to, the registration functions and duties (including varying the location of polling places where required) and the determination of fees and charges for local elections in accordance with the decision of the Hampshire and Isle of Wight Election Fees Working Party.

12. OTHER

The Constitution and/or primary and secondary legislation associated with the Constitution and both Executive and non-Executive functions and decision-making contain a range of Proper Officer posts. Save where prescribed in this part of the Constitution, those responsibilities are set out in the remainder of the Constitution, eg Council Procedure Rules. In the absence of any identified postholder, the Proper Officer shall be the Director of Legal & Governance.

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PART 9: DEFINITIONS

Definitions

Access to Information Rules	those Rules setting out the terms on which members of the public may attend Council meetings and obtain copies of documents as detailed in Part 4 of this Constitution
Area	the geographical area which is the administrative responsibility of the Authority
Authority	The local authority known as Southampton City Council
Cabinet	the Leader and Cabinet Members together
Cabinet Member	a Councillor who is appointed by the Leader to be a member of the Cabinet, <u>this includes Deputy Cabinet Members</u>
Chair	Any individual appointed to chair a Committee
Chief Executive	the Chief Executive for the time being of the <u>Authority</u>
Chief Financial Officer	the Officer appointed by the Authority to be Chief Finance Officer and have responsibility for those duties designated under Section 151 of the 1972 Act, Section 73 of the 1985 Act and Section 112 of the 1988 Act
Committee	Any committee, sub-committee, board, sub-board or commission of the Council
Council	the collective terms for all of the elected Members of the Authority
Councillor / Member	an elected Member of the Authority
External Auditor's Management Letter	Annual Letter issued by the external Auditor
Executive	a collective term embodying the Cabinet and Leader when they operate as a collective decision-maker (The Cabinet) or individually (Cabinet Member).
Executive Decisions	decisions of the Executive in accordance with the Executive Procedure Rules
Executive Directors	such directors as are for the time being appointed
Extraordinary Meeting	a Council Meeting called in accordance with the Council Procedure Rules

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Head of Paid Service

the Officer appointed by the Authority to undertake all duties designated under Section 4 of the 1989 Act. The Chief Executive is the Head of Paid Service

Leader

the Councillor elected by the Council to be the Executive Leader of the Authority

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LMS Scheme

the Local Management of Schools Scheme

Lord Mayor

the Councillor elected by the Council to chair meetings of the Council

Monitoring Officer

the Officer appointed by the Authority to undertake all duties designated under Section 5 of the 1989 Act. The Director of Legal & Governance is the Monitoring Officer

Deleted: Business Services

Officer

an employee of the Authority

Ombudsman

the Local Government and Social Care Ombudsman

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Proper Officer

the Officer with statutory responsibilities as set out in Part 8 of this Constitution

Secretary of State

the Secretary of State for Levelling Up, Housing and Communities

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Statutory Officers

the Head of Paid Service, the Monitoring Officer and the Chief Financial Officer

The 1972 Act

the Local Government Act 1972

The 1985 Act

the Local Government Act 1985

The 1988 Act

the Local Government Act 1988

The 1989 Act

the Local Government Act 1989

The 2000 Act

the Local Government Act 2000

The 2011 Act

the Localism Act 2011

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March 2024

PART 10: OFFICER SCHEME OF DELEGATION AND ASSOCIATED DOCUMENTATION, RULES & GUIDANCE



	<u>Page</u>
General Notes	
1. Chief Executive (Head of Paid Service)	5
2. Chief Officers	6
3. Executive Director Community and Wellbeing (DASS)	11
4. Director of Public Health	13
5. Director of Commissioning - Integrated Health & Care	14
6. Head of Stronger Communities	16
7. Executive Director Enabling Services (S151)	17
8. Chief Internal Auditor	24
9. Director of Legal and Governance, (MO)	25
10. Data Protection Officer	30
11. Executive Director Growth & Prosperity	31
12. Head of Transport & Planning	33
13. Service Manager Development Management	36
14. Service Manager - Building Control	39
15. Head of Economic Development & Regeneration	41
16. Head of Corporate Estate & Assets	42
17. Head of Culture & Tourism	48
18. Executive Director Resident Services	50
19. Director of Housing	51
20. Head of Supported Housing	54
21. Director of Environment	55
22. Head of City Services	71
23. Head of Emergency Planning & Business Continuity	73
24. Executive Director Children & Learning (DCS)	74
25. Deputy Director of Children's Social Care	78
26. Head of Education	81
27. Director of Strategy & Performance	84

GENERAL NOTES

NB: These notes form part of the Register of Delegated Powers

1. All delegated functions shall be deemed to be exercised on behalf of and in the name of the Council.
2. The exercise of a delegated power, duty or function shall:
 - a. be subject to the City Council's Policy Framework and/or Budget;
 - b. be subject to any Special Procedure and/or Protocol;
 - c. be subject to the requirements of the Constitution and Corporate Standards; and
 - d. be subject to the requirements of the Council Procedure Rules (CPRs), Financial Procedure Rules, Contract Procedure Rules, Corporate Standards and any delegations contained therein.
3. An officer to whom a power, duty or function is delegated may authorise another officer to exercise that power, duty or function, subject to the requirements that follow:
 - a. such authorisations shall be in writing and shall only be given to an officer over which the officer with the original delegated power etc. has control;
 - b. such authorisations should only be given where there is significant administrative convenience in doing so;
 - c. the officer authorised by the other should act in the name of the officer who received the original delegation;
 - d. no authorisation may be given if the statute or law prohibits it.

Authorisations of this kind should not be considered to be the norm but used only in appropriate circumstances and after careful thought. There can be no additional such delegation. Any mis-categorisation of a delegation as being Executive, non-Executive or anything else shall not invalidate the delegation.
4. References to any Act, Regulation, Order or Byelaw shall be construed as including any re-enactment or re-making of the same, whether or not with amendments.
5. Any reference to any Act of Parliament includes reference to Regulations and subordinate legislation upon which UK legislation is based, or from which powers, duties and functions of the Council are derived.
6. Where the exercise of powers is subject to prior consultation with another officer, that officer may give his or her views in general terms in advance to apply to any particular circumstances, to remove the need for consultation for each proposal.
7. Subject to any express instructions to the contrary from the delegating body, any power to approve also includes the power to refuse, and the power to impose appropriate conditions.
8. Delegations to officers are subject to:
 - a. the right of the delegating body to decide any matter in a particular case;
 - b. the officer may, in lieu of exercising his/her delegated power, refer to the delegating body for a decision; and
 - c. any restrictions, conditions or directions of the delegating body.

GENERAL NOTES

9. In exercising delegated powers, the officer shall:
 - a. take account of the requirements of the Corporate Standards and Special Procedures and shall address all legal, financial and other professional safeguards as if the matter were not delegated;
 - b. shall exercise the delegation so as to promote the efficient, effective and economic running of that Division, Directorate and the Council, and in furtherance of the Council's visions and values; and
 - c. shall, where and when appropriate, report back to the appropriate delegating body as to the exercise of those delegated powers.
10. Except where otherwise expressly provided either within this Scheme of Delegation or by resolution of the delegating body, the exercise of any delegated power, duty or function is subject to having the appropriate and necessary budgetary provision in place to take the action in the name of and/or on behalf of the Council.
11. Save in respect of any statutory roles that are not capable of delegation, any power conferred on a subordinate officer shall be exercisable by the Executive Director or by the Chief Executive or any other Executive Director in their absence if appropriate to do so.
12. The compilation of a Register of Delegated Powers is a statutory requirement. The Register is maintained by the Director of Legal and Governance, and delegations are added to it as they are made by delegating bodies. Officers should take care to inform themselves of any subsequent changes to the Register before solely relying on this document.
13. The Director of Legal and Governance, shall have the power to amend this Register to reflect re-organisations, changes in job titles and vacancies, where said changes result in re-distributing existing delegations and not the creation of new ones.
14. Any post specifically referred to below shall be deemed to include any successor post, or a post which includes within the job description, elements relevant to any particular delegation, which were also present in the earlier post and shall include anyone acting up or seconded. Any power contained within this Register in anticipation of any reorganisation may be exercised in accordance with the preceding Register to the date of that reorganisation.
15. Any reference to a Committee, Panel or Sub-Committee shall be deemed to include reference to a successor Committee or Sub-Committee provided that the subject matter of a particular delegation can be found within the terms of reference of both the earlier and the successor Committee or Sub-Committee.
16. Where a power or duty is delegated to an officer, and the exercise of that power or duty is contingent upon the opinion of the Council that particular conditions or factual circumstances exist, then the officer in question has the power to determine whether or not those circumstances exist or those conditions have been fulfilled in the name of and with the authority of the Council.
17. All enquiries about this register should be made to the Director of Legal and Governance.

GENERAL NOTES

18. All matters of interpretation of this document will be determined by the Director of Legal and Governance.
19. If a matter is delegated to an officer, but that delegation cannot be implemented, that should be reported to the delegating body.
20. Functions, matters, powers, authorisations, delegations, duties and responsibilities, etc within this Scheme shall be construed in a broad and inclusive fashion and shall include the doing of anything which is calculated to facilitate or is conducive or incidental to the discharge of anything specified.
21. Non-executive functions are specified in Schedules 1 and 2 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 as amended. Any function that is not therefore specified must be assumed to be executive.
22. Advice on procedures, and matters to be taken into account in exercising officer delegated powers, is set out in the Guidance on Decision-Making issued by the Director of Legal and Governance.
23. This Scheme of Delegated Powers was approved as part of the Council's Constitution on 17th May 2023. Ad hoc additional revisions will be considered by the Council as appropriate and page revision numbers indicated on replacement pages.
24. For the avoidance of doubt, where a power or duty delegated under this scheme includes at source a power to recover costs, fees or charges, the delegation shall include the power to take all necessary action to recover such fees cost or charges by way of civil debt or otherwise and shall be without prejudice to any other power to charge or recover costs that the Council may have under legislation.
25. Delegations set out in Section 2 onwards, can also be exercised by their relevant officers in relation to functions for which they are responsible and/or manage.
26. Where there is doubt over the responsibility for the exercise of the delegated power, the Chief Executive or Director of Legal and Governance, or his or her nominee is authorised to act.

CHIEF EXECUTIVE

1. CHIEF EXECUTIVE

- 1.1 The Chief Executive shall be the Head of Paid Service and be provided by the authority with such resources as they deem necessary to perform that role. The Head of Paid Service shall have overall corporate management and operational responsibility for the way in which the organisation delivers its services.
- 1.2 The Chief Executive may decide that any function, question or matter is urgent and:
- a. a decision must be made before the next scheduled meeting of the Executive, Council or of the appropriate Committee or Sub-Committee; or
 - b. a recommendation to the Executive, Council or within the terms of reference of a Committee or Sub-Committee should be implemented prior to the next scheduled meeting of the Executive, Council, Committee or Sub-Committee by which it could be approved;
- in either case, if the Chief Executive is satisfied that it is not expedient, practicable or necessary in the circumstances to convene a special meeting of the Executive, Council or a special meeting or urgent business sub-committee meeting of the Committee or Sub-Committee in question then paragraph 1.4 shall apply.
- 1.3 The Chief Executive shall have the power (or may designate an Executive Director who will then have power) to determine the question or matter or to implement the recommendation (as the case may be) in the name of and without further reference to the Executive, Council or to the appropriate Committee or Sub-Committee.
- 1.4 The exercise by the Chief Executive and Executive Directors of any powers under this Urgent Matters delegation shall be subject to the following conditions:
- a. that the determination of the question or other matter or implementation of the recommendation is capable of determination under law in this manner;
 - b. that the Chief Executive or designated Executive Director before making a decision shall consult with the Leader;
 - c. that the Chief Executive or designated Executive Director before making a decision shall consult with the Director of Legal and Governance and the Executive Director Enabling Services or their nominated deputies;
 - d. that a record of all decisions made or recommendations implemented, together with the consultations shall be recorded and maintained by the Director of Legal and Governance ; and
 - e. that any decisions made or recommendations implemented under this provision shall be reported to the next scheduled meeting of the Executive, Council, Committee or Sub-Committee, which would otherwise have dealt with the question or matter.
- 1.5 Each Executive Director (in their service area) and Director of Legal and Governance (all areas) may each exercise the powers of the Chief Executive in the event of his/her incapacity, absence or unavailability.

- 2. CHIEF OFFICERS (MANAGEMENT BOARD MEMBERS, MONITORING OFFICER & DIRECTOR OF PUBLIC HEALTH)**
- 2.1 If a function, power or responsibility has not been specifically reserved to the Council, a Committee or the Executive, the Chief Executive and Executive Director within whose remit the matter falls is authorised to act.
- 2.2 The Council, its Committees and the Executive will make decisions on matters of significant policy. Executive Directors are given express authority to take all necessary actions to implement Council, Committee and Executive decisions that commit resources within agreed budgets in the case of financial resources, as necessary and appropriate.
- 2.3 In relation to all delegated authorities conferred on the Executive Directors, the Chief Executive may allocate or reallocate responsibility for exercising particular powers in the interests of effective corporate management as he or she thinks fit.
- 2.4 To take all routine and day-to-day operational service decisions within agreed policies provided they are met from within overall approved budgets in relation to the services for which they are responsible, subject to any other requirements imposed by the Constitution (eg Financial Procedure Rules and CPRs).
- 2.5 To take all decisions necessary to give effect to implement the contents of any approved Policy Framework plan, in relation to the services for which they are responsible, and within agreed budgets in the case of financial resources, as necessary and appropriate.
- 2.6 To take any action on urgent matters which would otherwise require reference to, or consultation with, the Council, a committee or the Executive if there is no such time for such reference or consultation to be made and provided the Chief Executive, Executive Director Enabling Services and Director of Legal and Governance (or their nominees) agree to the proposed course of action before it is decided. All such decisions shall be reported to the next meeting of the Council, Committee or Executive.
- 2.7 To act and to exercise the functions of the Council under all current or future legislation and Council plans, policies, guidelines and procedures relating to the services and functions managed, operated and controlled by the Executive Director. This should be taken to include all regulations, orders and guidance subsequently issued by Ministers in relation to such services and functions.
- 2.8 To set, approve or vary, following consultation with the relevant Cabinet Member, and Executive Director Enabling Services and Director of Legal and Governance, the scale of fees and charges for all services within their service area. The revised scale of fees and charges, unless confidential, must be made available on the Council's internet and/or be available in paper form on request and is subject always to any statutory or common law duty to consult the public or service users.
- 2.9 To write off debt, following consultation with the Executive Director Enabling Services, in line with guidance that is issued by the Executive Director Enabling Services.
- 2.10 To act under all current or future legislation and Council plans, policies, guidelines and procedures relating to their services and functions managed, operated and controlled by them or their Heads of Service, and shall have the authority to vary or change their

CHIEF OFFICERS

services or functions following consultation with the Chief Executive (where there are Head of Paid Service issues), and the Executive Director Enabling Services and Director of Legal and Governance where legislation, regulations, orders or guidance subsequently issued by Ministers in relation to such services or functions require a change in service delivery greater than “de minimis”.

- 2.11 To have the authority and to authorise officers within their functional responsibilities to undertake activities and have powers to undertake those activities including powers of entry, in accordance with relevant legislation as advised from time to time by the Director of Legal and Governance.
- 2.12 Following consultation with the Director of Legal and Governance, to take decisions, serve notices, requirements or orders, make applications, exercise powers of entry, provide reports and institute or defend any proceedings before any Magistrate, Court or other Tribunal on behalf of the Council in discharge of the Council’s functions arising under any law or Act within the postholder’s management or control.
- 2.13 Following consultation with the Director of Legal and Governance, to authorise appropriate officers to administer formal cautions in respect of any criminal offence.
- 2.14 To act under all current and future legislation and Council plans, policies, guidelines and procedures relating to the services and functions managed, operated and controlled by the Executive Director. This should be taken to include all regulations, orders and guidance subsequently issued by Ministers in relation to such services and functions.
- 2.15 To undertake all and any functions and tasks necessary in support of or related to supporting approved partnerships and joint working. This includes joint working with other public bodies and agencies, including the CCG, NHS Trusts and associated bodies, other local authorities and other appropriate bodies. Such organisations may also include representatives of the private sector. This would include Solent LEP, Partnership for South Hampshire (PfSH), Solent Freeport Co and Transport for South Hampshire (TfSH).
- 2.16 To respond to consultations and requests for submission from Government Departments, other local authorities, international, academic, research, business representatives and other bodies in respect of: provision and sharing of data and research initiatives; policies, strategies and plans; performance and partnership working.
- 2.17 Following consultation with the Executive Director Enabling Services and Director of Legal and Governance, to submit bids for or tenders involving funding or assistance from central government, or from any other source (direct or indirect to the council itself), and to take any further steps including the entering into of any relevant agreements to fulfil the requirements of any bid or tender and to take any necessary or expedient action (including the purchase of services, supplies and works) in the consequential administration of any such bids or tenders. (NB: this delegation applies not only to lottery bids, but also to any new schemes as yet not in place and is framed broadly and should apply in the same way).

CHIEF OFFICERS

- 2.18 To complete and submit expressions of interest, enter into and vary, research and development projects and associated partnerships within estimates, including seeking external funding or joining funding partnerships, providing the whole life cost of the project does not have an adverse impact on the council's financial position.
- 2.19 To authorise the attendance by any Member at a conference, meeting or other event, following consultation with the Director of Legal and Governance, provided the costs are to be met from the relevant Portfolio budget.
- 2.20 Following consultation with the Executive Director Enabling Services and the appropriate officers dealing with international matters, to complete and submit expressions of interest for funding or initiatives to any UK or international funding agencies.
- 2.21 To purchase services or sell spare capacity where there is a financial, service or other benefit to the authority, after consultation with the Executive Director Enabling Services and Director of Legal and Governance.
- 2.22 To obtain information under Section 330 of the Town and Country Planning Act 1990 and Section 16 Local Government (Miscellaneous Provisions) Act 1976 about interests in land.^{1&2}
- 2.23 Within the scope of the postholder's employment, to manage investigations and grant authorisations under Section 28 and 29 of the Regulation of Investigatory Powers Act 2000, subject to having completed the required Authorised Officer training.
- 2.24 To execute and authorise the execution of works in default of compliance of any statutory notice served and to demand the recovery of expenses incurred by the local authority.
- 2.25 To serve notice requiring payment for works carried out in default.
- 2.26 To authorise staff to enter premises where such action is necessary to conduct duties and is authorised by legislation appropriate to that Executive Director's service areas.
- 2.27 To make payments of trust monies for the maintenance, advancement or benefit of a beneficiary following consultation with the Executive Director Enabling Services.
- 2.28 To pay expenses such as travel expenses, facilitators' expenses for disabled people, interpreters' expenses for non-English speakers and carers' expenses for people with caring responsibilities or other factors to enable participation at consultation meetings.
- 2.29 To undertake benchmarking, cost comparison consultation and all activities associated with Best Value and to take all actions necessary and expedient to ensure best professional practice and Best Value.
- 2.30 To seek planning permission, conservation area consent and listed building consent in accordance with the Town and Country Planning Act 1990 and The Planning (Listed Buildings and Conservation Areas) Act 1990, subject to:

¹ This section of the scheme of delegation should be interpreted widely to aid the smooth running of the organisation and effective deployment of resources and the efficient delivery of services.

² In determining the services for which Executive Directors are responsible, regard should be had to Article 11 of the Council's Constitution which sets out the functions and areas of responsibility for each of the Executive Directors.

CHIEF OFFICERS

- i. the Executive Director Growth & Prosperity being given 14 days to comment on the proposal prior to the submission of the formal application; and
 - ii. the Executive Director Growth & Prosperity agreeing that the proposal was not in conflict with any planning policy of the Council and could be dealt with under delegated powers; if they did not agree their reasons to be given in writing.
- 2.31 To use all powers necessary to effect the acquisition of services from other authorities or bodies and to set up joint, consortium or other bodies and panels to secure the provision of those services needed to discharge the functions of the Council.
- 2.32 To take any consequential action necessary or expedient in respect of a bid or tender involving funding or assistance from central government, or from any other source.
- 2.33 To act in all matters associated with the delivery of regeneration and other programmes, partnerships or arrangements managed and delivered by external partnership bodies where the Council is the accountable body or is responsible for or is a significant stakeholder in the programme, partnership or arrangement, and in particular to do so following consultation with the appropriate board, other body responsible for the management of the programme, partnership or arrangement, and to seek and replace members of such bodies and the Cabinet Member.
- 2.34 To authorise all suitably qualified members of staff under their line management or control to carry out all powers delegated and, following consultation with the Director of Legal and Governance, to sign statutory notices on behalf of the Council.
- 2.35 To investigate and respond to all complaints, whether under the Council's Customer Complaints procedure or otherwise.
- 2.36 To dispose of any surplus equipment.
- 2.37 To undertake any preparatory work necessary on any project, scheme or other matter intended to be placed before the Executive, the Council, a Committee, Sub-Committee or Officer with appropriate delegated powers so that the Executive, Council, Committee Sub-Committee or Officer with appropriate delegated powers can, with the benefit of full background information and advice, determine whether or not to proceed with said project, scheme or other matter with or without variation.
- 2.38
 - a. To settle ex-gratia payments of up to £5,000.
 - b. In relation to the Customer Complaints Policy, a complaint being considered by the Local Government and Social Care Ombudsman, or matter being referred or considered by an officer as instructed by the Chief Executive or by any third party tribunal or entity, to settle and make a payment of compensation, including (but not limited to) an ex-gratia payment of up to £10,000 following consultation with the Director of Legal and Governance.
- 2.39 To arrange visits, lectures and similar visits to publicise Council and City activities.
- 2.40 Where a decision is required to be made by the Council, Executive or any officer, following consultation with the community or part of a community, the relevant Executive Director is authorised to commence that consultation, following consultation with the relevant Cabinet Member, and the decision shall be reported back to the relevant decision-maker for it to then to determine whether or not to proceed (including the results of that consultation).

CHIEF OFFICERS

- 2.41 Under the direction of the Director of Legal and Governance, to take such action as is required or necessary in respect of commissioning, monitoring or approving all reports for submission to any decision-making body of the Council or any partner body.
- 2.42 To make arrangements for managing and ensuring the quality of the information to be included within the Forward Plan in accordance with the Council's Constitution, the Local Government Act 2000 and secondary legislation.
- 2.43 As directed from time to time by the Director of Strategy & Performance, to take such action as necessary in relation to internal or external communications.
- 2.44 Following consultation with the relevant Cabinet Member and Director of Legal and Governance to make applications to the Secretary of State in respect of works on common land.
- 2.45 The power to enter into grant agreements for the award of grants derived from Government funded programmes and to determine when a legal charge is required on property to secure the repayment of any grant award.
- 2.46 To enter into professional memberships in the interests of the authority.
- 2.47 To approve press releases and media statements, in line with the Council's Media Protocol.
- 2.48 To approve, allocate, modify and amend grants to cultural / voluntary organisations, following consultation with the relevant Cabinet Members and Executive Director Enabling Services and make decisions to vary the budget allocation within Financial Procedure Rules.

COMMUNITY AND WELLBEING

3. EXECUTIVE DIRECTOR COMMUNITY AND WELLBEING (DASS)

- 3.1 To discharge the Council's functions with regard to the assessment of need for, and provision of, community care services in accordance with the Part III of the National Health Service and Community Care Act 1990 and any Regulations thereunder.
- 3.2 To act as receiver under legislation relating to mental health.
- 3.3 All Adults Social Care functions exercisable by the Council in its capacity as a local authority, including acting as the Council's Caldicott Guardian (CG).
- 3.4 To accept guardianship applications and subsequent and to determine subsequent applications for discharge by the Authority.
- 3.5 To approve expenditure incurred under Section 48 of the National Assistance Act 1948, in the protection of movable property of persons and to recover such expenditure where applicable.
- 3.6 For the purposes of Section 114 of the Mental Health Act 1983, to issue approvals on behalf of the Council in respect of mental health social workers.
- 3.7 To discharge the Council's functions with regard to the assessment of need for, and provision of, community care services in accordance with the Part III of the National Health Service and Community Care Act 1990 and any Regulations thereunder.
- 3.8 To discharge the Council's functions for care and support in accordance with the Care Act 2014 and any regulations thereunder.
- 3.9 To enter into any agreements including partnership arrangements to authorise a person or organisation to discharge the Council's functions under the Care Act 2014.
- 3.10 Following consultation with the Executive Director Enabling Services, to write off debt or waive future charges in respect of care provision where it is felt that an individual would be at risk if the debt were pursued or they chose to withdraw from care on financial grounds. A written record of these decisions setting out the reasons for the write-off or waiving of charges should be kept and a copy provided to the Income & Expenditure Manager. Such reductions or waiving of charges would only be for the minimum period that such risks exist.
- 3.11 To undertake reviews of decisions of Assets of Community Value (ACVs).
- 3.12 To discharge the Council's functions with regard to the assessment of need for, and provision of, community care services in accordance with the Care Act 2014
- 3.13 To act as receiver under legislation relating to mental health.
- 3.14 To accept guardianship applications and subsequent and to determine subsequent applications for discharge by the Authority.
- 3.15 To approve expenditure incurred under Section 48 of the National Assistance Act 1948, in the protection of movable property of persons and to recover such expenditure where applicable.
- 3.16 For the purposes of Section 114 of the Mental Health Act 1983, to issue approvals on behalf of the Council in respect of Approved Mental Health Professionals.

COMMUNITY AND WELLBEING

- 3.17 To discharge the Council's functions with regard to the assessment of need for, and provision of, community care services in accordance with the Care Act 2014 any Regulations thereunder.
- 3.18 To enter into any agreements including partnership arrangements to authorise a person or organisation to discharge the Council's functions under the Care Act 2014.
- 3.19 To administer, determine, revoke and resolve appeals in relation to blue badge applications under the Chronically Sick and Disabled Persons Act 1970 where applications require medical assessment.

COMMUNITY AND WELLBEING

4. DIRECTOR OF PUBLIC HEALTH

- 4.1 To undertake overall responsibility for all of the local authority's duties to take steps to improve public health and to provide officers and elected members with appropriate advice, based on a patterns of local health need of what works and potential returns on public health investment.
- 4.2 To undertake any of the Secretary of State's public health protection or health improvement functions delegated to local authorities.
- 4.3 To plan for, and respond to, emergencies that present a risk to public health, after consultation with the Council's emergency planning officer where appropriate. For the avoidance of doubt this includes all appropriate functions under the Coronavirus Act 2020 and secondary legislation, including Directions and similar statutory orders.
- 4.4 To undertake local authority's role in co-operating with the police, the probation service and the prison service to assess the risks posed by violent or sexual offenders.
- 4.5 To be responsible for the local authority's public health response as a responsible authority under the Licensing Act 2003, including making representations about licensing applications under sections 5(3), 13(4), 69(4) and 172B(4) of the Licensing Act.
- 4.6 To be responsible for providing Healthy Start vitamins at any maternity or child health clinic commissioned by the Council, in accordance with the Healthy Start and Welfare Food Regulations 2005 as amended.
- 4.7 To produce and update as necessary the Southampton Joint Strategic Needs Assessment in partnership with the Hampshire, Southampton & Isle of Wight Clinical Commissioning Group, or successor body.
- 4.8 To lead on and co-ordinate the development, production, publication and updating of the Southampton Joint Health and Wellbeing Strategy in partnership with the Hampshire, Southampton & Isle of Wight Clinical Commissioning Group, or successor body.
- 4.9 To produce the Director of Public Health's annual report.
- 4.10 To provide public health advice to NHS commissioners to help secure:
 - a. Commissioning strategies that meet the needs of vulnerable groups
 - b. The development of evidence-based care pathways and service specifications
 - c. Evidence-based prioritisation policies
 - d. Health needs audits and health equity audits and health impact assessments
- 4.11 To ensure delivery of the National Child Measurement Programme.
- 4.12 To secure the delivery of the NHS Health Check assessment.
- 4.13 To ensure appropriate access to sexual health services.
- 4.14 To ensure appropriate clinical governance arrangements are in place in respect of any clinical services commissioned, including sexual health and drug and alcohol services.
- 4.15 To maintain a particular focus on ensuring disadvantaged groups receive the attention they need, with the aim of reducing health inequalities.

COMMUNITY AND WELLBEING

5. DIRECTOR OF COMMISSIONING - INTEGRATED HEALTH & CARE

- 5.1 To discharge the Council's functions with regard to the assessment of need for, and provision of, community care services in accordance with the Care Act 2014 , and any Regulations thereunder.
- 5.2 To approve expenditure on contributions towards the running costs of new meals-on-wheels schemes and luncheon clubs and variations in costs of existing schemes.
- 5.3 To act as receiver under legislation relating to mental health.
- 5.4 To approve expenditure incurred under Section 48 of the National Assistance Act 1948, in the protection of movable property of persons and to recover such expenditure where applicable.
- 5.5 To take any decision and/or develop approaches that commit Council resources that are within budget and policy to deliver better outcomes for local people to meet the requirements of the Care Act, Children's Act and allied legislation and Public Health responsibilities, after consultation with the relevant Director and Cabinet Member.
- 5.6 To be responsible for all procurement activities and matters in respect of health and care services procured and managed via the Integrated Commissioning Unit (ICU) including:
 - a. Providing advice on the CPRs;
 - b. Managing procurements with an estimated contract value exceeding the Low Value Transaction threshold set out in the CPRs;
 - c. Investigating and advising relevant Chief Officers in respect of incidences of non-compliance with the CPRs;
 - d. Certifying that any interest which may affect the award of a contract under CPRs are acceptable or take any necessary action in respect of potential conflicts of interest and instruct that the officer should not participate in the award of the contract by the Council;
 - e. Approving the appropriate procurement route for any procurement governed by public procurement law or any other legislation and make all subsequent decisions in relation to such procurement whether governed by public procurement law or not.;
 - f. Authorising the nomination by the Council of specific sub-contractors;
 - g. Maintaining the Contracts Register;
 - h. Approving the use of framework agreements (including Crown Commercial Services and other Public Purchasing Organisations) following an assessment of the terms of the framework ensuring that it offers best value and legal compliance;
 - i. Authorising below PCR Threshold extensions and variations; ;
 - j. Approving exemptions to the CPRs;
 - k. Approving payments in advance, only with prior written approval of the Executive Director Enabling Services and Director of Legal and Governance.

COMMUNITY AND WELLBEING

- l. Approving, amending or terminating contracts with providers whose services are commissioned by the Council or jointly with partners, including the Health & Care Partnership Board.
 - m. Authorising extensions and variations to a contract awarded under the Public Contracts Regulations 2015 (“PCR 2015”) where such extensions and variations are permitted by the PCR 2015.
 - n. Authorising named individuals to be the Council’s nominated professional officers for inclusion in appropriate contracts.
 - o. Authorising the nomination by the Council of specific sub-contractors.
 - p. Approving acceptance of tenders other than the most economically advantageous.
- 5.7 To enter into partnership arrangements with Health bodies and approve future variations to the arrangements under Section 75 of the National Health Services Act 2006 after consultation with the relevant Cabinet Members and the Director of Legal and Governance.
- 5.8 Following consultation with the relevant Executive Director and Director of Legal and Governance, to extend, re-negotiate or enter into any further agreements with health bodies in relation to any funding streams allocated to the Hampshire & Isle of Wight Integrated Care Board (ICB), or successor body, or exercised within the Terms of Reference of the Southampton Health & Care Partnership Board with the specific purpose of being transferred to or from the local authority under a Section 256 or Section 76 of the NHS Act 2006 arrangement and add any such sums to the budget.
- 5.9 Any function exercised on behalf of an NHS body or Southampton Health & Care Partnership Board relating to children contained within the Health Acts.
- 5.10 To set the fees and charges associated with the Southampton Shared Lives Scheme (formally known as the Adult Placement Scheme).
- 5.11 To exercise all adult social care and health (adults and children) functions and to take any decisions falling within the Terms of Reference of the Southampton Health & Care Partnership Board between the Council and the ICB / Health Partners, subject to financial procedure Rules and approved budgets.
- 5.12 Approving, allocating and amending grants to voluntary and other organisations and making decisions to vary the budget allocation within Financial Procedure Rules.

COMMUNITY AND WELLBEING

6. HEAD OF STRONGER COMMUNITIES

- 6.1 To take any decisions or actions necessary in relation to community safety and anti-social behaviour, including the submission of funding bids, approving projects related to community safety and anti-social behaviour, authorising enforcement action, approving specific projects to meet targets in corporate plans and any projects relating to community cohesion, tackling social exclusion and discrimination.
- 6.2 To approve, allocate, modify and amend grants to voluntary organisations, following consultation with the relevant Cabinet Members and Executive Director Enabling Services and make decisions to vary the budget allocation within Financial Procedure Rules. To liaise with the Head of Culture & Tourism to avoid duplication/ overlap with regard to Culture grants, Festivals and Events grants and any such associated grant schemes, as well as appropriateness of such awards.
- 6.3 Following consultation with the relevant Cabinet Member and the Executive Director Enabling Services, to agree for the Council to act as the accountable body on behalf of formally constituted “friends” groups, resident, tenant or community groups, or sports clubs applying for external grant funding of less than £125,000 to improve the city’s open spaces and associated assets and infrastructure. This responsibility may include procuring supplies, goods or services on behalf of the grant recipient, certifying receipt of goods and services, agreeing practical completion of site works, authorising payment of invoices, controlling and monitoring project expenditure, and keeping accurate and auditable financial records for the purpose of reclaiming project expenditure from the external grant funding body.
- 6.4 To formally sign off regeneration Delivery Plans and Funding Agreements with the appropriate Funding Agencies for all externally funded projects and programmes relating to equalities, cohesion, community safety and community involvement following consultation with the Executive Director Enabling Services.
- 6.5 To make amendments to the Partnership Terms of Reference and membership for Southampton Connect, the Safe City Partnership and the Prevent Working Group, in consultation with the relevant Partnership Chair, lead Cabinet Member & Director of Legal and Governance.
- 6.6 To liaise with the Police on matters regarding the Prevent duty and related matters.
- 6.7 To undertake any duties in respect of new work in the areas of strategy, community safety and equalities.
- 6.8 To act in all matters associated with the delivery of neighbourhood renewal, inclusion, community safety and community involvement and other programmes, partnerships or arrangements managed by external partnership bodies where the Council is the accountable body or is responsible for or is a partner in the programme, partnership or arrangement, and in particular to do so following consultation with the board or other body responsible for the management of the programme, partnership or arrangement, and to seek and replace members of such bodies.

(Action should only follow appropriate consultation at the outset. Where land use and planning processes are involved this must be with the Executive Director Enabling Services, Director of

COMMUNITY AND WELLBEING

Legal and Governance and the Executive Director Growth & Prosperity. Where there is existing or intended Council ownership this must include the Head of Corporate Estates & Assets.

7. EXECUTIVE DIRECTOR ENABLING SERVICES (SECTION 151 OFFICER)

- 7.1 To have authority to take all action as is necessary or expedient to fulfil the statutory obligations under Section 151 Local Government Act 1972.
- 7.2 To vary the limit on the value of houses on which advances under the Housing (Financial Provisions) Act 1958, may be made to employees subject to existing income requirements.
- 7.3 To determine the instalment date in respect of the Statutory Instalment Scheme for the Council Tax.
- 7.4 To make arrangements with the Council's bankers regarding the operation of the Council's bank accounts and the terms on which they are conducted.
- 7.5 To exercise all the powers and duties exercisable by the City Council under the legislation (which for the avoidance of doubt also includes regulations, orders, etc.) concerning:
 - Council Tax
 - National Non-Domestic Rating
 - Housing Benefit
 - Council Tax Benefit
 - General Ratesreserving only to the Council those functions specifically precluded from delegation by legislation.
- 7.6 To approve the Council Tax Base for the City.
- 7.7 To approve the National Domestic Rates Return (NNDR1) for submission to the Government.
- 7.8 To take all and any decisions necessary or required to be taken by an officer of the Council in relation to the Council's Treasury Management activities and to authorise all officers within the Finance Division to undertake operational Treasury Management activity consistent with those decisions and the Annual Treasury Management Strategy and treasury management practices
- 7.9 To set the mortgage interest rate for Council mortgages in accordance with the Housing Act 1985.
- 7.10 To introduce and operate a Discretionary Housing Payments Scheme in accordance with the Discretionary Financial Assistance Regulations 2001.
- 7.11 To write off any arrears accrued by tenants where the S151 officer is satisfied that:
 - a. arrears arose because the tenant was given incorrect or insufficient Housing Benefit advice; and
 - b. the tenant was not warned that this advice was a provisional estimate and any difference would have to be made good.

ENABLING SERVICES

- 7.12 In relation to utility and energy related debts, to write off any debts which have been accepted and cannot be recovered.
- 7.13 To set the rent to be charged to tenants for each leased dwelling to ensure that the costs of the overall scheme are at least covered by rental income.
- 7.14 After consultation with the relevant Executive Director and the Director of Legal and Governance, to enter into business agreements for the provision of financial assistance provided by external partners in relation to the Housing Strategy or such other strategy or policy dealing with such matters.
- 7.15 To provide or arrange for the provision of financial advice to the Council, including from external sources.
- 7.16 To be responsible to the Council for the purchase, sale, realisation or exchange of investments.
- 7.17 To enter into any operating leasing agreements that might be required.
- 7.18 To write off any debts of the Council up to £200,000 and to establish, write-off limits for Council Officers and guidance for debt write-off in the case of hardship or safeguarding individuals.
- 7.19 To approve any direct debit arrangements for the Council.
- 7.20 After consultation with the relevant Executive Director to make an advance of funds to post-16 learning providers.
- 7.21 To issue a Financial Notice to Improve in accordance with the Apprenticeships, Skills, Children & Learning Act 2009.
- 7.22 After consultation with the relevant Executive Director, to use intervention powers under the Apprenticeships, Skills, Children and Learning Act 2009.
- 7.23 To act as the Council's Money Laundering Officer.
- 7.24 To agree terms with insurers for those risks considered to be economic to transfer to the Council's insurers.
- 7.25 Following consultation with the Council Capital Board and/or Change Authority Board and the Director of Legal and Governance, to take all decisions or actions necessary to develop, implement and deliver transformation projects approved by the Council Capital Review Group and/or Change Authority Board in line with Financial Procedure Rules including but not limited to incurring expenditure, structural re-organisations, service reorganisations and entering into contracts and partnership arrangements to deliver services as required together with all ancillary matters necessary to give effect to or conducive to the delivery of such projects.
- 7.26 To allocate and monitor S106, Community Infrastructure Levy monies in consultation with Council Capital Review Group and/or Change Authority Board.
- 7.27 To manage the Council payment terms and cash handling policy.
- 7.28 Responsibility for all procurement activities and matters (other than those in respect of health and care services procured and managed via the ICU) including:
 - 7.28.1 Providing advice on theCPRs;

ENABLING SERVICES

- 7.28.2 Investigating and advising Chief Officers in respect of incidences of non-compliance with the CPRs;
- 7.28.3 Managing procurements with an estimated contract value exceeding the Low Value Transaction threshold set out in the CPRs;
- 7.28.4 Authorising the nomination by the Council of specific sub-contractors;
- 7.28.5 Maintaining and publishing the Contracts Register;
- 7.28.6 Authorising named individuals to be the Council's nominated professional officers for inclusion in strategic and key managed contracts;
- 7.28.7 Approving exemptions to CPRs;
- 7.28.8 Approving acceptance of tenders other than the most economically advantageous;
- 7.28.9 Authorising Executive Directors to participate in contracts arranged by the Central Business Consortium member authorities;
- 7.28.10 Approving the appropriate procurement route for any procurement governed by public procurement law or any other legislation and making all subsequent decisions in relation to such procurement whether governed by public procurement law or not;
- 7.28.11 Approving advertisements under the PCR Procedure set out in the CPRs;
- 7.28.12 Approving payments in advance, only with prior written approval of the Executive Director Enabling Services and Director of Legal and Governance;
- 7.28.13 Approving and signing framework agreements (including those available under Crown Commercial Services and other Public Purchasing Organisations) for use within the Council following an assessment of the terms of the framework ensuring that it offers best value and legal compliance;
- 7.28.14 Managing all procurement procedures above the Low Value Transaction threshold set out in the CPRs and authorising such other person or department as he or she may direct, to do so;
- 7.28.15 Authorising any variations to an existing contract (ICU) and if relevant, a consequent change in price, determined in accordance with the contract terms where the annual value of the variation is greater than £25,000 or 15% of the original annual contract value (whichever is the lesser);
- 7.28.16 Authorising extensions and variations to a contract awarded under the PCR 2015, the Concession Contracts Regulations 2016 or the Utilities Contracts Regulations 2016 where such extensions and variations are permitted by the relevant legislation;
- 7.28.17 Certifying that any interest which may affect the award of a contract under CPRs are acceptable or taking any necessary action in respect of potential conflicts of interest and instructing that the officer should not participate in the award of the contract by the Council.
- 7.29 Making arrangements for the receipt and opening of all tenders invited in accordance with the provisions of the Council's CPRs.
- 7.30 Authorising use of contracts other than "corporate contracts" (defined as contracts procured for universal use across Council services).

ENABLING SERVICES

- 7.31 Approving procedures specifying the requirements of CPRs and local procedures implementing those requirements.
- 7.32 Approving a regime for setting up, amending, reviewing and managing supplier lists.
- 7.33 Taking all and any decisions necessary or required to be taken by the Council under the Council's strategic and key managed contracts, including:-
- a. the Highways Services Partnership (HSP) with Balfour Beatty Living Places Limited
 - b. the Street Lighting Private Finance Initiative with Tay Valley Lighting (Southampton) Limited
 - c. the CCTV and Intelligent Traffic Systems (Citywatch) contract with Balfour Beatty Living Places Limited
 - d. the Leisure Services contract with Places for People Limited
 - e. the Guildhall Management contract with Live Nation Limited;
 - f. the Schools Private Finance Initiative with Pyramid Schools;
 - g. the Waste Disposal tripartite agreement;
 - h. the Commercial Waste contract with TJ Waste & Recycling Limited;
 - i. the Managed Services for Temporary Agency Resources with Comensura Limited;
 - j. the Client Case Management System with Careworks Limited; and
 - k. all other contract designated by the Chief Executive as a strategic or key managed contract for the purposes of this delegation.
- except where the decision to be made is a Key Decision in which case the delegation may only be exercised following consultation with the Director of Legal and Governance and the relevant Cabinet Member.
- 7.34 In conjunction with the Director of Legal and Governance:
- a. keep a list of all model forms of conditions of contract that gives details of when the conditions were last updated; and
 - b. review all current model forms of conditions of contract, on a regular basis including when applicable legislation is introduced.
- 7.35 To make such operational requirements as to comply with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 as referred to in the revised Officer Employment Procedure Rules.
- 7.36 To review the defined levels of post at which action can be taken under HR and Organisational Development procedures, including termination of employment, consistent with changes in the Council's organisational structures.
- 7.37 To approve changes in the designation of posts.
- 7.38 To apply, vary or end the payment of a market supplement provided that funding is available within divisional budgets, following consultation with the relevant Cabinet Member.
- 7.39 Following consultation with the relevant Executive Director, to approve the payment of honoraria.

ENABLING SERVICES

- 7.40 To determine applications for the re-assessment of the grade of posts, whether initiated by management or an employee.
- 7.41 To review and vary the value of long service awards, following consultation with the relevant Cabinet Member.
- 7.42 To review and update the level of allowances paid to employees in accordance with the conditions of service, eg the allowance paid to appointed first aiders, following consultation with the relevant Cabinet Member.
- 7.43 Provided that the cost can be met from within existing budgetary provision and the maximum of the grade is not exceeded, to authorise up to two accelerated increments following examination success or for other reasons.
- 7.44 To authorise the allocation and payment of car allowances.
- 7.45 To authorise any advancement against salary payments.
- 7.46 To approve payments of up to twice the maximum salary of spinal column point 21 in respect of the Personal Injury Scheme, following consultation with the relevant Cabinet Member.
- 7.47 To vary the amount of trade union facility time approved corporately, subject to the availability of finance, following consultation with the relevant Cabinet Member.
- 7.48 To appoint officers for the implementation of the Council's functions as prescribed by Procedure Rules and Recruitment Policy.
- 7.49 To agree an overlap period for the appointment of employees provided the necessary finance is available within service budgets.
- 7.50 To authorise the appointment of temporary employees provided that the necessary finance is available within service budgets or financed from external sources.
- 7.51 To approve and authorise overtime in accordance with the scheme of allowances, subject to the necessary finance being available.
- 7.52 To authorise attendance of employees on courses of study for an initial or second qualification, together with the granting of financial assistance towards approved expenses, in line with Council.
- 7.53 Subject to budgetary provision, to approve the attendance of employees at conferences, courses and seminars.
- 7.54 To approve payment of subscriptions for membership of professional associations (only one per employee) when the job description specifies that such membership is obligatory.
- 7.55 To authorise subsistence payments in accordance with the Council's approved schemes.
- 7.56 To approve an occasional payment to an employee where a Service has a need for language interpretation where the number of occasions on which the additional skills are required are minimal in accordance with the defined rate of payment, and to approve payment where either there is a substantial use of language interpretation skills or the service requires the language skills to be made available on demand.
- 7.57 To authorise up to 18 days paid leave of absence per annum for employees undertaking public duties and to approve additional paid or unpaid leave up to a maximum of 10 days.

ENABLING SERVICES

- 7.58 To authorise up to 28 days paid leave of absence per annum for employees undertaking duties as a Member of a relevant Council (Local Government and Housing Act 1989).
- 7.59 To authorise leave of absence without pay for over three months for post entry training or for other reasons.
- 7.60 To grant compassionate leave of up to six days.
- 7.61 To grant compassionate leave in excess of six days.
- 7.62 To approve other special leave, with or without pay.
- 7.63 To grant extensions of sick pay in excess of standard policy terms at either full or half pay dependent on the circumstances.
- 7.64 To decide each new request for paid time off work for trade union activities or for training or for time off work without pay for trade union duties.
- 7.65 To undertake and discharge the roles of Proper Officer in respect of the appointment or dismissal of statutory and non-statutory Chief Officers and Deputy Chief Officers and Executive Directors.
- 7.66 To lead on all aspects of organisation design of the Council to ensure it remains fit for purpose.
- 7.67 In respect of the resolution dated 16th April 2002 of Employment Panel regarding Appointment and Dismissal of Chief Officers and Executive Directors to implement and adopt arrangements in the event of exceptional circumstances and following consultation with the relevant Cabinet Member.
- 7.68 To consider and resolve any redundancy, severance payments and early release of pension benefits after consultation with Executive Director Enabling Services and Director of Legal and Governance (requests from schools will be required to submit a business case).
- 7.69 To approve changes in the number (full time equivalents) or grades on the organisational structure of directorates, where such changes are within overall employee costs, financed from external sources or from ongoing service budgets, and where accommodation is available, following consultation with the relevant Cabinet Member.
- 7.70 To make payments to staff in accordance with the adopted Policy Statement on Discretionary Severance and Payments arrangements where an unreduced pension is payable and where there is no discretionary element, after consultation with the Executive Director Enabling Services.
- 7.71 To call off of frameworks which have been procured in accordance with the CPRs for IS/IT products and services.
- 7.72 To approve changes and exceptions to IS/IT Corporate Standards and Policy.
- 7.73 To enter into professional IT memberships in the interests of the Authority.
- 7.74 To initiate projects to explore new technology opportunities for the Authority, subject to appropriate budgetary provision.
- 7.75 Enter into any arrangements necessary in the event of a disaster recovery situation affecting IT, and to approve exemptions to CPRs for emergency disaster recovery work for IT services and provision in the best interests of the Authority, following consultation

ENABLING SERVICES

with the Director of Legal and Governance and the appropriate Executive Director and Head of Supplier Management.

- 7.76 To produce and vary IT procedures, including IT ordering procedures provided these do not conflict with Financial Procedure Rules or CPRs subject (in respect of ordering / contractual issues) to the agreement of the Executive Director Enabling Services and the Head of Supplier Management.
- 7.77 To review annually or at any such other periods as may be considered necessary, all IT plans and risks associated with them following consultation with Executive Directors.
- 7.78 To prepare or approve the form and content of all IT plans, proposals, policies, standards, strategy and acquisitions.
- 7.79 To approve dispensation for those not able to adopt IS/IT Corporate Standards, policies or strategy.
- 7.80 To approve changes and enhancements to the Council's website and its technology and standards and similar initiatives.
- 7.81 To publish and edit the Council's website (Internet), intranet (Staff Stuff) and any subsequent related media.
- 7.82 To enter into professional Customer Service memberships in the interests of the Authority.
- 7.83 To administer, determine, revoke and resolve appeals in relation to blue badge applications under the Chronically Sick and Disabled Persons Act 1970 unless applications require further medical assessment.

HROD

- 7.84 Following consultation with the relevant Cabinet Member, to negotiate and adopt revised personnel procedures and associated conditions of service where there is no change in policy or strategy.
- 7.85 To approve any variations or changes to the approved pay and allowances framework.
- 7.86 To delete posts from the organisational structure. Any other variations in the organisational structure are subject to approval from the appropriate Executive Director.
- 7.87 To lead on all aspects of organisation design of the Council to ensure it remains fit for purpose.

RISK AND INSURANCE

- 7.88 To review annually or at such other periods as is considered necessary all risks and insurances following consultation with appropriate Executive Directors and make arrangements and agree terms with insurers for those risks considered to be economic to transfer to the Council's insurers.
- 7.89 To support service areas and EMB in the management of operational and strategic risk.
- 7.90 To arrange appropriate risk financing measures and provide advice and guidance on the extent of insurance or self-insurance arrangements.
- 7.91 Where appropriate, to arrange the placement of cover with insurers including the negotiation of premium rates and policy terms.

ENABLING SERVICES

- 7.92** To provide and manage a claims handling service to process claims made by directorates and by members of the public

ENABLING SERVICES

8. CHIEF INTERNAL AUDITOR

- 8.1 To act as the Council's Chief Internal Auditor in accordance with the Accounts and Audit Regulations 2015 (as amended) and the Public Sector Internal Audit Standards.
- 8.2 To approve, prepare and maintain anti-fraud, bribery and corruption and other associated Council policies.
- 8.3 Acting as a nominated contact under the Council's Whistleblowing Policy, Bribery Act Policy and Anti-Money Laundering Policy, including undertaking the role of the Council's Money Laundering Reporting Officer (MLRO) reporting into the Council's Money Laundering Officer.

ENABLING SERVICES

9. DIRECTOR OF LEGAL AND GOVERNANCE

The Director of Legal and Governance is the Monitoring Officer for the purposes of Section 5 Local Government and Housing Act 1989 and is the Officer appointed to discharge the Council's legal affairs.

- 9.1 To provide or arrange for the provision of legal advice to the Council, shared services, partner bodies and organisations, etc including obtaining Counsel's opinion and instructing external solicitors or counsel as appropriate
- 9.2 To commission, monitor and approve all reports for submission to any decision-making body of the Executive, the Council, Committees, Panels and Sub-Committees and to ensure their compliance with all the Procedures and other rules contained within the Constitution and with Corporate Standards and legal and financial requirements, following consultation with Executive Directors and the Executive Director Enabling Services:
- a. defining the overall standards to be adhered to for that particular service area; and
 - b. commissioning advice on changes to policy.
 - c. To approve changes to Level 1 and Level 2 strategies and plans following consultation with the Leader and relevant Cabinet Member.
- 9.3 To undertake all functions delegated to any Executive Director or Head of Service under the management or control of the Director of Legal and Governance.
- 9.4 To approve the disposal of assets belonging to deceased residents to persons entitled to them after payment of proper claims on account of funeral expenses or sums due to the Council.
- 9.5 To authorise the removal of parts of the body of deceased residents in accordance with the wish expressed by the resident during lifetime (where the Council is lawfully in possession of the body).
- 9.6 To take any consequent decision regarding the development and implementation of a specific spending plan for the Common Assessment Framework project after consultation with the relevant Cabinet Member and the Executive Director Enabling Services.
- 9.7 To be any Proper Officer, required by any legislation.
- 9.8 To fill vacant Executive appointments following consultation with the Leader.
- 9.9 To undertake, appoint and vary the appointment of any Proper Officer required by any legislation.
- 9.10 To receive and consider a certificate received under Section 47(2) National Assistance Acts 1948 and 1951 to make an application for an order for removal.
- 9.11 To approve designated deputies to carry out the functions of a Proper Officer for the purposes of Section 47 National Assistance 1948 and Section 1 National Assistance (Amendment) Act 1951.
- 9.12 In the absence of any other Officer with delegated powers, Committee or Sub-Committee, to perform the Council's powers and duties in respect of:
- a. Coroner Services;

ENABLING SERVICES

- b. Magistrates' Court Committee;
 - c. Probation Service;
 - d. Hampshire Combined Fire Authority.
- 9.13 To amend the Constitution pursuant to any decision of the Council or where any change in the law requires a consequential change in the body of the Constitution.
- 9.14 To take any action necessary or appropriate in relation to Corporate Governance, Standards, the Ethical Framework or any other related issue to Members, ethics, qualification and disqualification, and in this context, subject to any decisions of the Governance Committee, to take any consequential action arising from a breach of the Code of Conduct for Members / Employees, and any other related provisions or issues.
- 9.15 To determine all matters delegated to in his/her capacity as Proper Officer under the Council's Constitution, which may be amended from time to time, including delegations under the following rules:
- Council Procedure Rules
 - Executive Procedure Rules
 - Overview and Scrutiny Procedure Rules
 - Budget and Policy Framework Rules
 - Access to Information Rules
- 9.16 Following consultation with the Executive Director Enabling Services, to grant specific indemnities to supplement the Standard Indemnity (as amended) where considered that the form of the Standard Indemnity (as amended) provides insufficient protection for the needs of the Council, Members and/or officers in question.
- 9.17 To undertake all functions and responsibilities not the responsibility of other officers associated with the Access to Information provisions contained within the Local Government Acts 1972 and 2000 (and regulations made thereunder).
- 9.18 To determine the fees and charges for local elections in accordance with the decision of the Hampshire and Isle of Wight Election Fees Working Party.
- 9.19 To produce and revise Corporate Standards, Codes of Conduct, Special Procedures and Protocols and any other appropriate documentation, whether associated with the Constitution or not for Officers, Members and third parties as appropriate.
- 9.20 To sign or endorse any documents on behalf of the authority where so requested by a citizen, eg authentication details, etc.
- 9.21 To issue and certify all forms of authorisation, including identity cards, for all Council officers and employees.
- 9.22 To certify as a true and correct record any documents in accordance with Section 229 Local Government Act 1972.
- 9.23 To implement the Incident List and Exclusion Policy and to issue and vary a procedure under which the Council shall operate said policy.
- 9.24 To hold and monitor use of the Council's copy of the electoral register, pursuant to Regulation 107 of the Representation of the People (England and Wales) Regulations 2001 (as amended).

ENABLING SERVICES

- 9.25 Approve the model forms of conditions of contract and, in conjunction with the Head of Supplier Management:
- a. keep a list of all model forms of conditions of contract that gives details of when the conditions were last updated;
 - b. review all current model forms of conditions of contract, on a regular basis including when applicable legislation is introduced.
- 9.26 To carry out all functions and responsibilities associated with the Local Land Charges Act 1975, any subsequent legislation or regulations and the Council's responsibilities for maintaining and operating the Register of Local Land Charges including, but not limited to, the setting of fees.
- 9.27 To enter into agreements on appropriate terms and conditions on behalf of the Council, as the lead organisation and responsible recipient of any grant funding received.
- 9.28 To enter into grant agreements for the award of grants derived from Government funded regeneration programmes up to £100,000 in value and to determine when a legal charge is required on property to secure the repayment of any grant awarded.
- 9.29 Power to institute criminal or civil proceedings for non-compliance with notices issued under Part VII of the Town and Country Planning Act 1990.
- 9.30 To take any action (including, but not limited to, issuing, withdrawing, waiving, enforcing and cost recovery) after consultation with the relevant Executive Director pursuant to the Anti-Social Behaviour Act 2003 (High Hedges).
- 9.31 To prepare, approve, conclude, sign or seal all legal documentation for the Council.
- 9.32 (i) To investigate, institute or authorise legal proceedings and to prosecute and defend any proceedings brought by or against the Council or take any other action necessary to protect the legal position of the City Council.
- (ii) In respect of all statutory and common law offences referred to within this scheme, where deemed appropriate and reasonable to institute, or authorise legal proceedings and prosecutions where the cause of action arises or the place of offence is outside of Council boundaries where such action deliver a benefit to the residents of the City of Southampton.
- 9.33 To appear and to authorise officers including those not within the managerial control of the Director of Legal and Governance to:
- (i) issue statutory notices or documents under any legislation, and
 - (ii) appear on behalf of the Council in proceedings in the County Court, pursuant to Section 60 County Courts Act 1984, as amended by s125 (7) of County and Legal Services Act 1990, and in the Magistrates' Court pursuant to Section 223 Local Government Act 1972 or other courts or tribunals at his/her discretion.
- 9.34 To settle any claim whether proceedings have been initiated or not, up to £250,000 following consultation with the Executive Director Enabling Services. This excludes insurance claims and matters dealt with by partners such as Balfour Beatty LP.
- 9.35 To determine Council, Committee and Executive decision-making administrative procedures and the timetable for meetings in so far as they relate to the notice of key decisions, Forward Plan, despatch of agendas and compliance with the Local

ENABLING SERVICES

Government Acts 1972 and 2000 (and regulations made thereunder) and compliance with the Council's Rules of Procedure.

- 9.36 To sign on behalf of the Council, Members' Declaration of Interest forms and to maintain any statutory or voluntary registers of Members' interests.
- 9.37 To make appointments to the role of Designated Independent Person under the Localism Act 2011.
- 9.38 To determine applications made under the Assets of Community Value (ACV) regulations.
- 9.39 To determine the eligibility and suitability of applicants and to appoint a pool from which the members of the Independent Education Appeals and Review Panels are to be drawn.
- 9.40 To determine the category of members of the pool (lay or independent members) and to maintain a list of pool members.
- 9.41 To appoint three members of the pool to sit as an Independent Education Appeal or Review Panel and to appoint one of their number to act as chair of the panel when constituted.
- 9.42 To act as Clerk to the Independent Education Appeal and Review Panels and to appoint officers to act as clerks at hearings of the Panels.
- 9.43 Following consultation with Group Secretaries, to fill vacancies on all appointments to outside bodies and organisations that arise subject to changes being reported to the next Council meeting.
- 9.44 To appoint members nominated by external organisations to any bodies set up under statutory requirements, partnership or other arrangements, excluding members of the Council.
- 9.45 To take any action necessary or appropriate in relation to the operation of the Lord Mayor's Office, in relation to the activities or functions organised on behalf of or involving the Lord Mayor and/or Sheriff.
- 9.46 To grant a civic reception or luncheon following consultation with the Lord Mayor.
- 9.47 To make arrangements for the appointment, operation and remuneration of an Independent Remuneration Panel to recommend the level of allowances paid to Members.
- 9.48 To determine the eligibility of Members and others and authorise payment to those entitled to such allowances.
- 9.49 To revise the Members' Allowance Scheme in line with changes to the National Minimum Wage and any other change to the rate identified in the Scheme.
- 9.50 To determine the political balance requirement in respect of the membership of any bodies within the scope of the provisions of the Local Government and Housing Act 1989.
- 9.51 To authorise the temporary replacement of Committee and Sub-Committee members in accordance with the published procedure under Council Procedure Rules.
- 9.52 To issue a direction to unauthorised campers to leave land and to request an Order from the Magistrates Court if the direction to leave is not complied with, pursuant to Section 77 Criminal Justice and Public Order Act 1994.

ENABLING SERVICES

- 9.53 To grant authorisations for the dissemination of information under Section 142 Local Government Act 1972 and Section 115 Highways Act 1980.
- 9.54 To grant permissions, consents and licences under the Highways Act 1980 for the provision of services for the benefit of the public, eg recreation and refreshments on the highway, construction of bridges, cycle facilities, highway amenities, etc.
- 9.55 To undertake the Council's functions under the Commons Registrations Act 1965 and any subsequent or ancillary legislation, in so far as the power to register common land, town, or village greens is exercisable solely for the purpose of giving effect to (a) an exchange of lands affected by an order under Section 19(3) of, or paragraph 6(4) of Schedule 3 to, the Acquisition of Land Act 1981 (c.67), or (b) an Order under Section 147 of the Inclosure Act, 1845 or Section 16 / 17 of the Commons Act 2006.
- 9.56 To determine all matters arising from the Local Government & Social Care Ombudsman) in whatever manner is appropriate, including agreeing appropriate remedies to complaints on behalf of the Council.
- 9.57 To enter into legal agreements pursuant to Section 38 and 278 Highways Act 1980, where a decision has been taken to grant planning consent or resolved to grant planning consent subject to the completion of the appropriate highway agreements.
- 9.58 All functions, powers and duties under the Wildlife and Countryside Act 1981 as amended by the Countryside and Rights of Way Act 2000 and other legislation and guidance in relation to Rights of Ways and associated functions.
- 9.59 All functions, powers and duties under the Wildlife and Countryside Act 1981 as amended by the Countryside and Rights of Way Act 2000 and other legislation, including but not limited to duty to keep a definitive map and statement under review.
- 9.60 To take action, where necessary, under section 149 of the Highways Act 1980 to undertake prosecutions to remove obstructions from footpaths and pavements.
- 9.61 Power to issue notices under Part VII of the Town and Country Planning Act 1990.
- 9.62 To enter into any necessary planning obligations on behalf of the Council prior to the grant of planning permission.
- 9.63 Power to agree and recommend the terms of variation or enter into any Deed of Variation for a planning obligation where the overall effect of the planning obligation is still achieved.
- 9.64 To obtain information about people interested in land under Section 16 of the Local Government (Miscellaneous Provisions) Act 1976.
- 9.65 To make any order, notice or decision, grant any license, make any charge or take any enforcement action considered necessary or expedient pursuant to Clean Neighbourhood and Environment Act 2005 and all associated secondary legislation.
- 9.66 To prepare, approve, conclude, sign or seal all legal documentation for the Council.
- 9.67 To recover all debts with the exception of outstanding general rates, community charges, national non-domestic rates, Council tax, mortgages and rent arrears.
- 9.68 To sign or endorse any documents on behalf of the authority where so requested by a citizen, eg authentication details, etc.

ENABLING SERVICES

ENABLING SERVICES

10. DATA PROTECTION OFFICER

- 10.1 To act as the Council's Senior Information Risk Officer.
- 10.2 To take all action pursuant to information law including, but not limited to the Data Protection Act, GDPR (or equivalent), Freedom of Information Act 2000, the Regulation of Investigatory Powers Act 2000 and all relevant secondary legislation and guidance.
- 10.3 To make decisions in respect of the use and release of digital images and other data arising from CCTV equipment under the control of the division, including responding to requests from the police, insurers, media and members of the public.

GROWTH & PROSPERITY

11. EXECUTIVE DIRECTOR: GROWTH & PROSPERITY

- 11.1 To enter into professional memberships in the interests of the authority.
- 11.2 To liaise Government agencies and with relevant authorities in Hampshire, PFSH, Solent Transport, Transport for the South East, Solent Freeport Co and the Solent LEP (or successor organisations) on strategic spatial planning, transport, economic development, skills and energy issues and flood risk management.
- 11.3 To determine fees and charges under the Building (Local Authority Charges) Regulations, after consultation with the BC Partnership.
- 11.4 To issue and refuse safety certificates, under the Safety at Sports Grounds Act 1975 and Fire Safety and Safety of Places of Sports Act 1987.
- 11.5 Power to obtain information under Section 330 of the Town and Country Planning Act 1990 about interests in land or under section 171C Town and Country Planning Act 1990.
- 11.6 Following appropriate consultation with the relevant Cabinet Member, the relevant spokespersons of other political groups and where appropriate, with members of partner authorities to prepare “proofs of evidence” presented on behalf of the Council to any relevant examination or inquiry.
- 11.7 To monitor the application of the Planning Enforcement Policy, conduct any necessary reviews of the policy and, after consultation with the Director of Legal and Governance, to make any changes to the policy necessary.
- 11.8 To formally sign off regeneration Delivery Plans and Funding Agreements with the appropriate Funding Agencies for all externally funded projects and programmes relating to equalities, cohesion, community safety and community involvement following consultation with the Executive Director Enabling Services.
- 11.9 To determine applications for registration under s4 of the Hampshire Act 1983.
- 11.10 To authorise officers to exercise powers of entry in respect of the Town and Country Planning Act 1990, including section 196A, section 214B and section 324 relating to their functional responsibilities.
- 11.11 To appoint officers for the implementation of the Council’s functions under all relevant legislation under which the Executive Director: Growth & Prosperity is empowered to act.
- 11.12 To authorise the institution of legal proceedings for the contravention or failure to comply with notices served under the legislation under which the Executive Director: Growth & Prosperity is empowered to act.
- 11.13 In relation to Examination of a Neighbourhood Development Plan in accordance with s.38A of the Planning & Compulsory Purchase Act 2004 and Schedule 4B of the Town & Country Planning Act 1990, to determine whether or not the procedural requirements for the preparation of the Plan have been met, to take all action necessary to consult on the Plan, to prepare, following consultation with the relevant Cabinet and Ward Members, the Council’s comments on the Plan and to submit the Plan together with all ancillary documents for Examination.

GROWTH & PROSPERITY

- 11.14 To take all action necessary to receive, process, carry out statutory consultation on and to determine any application for designation of a neighbourhood area received in accordance with Sections 61G and 61H of the Town & Country Planning Act 1990.
- 11.15 To determine applications for exceptional relief from, and applications to deliver payment in kind for, Community Infrastructure Levy, following consultation with the relevant Cabinet Member, Executive Director Enabling Services and Director of Legal and Governance.
- 11.16 To undertake all functions in relation to planning, transport planning, flood risk management, energy management and sustainability exercisable by the Council.
- 11.17 To change the decision-making body and managerial responsibilities for any property within the relevant portfolios in line with any amendments to the terms of reference for Executive decision-making bodies, Committees and Sub-Committees, following consultation with the Executive Director Enabling Services and Head of Corporate Estates & Assets.
- 11.18 In relation to Environment and Transport functions, to enter into any partnership and governance arrangements with external organisations, contribute to any work in the preparation of strategic plans.
- 11.19 To agree the settlement of both capital and revenue elements of the concessionary fares schemes in accordance with DfT guidance and the Council's own appeals procedures, following consultation with the Executive Director Enabling Services, the Director of Legal and Governance and the relevant Cabinet Member.
- 11.20 To manage the Renaissance Board administration.

GROWTH & PROSPERITY

12. HEAD OF TRANSPORT & PLANNING

- 12.1 To liaise with relevant authorities in Hampshire, PFSH, the Solent LEP and the Environment Agency on flood and coastal erosion risk management issues.
- 12.2 To represent the Council as a Lead Local Flood Authority on flood defence, coastal defence and European Marine Site Management Group including the Southern Regional Flood and Coastal Committee, Association of SuDS Authorities and Southern Coastal Group.
- 12.3 To enter into, vary and determine public transport contracts in order to optimise the delivery of transport policy objectives and maintain reliable services.
- 12.4 To liaise with and respond to consultation from neighbouring authorities, from public transport operators and public transport infrastructure providers on transport services, routes and timetables and other bodies on local and strategic transport matters including infrastructure projects, public transport services, routes and timetables, and implications.
- 12.5 Following consultation with the Director of Legal and Governance:
 - a. to introduce temporary road closures and other temporary traffic restrictions on the highway;
 - b. to maintain a list of all closures authorised under this delegated procedure, including the reason for the restriction and its predicted and actual duration.
 - c. Authority to enter into agreements, approve plans, inspect works and require reasonable fees from developers on behalf of the Council, as highway authority, when negotiating works agreements for the adoption of highways under Sections 38 and 278 of the Highways Act 1980;
 - d. To agree to the adoption of new highways arising from new development under Section 38 of the Highways Act 1980 by the Council as highway authority;
 - e. To issue and serve notices under the Advance Payment Code of the Highways Act 1980;
 - f. To inspect Private Streets and where necessary instruct the Director of Legal and Governance to serve notices where required for the repair of such streets.
 - g. To initiate works in default of compliance with the requirements of such notices;
- 12.6 Authority to do anything necessary on behalf of the Highway Authority to give effect to decisions relating to Sections 37, 38 and 278 of the Highways Act, 1980, including entering into agreements, approving plans, inspecting works and requiring the necessary fees from developers when negotiating works and agreements for the adoption of highways on behalf of the Highway Authority.
- 12.7 To determine and vary the Capital Programme in accordance with the policies and other criteria set by the Authority.
- 12.8 To serve notice requiring payment for works carried out in default and execute work in default of compliance of any notice served and to demand the recovery of expenses incurred by the local authority.

GROWTH & PROSPERITY

- 12.9 To act as “Engineer”, “Employer” or any designation attributable to any other officer under a standard form of contract or partnership arrangement for the purposes of engineering contracts let by the authority.
- 12.10 To issue street works licences and permits to control street works and roadworks carried out on the public highway.
- 12.11 Following consultation with the relevant Cabinet Member, annually review the Transport Asset Management Plan.
- 12.12 To issue permits allowing vehicles into “Pedestrian Only” streets in order to carry out essential works.
- 12.13 To agree street naming and numbering.
- 12.14 To act as Traffic Manager to meet the duty of the Traffic Management Act 2004 and ensure that the road network in Southampton is properly managed.
- 12.15 To grant use of the Above Bar pedestrian precinct and Bargate pedestrian area in accordance with conditions laid down and Part VIIA of the Highways Act 1980 where applicable, and where appropriate to make a proper charge.
- 12.16 To make any order or decision, grant any consent or licence or take any ancillary action and enforcement (including setting, varying and removing charges), relating to highways and traffic management and parking matters such as but not confined to, Traffic Regulation Orders, under the following legislation, subject to the right of appeal to the Appeals Panel by any person permitted under the relevant legislation to object to the making of any such order or decision:
 - Anti-Social Behaviour Act 2003
 - Clean Neighbourhood and Environment Act 2005
 - Countryside and Rights of Way Act 2000
 - Crime and Disorder Act 1998 (Section 17)
 - Criminal Justice and Public Order Act 1994
 - Disabled Persons Badges Act 2013
 - Gambling Act 2005
 - Hampshire Act 1983
 - Highways Act 1980
 - Licensing Act 2003
 - Local Government Act 1972 (Section 111)
 - Local Government Act 2000 (Section 2)
 - Local Government (Miscellaneous Provisions) Act 1976
 - New Roads and Street Works Act 1991
 - Public Health Act 1875
 - Public Health Act 1925
 - Refuse Disposal (Amenity) Act 1978
 - Road Humps Regulations 1990
 - Road Traffic Act 1988 (re cycle races)
 - Road Traffic Act 1991
 - Road Traffic Regulation Act 1984 (including orders made under Pedestrian Crossings Regulations and Traffic Signs Regulations and General Directions)
 - Transport Acts 1985 and 2000

GROWTH & PROSPERITY

Road Traffic Regulation (Special Events) Act 1994
Road Traffic (Temporary Restrictions) Act 1991
Scrap Metal Dealers Act 2013
Town and Country Planning Acts
Town Police Clauses Act 1847
Traffic Calming Act 1992
Traffic Management Act 2004
Transport Acts 1985 and 2000

- 12.17 To exercise the Councils functions, roles, duties and powers relating to the Land Drainage Act 1991, Flood and Water Management Act 2010 and Coastal Protection Act 1949.
- 12.18 Giving advice or recommendations to Local Planning Authority on development plans or applications as Lead Local Flood Authority in line with requirements of the Town and Country Planning (Development Management Procedure) (England) Order 2015 and Flood and Water Management Act 2010.
- 12.19 To determine applications for drainage approvals and issue ordinary watercourse land drainage consents under the Land Drainage Act 1991.
- 12.20 To serve notice and carry out enforcement proceedings against contraventions under the Flood and Water Management Act 2010 and the Land Drainage Act 1991 as amended, which may include carrying out work and recovering costs from the offender.
- 12.21 To designate any structure or feature which may affect flood risk, to determine applications to alter or remove designated features under the Flood and Water Management Act 2010, and take enforcement action against unconsented activity which may affect a designated structure or features.
- 12.22 Approve the publication of the register of flood risk structures or features under Section 21 of the Flood and Water Management Act 2010.
- 12.23 Approving the publication of formal flood investigations undertaken under Section 19 of the Flood and Water Management Act 2010.
- 12.24 To prepare, implement and monitor a Local Flood Risk Management Strategy for local sources of flood risk under the Flood and Water Management Act 2010, and a Preliminary Flood Risk Assessment under the Flood Risk Regulations 2009.
- 12.25 Exercise power to obtain information relating to flood risk under the Flood and Water Management Act 2010.

GROWTH & PROSPERITY

13. SERVICE MANAGER: DEVELOPMENT MANAGEMENT

- 13.1 To exercise all Planning functions exercisable by the Council in its capacity as a local authority.
- 13.2 To determine planning applications and any other applications, submissions, consents, etc required to be made and to be determined by the Local Planning Authority subject to the following restrictions:
- a. For applications for planning permission (therefore, applications for advertisement consent, prior approval, time limited applications, lawful development certificates, etc are excluded) that fall within the major, minor or other category (as defined by the Government), and where within the standard 21-day publicity period a request made in writing on the prescribed Call-in Form, giving valid and material planning grounds, by a ward member of the ward in which the application site predominantly falls, or where at least five written letters of representation (where such representation is contrary to the officer's recommendation) on valid and material planning grounds have been received from five different individuals within the administrative ward of the City the development lies shall be brought to the Planning and Rights of Way Panel meeting for consideration. If a request by a member is received after the publicity period, or the necessary five independent properly addressed letters of representation (where such representation is contrary to the officer's recommendation) are received after the publicity period, the consideration of referral to the Panel will be at the discretion of the Service Manager – Development after consultation with the Chair of the Planning and Rights of Way Panel;
 - b. Where officers recommend approval where the proposal is contrary to the development plan and where three or more objections are received in writing from at least three different individuals;
 - c. applications which are considered to be of particular interest, strategic importance or wider public interest shall be referred to the Planning and Rights of Way Panel by the Head of Development;
- 13.3 Where appropriate, to instruct the Director of Legal and Governance to serve any notices in pursuance of regularising breaches of planning (and other relevant legislation), commence court proceedings and to complete or seal agreements, , in respect of (but not restricted to) the following:
- a. Notices under Section 215 of the Town and Country Planning Act 1990 (Amenity Notices);
 - b. Notices under Section 171 of the Town and Country Planning Act 1990 (Planning Contravention Notices);
 - c. Notices under Section 187A of the Town and Country Planning Act 1990 (Breach of Conditions Notices);

GROWTH & PROSPERITY

- d. Notices under section 172 of the Town and Country Planning Act 1990 (Enforcement Notices)
- e. To institute emergency proceedings to take necessary enforcement action to restrain breaches of planning control (including listed building control), under section 171E (temporary stop notices); section 183 (stop notices); section 187B (injunctions restraining breach of planning control) of the Town and Country Planning Act 1990; section 44A of the Listed Buildings Act 1990 (injunctions restraining breach of listed building control); section 214A (injunctions in relation to tree preservation orders), following consultation with the Director of Legal and Governance ;
- f. Directions under Article 4 of the General Permitted Development Order 1995 removing development rights to demolish a building upon a receipt of a predetermination application subject to a report for confirmation being submitted to a subsequent meeting of the Planning and Rights of Way Panel;
- g. Hazardous substances contravention's notices;
- h. Revocation or modification of Hazardous Substances Consents;
- i. Prosecution for illegal display of advertisements;
- j. To decide whether an assessment and environmental statement is required under the Environmental Assessment Regulations; and to respond to requests for screening and scoping opinions under those Regulations;
- k. To decide whether development is likely to have a significant effect on land protected under international designation; and to carry out appropriate assessment as required by the Habitat Regulations where the Council is the competent authority;
- l. To authorise persons to enter any land without a warrant or under warrant in accordance with Sections 196A and 196B of the Town and Country Planning Act 1990 or under section 324 of the same Act;
- m. To authorise the Director of Legal and Governance to sign unilateral undertakings, or enter into agreements under Section 106 of the Town and Country Planning Act 1990, to undertake deeds of variation and subsequently amend any terms previously agreed, unless the Planning and Rights of Way Panel has asked for those discussions to be referred back to it;
- n. Authority to enter into agreements (following consultation with the Head of Transport & Planning), approve plans, inspect works and require reasonable fees from developers on behalf of the Council, as highway authority, when negotiating works agreements for the adoption of highways under Sections 38 and 278 of the Highways Act 1980, to agree to the adoption of new highways arising from new development under Section 38 of the Highways Act 1980 by the Council as highway authority, to authorise the Director of Legal and Governance to sign unilateral undertakings, or enter into agreements under Section 106 of the Town and Country Planning Act 1990 and to undertake deeds of variation and subsequently amend any terms previously agreed,

GROWTH & PROSPERITY

unless the Planning and Rights of Way Panel has asked for those discussions to be referred back to it

- 13.4 Power to issue Planning Enforcement Notices under any planning or listed building legislation, subject to the preparation of an enforcement report and Planning and Rights of Way Panel and Ward members not requiring a report to the Planning and Rights of Way Panel.
- 13.5 Power to issue a certificate of existing or proposed lawful use or development (Sections 191(4) and 192(2) of the Town and Country Planning Act 1990).
- 13.6 To act in all matters associated with the delivery of neighbourhood renewal, inclusion, community safety and community involvement and other programmes, partnerships or arrangements managed by external partnership bodies where the Council is the accountable body or is responsible for or is a partner in the programme, partnership or arrangement, and in particular to do so following consultation with the board or other body responsible for the management of the programme, partnership or arrangement, and to seek and replace members of such bodies.
- 13.7 NB: Action should only follow appropriate consultation. Where land use and planning processes are involved this must be with the Executive Director Enabling Services, Director of Legal and Governance and the Executive Director Growth & Prosperity. Where there is existing or intended Council ownership this must include the Head of Property.
- 13.8 To review and determine applications for buildings to be added or removed from the Council's list of locally important historic buildings known as the 'Local List' following consultation with the relevant Cabinet Member.

GROWTH & PROSPERITY

14. SERVICE MANAGER: BUILDING CONTROL

14.1 To represent the Council and recommend decisions on building control operational issues at the Building Control Governing Board set up to manage the Partnership between Southampton and Eastleigh.

14.2 Discharge, save for any reservations shown below, the powers set out in the paragraph following the reservations.

The powers referred to above shall not include the following:

- a. powers where an individual officer is required by law to hold a relevant qualification and that officer does not hold that qualification;
- b. powers which fall outside the individual's actual authority as determined by his/her post or are not covered by an instruction by management; or
- c. any other situation where an individual officer is prevented, for whatever proper reason, from exercising that power.

The powers that may be exercised include, without prejudice to the generality of the following, the power to serve (which term includes signature and issue) notices and the power to exercise any statutory (or common law) power conferred by the legislation referred to below, including any subordinate legislation, ie Regulations, Orders and Byelaws etc, made thereunder. Such powers will also extend to legislation (primary and subordinate etc.) not referred to below, always provided that the officer is not excluded by virtue of any reservation set out in the preceding paragraph. All of these powers are also exercisable by the Executive Director Growth & Prosperity.

14.3 In relation to the Building Act 1984, to:

- a. serve notice giving approval / rejection in respect of Building Regulations plans (Section 16);
- b. serve notice giving approval / rejection in respect of building over sewers (Section 18);
- c. serve notice giving approval of buildings with short-lived materials and get appropriate conditions or to reject the plans (Section 19);
- d. to reject plans for buildings with unsatisfactory drainage (Section 21);
- e. to serve notice re lapse of deposit of plans (Section 32);
- f. to carry out tests on materials and components etc for conformity with Building Regulations (Section 33);
- g. to serve notice to alter / remove work etc (Section 36);
- h. to serve notice to make satisfactory provision for drainage (Section 59);
- i. to serve notice regarding entrances, exits, etc (Section 71);
- j. to serve notice regarding means of escape in case of fire (Section 72);
- k. to serve a notice regarding the raising of chimneys (Section 73);
- l. to take any action necessary in respect of dangerous structures (Sections 77 & 78);
- m. to serve notice re ruinous dilapidated and neglected sites (Section 79);
- n. to accept notices of intention to demolish (Section 80);
- o. to serve notice requiring shoring and weatherproofing to adjoin buildings (Section 81);

GROWTH & PROSPERITY

- p. to enter buildings to ascertain if a breach of relevant legislation has occurred (Section 95).
- 14.4 To serve notice to require builders to open up works (Regulation 16 of the Building Regulations).
- 14.5 To serve notice and/or carry out works of boarding up of dangerous buildings (Section 29 of the Local Government Miscellaneous Provisions Act 1982).
- 14.6 To refer questions, as to whether or not certain work complies with the Building Regulations to the appropriate Government department.
- 14.7 To deal with “type” relaxations to the Building Regulations instigated by the appropriate Government department.
- 14.8 To authorise prosecution for non-compliance with notices served and non-compliance of the Building Regulations.
- 14.9 To deal with Partnership applications on behalf of other local authorities in accordance with the nationally agreed Local Authority Building Control Partnership Scheme.
- 14.10 To deal with System Approvals in accordance with the nationally agreed scheme.
- 14.11 To approve or refuse plans deposited under the Hampshire Act 1980 for the provision of a satisfactory means of escape for fire brigade vehicles and personnel, for precautions, against fire and cubic content of buildings and special precautions for underground car parks.
- 14.12 Apply and enforce regulations in relation to sustainability and security issues under the Sustainable and Secure Buildings Act 2004
- 14.13 To enter premises and issue safety certificates for sports stadia under the Safety at Sports Grounds Act 1975.
- 14.14 To issue a safety certificate for a designated stand (Section 26 of the Fire Safety and Safety at Places of Sport Act 1987).
- 14.15 To enter premises and sports grounds to serve a prohibition notice prohibiting or restricting the admission of spectators (Section 10 of the Safety at Sports Grounds Act 1975).
- 14.16 To give advice on discrimination issues including surveying the built environment as required under the Equalities Act 2010.
- 14.17 To enter premises for the purposes of consulting and advising on the licensing objectives and compliance with the Licensing Act 2003.
- 14.18 To act as authorised officers for the purposes of gaining entry for inspection of premises under the Local Government (Miscellaneous Provisions) Act 1982.
- 14.19 To make any order, notice or decision, grant any licence, make any charge or take any enforcement action considered necessary or expedient pursuant to Clean Neighbourhood and Environment Act 2005 and all associated secondary legislation, following consultation with the Director of Legal and Governance.

GROWTH & PROSPERITY

15. HEAD OF ECONOMIC DEVELOPMENT & REGENERATION

- 15.1 To liaise with economic partnerships and other economic bodies to represent the Council's interests on economic issues.
- 15.2 To liaise with skills partnerships and other skills economic bodies to represent the Council's interests on skills issues.
- 15.3 To liaise with employer/sector/trade representative bodies to represent the Council's interests on business growth issues and ways to improve business engagement and subsequent support to businesses across the city.
- 15.4 To lead, approve and oversee the implementation of an economic strategy for the city that delivers measurable outcomes
- 15.5 To approve Section 106 Employment and Skills Plans.
- 15.6 To approve the letting of contracts for the provision of learning, skills and employment support related services.
- 15.7 To liaise with economic partnerships and other economic bodies to represent the Council's interests on economic issues.
- 15.8 To take any decisions or actions necessary in relation to Adult and Community Learning, and Employment and Skills, including the submission of funding bids, approving projects related to Community Learning, and Employment and Skills, and approving specific projects to meet targets in corporate plans.

GROWTH & PROSPERITY

16. HEAD OF CORPORATE ESTATE & ASSETS

- 16.1 To deal with applications for landlord's consent to carry out alterations, except in cases where some unusual factor is present and on which a policy decision is needed. Where consent is given, the under mentioned Standard Conditions I or II be attached as appropriate:

Standard Condition I:

- a. Compliance in all respects with all byelaws, licences and other consents applicable to the property and, in particular, with the conditional planning permission
- b. The work to be completed in all respects to the satisfaction of the Council, which shall be evidenced by the Council's certification to that effect.
- c. The consent as landowner shall not affect, restrict or diminish the powers or rights of the Council as a local authority.

Standard Condition II (applicable where a formal licence is required):

- d. Compliance in all respects with all byelaws, licences and other consents applicable to the property and, in particular, with the conditional planning permission
 - e. The execution of such formal deed containing such provisions to safeguard the interests of the Council as the Director of Legal and Governance may determine.
- 16.2 To approve the principle of and negotiate and agree terms of sale of freehold reversionary interests secured on individual dwellings originally constructed by either the Council or self-build groups to the owner-occupier;
- 16.3 Following consultation with the relevant Cabinet Member, to approve the terms of sale of all other property providing the consideration does not exceed £500,000. Consultation is not required for garden land sales to householders, residential freehold reversions or statutory transfers.
- 16.4 To approve terms of sale of property exceeding £500,000 in value providing the consideration does not exceed £1.5 million, following consultation with the relevant portfolio Cabinet Member and the Cabinet Member for Finance.
- 16.5 To agree with the Valuation Office Agency assessments in respect of all properties for which the Council is the ratepayer, and to make references to the Valuation Tribunal as appropriate.
- 16.6 To approve the surrender or assignment of any lease, licence, wayleave or easement by Agreement between the parties. If any lease, licence, wayleave or easement relates to properties of strategic (meaning the property or the area in which it is located is the subject of potential development or other plans), cultural, community or heritage interest, this must be done after consultation with the relevant Cabinet Member.
- 16.7 To approve terms for acquisition of land pursuant to an authorised agreement under Section 106 Town and Country Planning Act 1990, or as a condition in a planning consent provided there are no abnormal or onerous liabilities attached to the

GROWTH & PROSPERITY

acquisition, the purchase price is nominal and there is finance allocated for ongoing maintenance.

- 16.8 To approve variations to the terms of leases, licences, easements or wayleaves, covenants or any other transaction when the consideration for the variation does not exceed £100,000 per annum or a premium payment of £1,000,000, and where the Council is incurring the additional consideration, provided sufficient finance is available. If leases, licences, easements or wayleaves, covenants or any other transaction relates to properties of strategic (meaning the property or the area in which it is located is the subject of potential development or other plans), cultural, community or heritage interest, then this must be done after consultation with the relevant Cabinet Member.
- 16.9 To approve the following up to the financial limits specified, subject to sufficient finance being available:
- a. easements and wayleaves granted by or granted to the Council;
 - b. disturbance claims or ex gratia payments;
 - c. settlement and apportionment of well-maintained payments due under the Housing Acts where agreement can be reached with the parties;
 - d. lettings up to and including on a year to year basis;
 - e. any other lettings, renewals or rent / licence fee reviews provided the new / reviewed rent / fee is no more than £50,000 less than the amount previously due;
 - f. the restructure of ground leases where additional rental is generated and/or where the consideration comprises wholly or partly of a premium payment and the premium does not exceed £500,000; and
 - g. applications for rent reductions on Investment Property providing corresponding estate management benefits are secured by the Council and the new terms are not below market value, to be exercised following consultation with the Executive Director Enabling Services.

If any of the above relate to properties of strategic (meaning the property or the area in which it is located is the subject of potential development or other plans), cultural, community or heritage interest, then this must be done after consultation with the Leader and relevant Cabinet Member, except where it is a short term letting which terms reflect the Council's development plans.

- 16.10 Following consultation with the relevant Executive Director, to grant licences for works on land.
- 16.11 Following consultation with the relevant Cabinet Member, to approve the exchange of land with a third party where the Council's existing land value is estimated to be no more than £500,000.
- 16.12 To approve the exchange of land with a third party where the Council's existing land value is estimated to be greater than £500,000 providing the consideration does not exceed £1.5 million, following consultation with the relevant Cabinet Member.

GROWTH & PROSPERITY

- 16.13 To approve appropriations between relevant function areas and statutory holding powers except where public notice of the proposed appropriation is required and objections are received.
- 16.14 To approve any major alteration, demolition, refurbishment or new project on land in which the Council has an interest providing that the proposed expenditure does not exceed £1.5 million. This must be done after consultation with the relevant Cabinet Member, if this relates to properties of strategic (meaning the property or the area in which it is located is the subject of potential development or other plans), cultural, community or heritage interest.
- 16.15 To approve the temporary use of property, pending long-term use.
- 16.16 To manage the Council's investment and general purpose property portfolios.
- 16.17 To perform all functions of the Council in respect of its responsibilities and powers under the Party Walls etc Act 1996, including the service and response to Statutory Notices, appointment of Party Wall Surveyors and compliance with all steps required by any Party Walls Award.
- 16.18 Authority to exercise the powers and duties of the Council under the Landlord and Tenant (Covenants) Act 1995.
- 16.19 To grant and sign licences in a form approved by the Director of Legal and Governance.
- 16.20 To approve the acceptance of formal tenders for land disposals, whether the highest bid or not, up to £1.5 million capital (where the principle of the disposal has already been approved) or £150,000 per annum revenue income. Consultation with the relevant Cabinet Member only required if s/he has expressed a wish to be consulted when giving approval in principle.
- 16.21 To agree compensation under Land Compensation legislation where no interest in the land is acquired by the Council.
- 16.22 To carry out site investigations and soil surveys, where necessary, to establish the development potential of vacant land subject to the availability of the necessary finance to carry out such investigations.
- 16.23 To place property on the market with a view to a disposal. Consultation with the relevant Cabinet Member is required prior to placing a property on the open market for sale.”
- 16.24 To approve the acquisition of a lease or licence in property where service areas of the Council operate partnerships with external bodies and funding is available.
- 16.25 To approve the acquisition of interests in property, provided the consideration does not exceed a premium payment of £500,000 or £100,000 per annum, provided sufficient finance is available, after consultation with the relevant Cabinet Member and the Executive Director Enabling Services.
- 16.26 Following consultation with the relevant Cabinet Member in relation to the principle, to authorise the variation of individual projects in the approved Capital Building Maintenance (non-housing) programme during its implementation, should this be required as a result of urgent or unforeseen repair needs arising, or services requirement changes.

GROWTH & PROSPERITY

- 16.27 To add new projects or remove projects from the approved Capital Building Maintenance (non-housing) programme project list following consultation with the relevant Cabinet Member and the Executive Director: Finance & Commercialisation.
- 16.28 To vary the timing and cost of projects already within the approved Capital Building Maintenance (non-housing) Programme as may be required, following consultation with the relevant Cabinet Members (for the Capital Programme and the building concerned, if different).
- 16.29 To approve claims for dilapidations in respect of leasehold interests granted by the Council, or granted to the Council, provided the consideration does not exceed £1 million, and provided sufficient finance is available. Where leases are granted to the Council and costs exceed £250,000, consultation with the relevant Cabinet Member must take place.
- 16.30 To authorise lease surrenders and/or renewals to Scout or Guide Groups or other community or charitable organisations which include any underlet for any purpose authorised by Section 1 Localism Act at rents less than best consideration where it is proposed to underlet to a nursery provider or similar community use.
- 16.31 Following consultation with the relevant Cabinet Member in relation to the principle, to approve lettings or lease renewals at less than best consideration where the principle of letting to the organisation concerned has already been approved (by virtue of a previous letting or any other appropriate means) or where the Council is obliged to renew a letting by virtue of Landlord and Tenant legislation.
- 16.32 Following consultation with the relevant Cabinet Member in relation to the principle, to approve lettings or lease renewals at less than best consideration for any property for up to a five year period.
- 16.33 After consultation with the relevant Cabinet Member, to enter into option agreements, disposals or any other property transactions with the Public Sector plc, to progress redevelopment and property schemes in line with the Council's Corporate Property Strategy or such other strategy or policy approved by the Council for managing the Council's corporate property.
- 16.34 After consultation with the relevant Cabinet Member, the Executive Director Enabling Services and the Council's Capital Review Group and/or Change Authority Board to approve the acquisition or sale of property or other investments for the Property Investment Fund.
- 16.35 Following consultation with the relevant Cabinet Member in relation to the principle, and together with the Executive Director Growth & Prosperity and following consultation with the Director of Legal and Governance, to undertake the acquisition of land for a development scheme,
- 16.36 To approve any transaction, subject to the approval of the Executive Director Enabling Services and Executive Director Growth & Prosperity. If leases, licences, easements or wayleaves, covenants or any other transaction relates to properties of strategic (meaning the property or the area in which it is located is the subject of potential development or other plans), cultural, community or heritage interest, then this must be done after consultation with the relevant Cabinet Member.

GROWTH & PROSPERITY

- 16.37 To determine applications for home loss payments under the Land Compensation Act 1973.
- 16.38 Where the Council has resolved to make a Compulsory Purchase Order settle terms for the purchase of property and valid heads of claim, subject to the approval of the Executive Director Enabling Services.
- 16.39 After consultation with the Director of Legal and Governance to accept Blight Notices which are valid and which are served in respect of major development schemes proposals.
- 16.40 To make minor amendments to boundaries after consultation with the relevant Cabinet Member to disposals in respect of approved major development schemes.
- 16.41 To allow developers on to Council land to carry out site investigations subject to the granting of an appropriate licence.
- 16.42 In relation to the Housing Strategy to:
- a. alter existing or introduce new formulae to calculate loan repayment sums in respect of financial assistance packages;
 - b. approve adjustments to the occupancy terms for the grant element of existing and new financial assistance packages; and
 - c. approve the introduction of subsequent financial assistance packages developed, and any significant alterations to the criteria of existing packages.
- following consultation with the relevant Cabinet Member and the Executive Director Enabling Services.
- 16.43 To authorise and implement changes to the Decommissioning of Housing Stock Policy as required, following consultation with the Director of Housing, the Cabinet Member responsible and Executive Director Enabling Services.
- 16.44 To approve after consultation with the relevant Cabinet Member terms for the repurchase of property sold through the Right to Buy process and compensation payments to business tenants to facilitate site assembly for Estate Regeneration Projects, where Cabinet approval exists for these land acquisitions.
- 16.45 Following consultation with the relevant Cabinet Member responsible, Director of Legal and Governance, Executive Director Enabling Services and Executive Director Growth & Prosperity to demolish properties or dispose of land held within the Housing Revenue Account subject to best consideration being received for vacant properties, vacant sites or garages for the purposes of estate regeneration and the development of new housing.
- 16.46 Following consultation with the relevant Cabinet Member responsible, Director of Legal and Governance , Executive Director Enabling Services and subject to funding and budgetary approval being in place, to acquire land for the purposes of estate regeneration and to secure demolition of any buildings if appropriate.
- 16.47 Following consultation with the Leader, relevant Cabinet Member, Executive Director Enabling Services and the Director of Legal and Governance to accept, in accordance with Financial Procedure Rules any grant funding towards the costs of the homes and development projects and as a consequence:

GROWTH & PROSPERITY

- a. increase the capital budget for this project by the value of the grants received; and
 - b. increase the scheme approval sums by the value of the grant received.
- 16.48 Following consultation with the relevant Cabinet Member, Executive Director Enabling Services and Director of Legal and Governance to:
- a. procure a development / investment partner or partners to redevelop the regeneration sites;
 - b. enter into a development agreement to deliver the redevelopments including, if required, disposal of freehold;
 - c. acquire, where terms can be agreed, adjoining parcels of land; and
 - d. accept, in accordance with Financial Procedure Rules, any grant funding towards the costs of the redevelopment of the estate regeneration sites.
- 16.49 To approve home loss, disturbance and ex-gratia payments for removal expenses for displaced tenants on modernisation or major works of Council dwellings.
- 16.50 To accept written in-house bids for the maintenance and improvement of HRA buildings following consultation with the Executive Director Enabling Services.
- 16.51 To enter into suitable supplier contract arrangements for the provision of maintenance and improvement schemes and to do anything necessary to implement, subject to the formal approval of the proposed partnering arrangements by the Executive Director Enabling Services after consultation with the Director of Legal and Governance.
- 16.52 To determine appropriate officers to act as security administrators for the Homes England Investment Management System.
- 16.53 To acquire dwellings repurchased under Part XVI Housing Act 1985, following consultation with the Executive Director Enabling Services, subject to finance being available.
- 16.54 To exercise all Energy Management and Sustainability functions exercisable by the Council in its capacity as a local authority.

GROWTH & PROSPERITY

17. HEAD OF CULTURE & TOURISM

- 17.1 To approve the provision of new culture facilities identified and provided for in the medium-term financial plan subject to the proposals not requiring the appropriation or disposal of an interest in an Open Space within the meaning of Section 229 or 232 of the Town and Country Planning Act 1990.
- 17.2 To liaise with culture and tourism partnerships and other bodies to represent the interests of the Council at local, regional, national and international level, including museums, libraries, archives, archaeology, heritage, film/creative industries, skills and employment, markets and events and regeneration.
- 17.3 To lead, approve and implement in consultation with the Cabinet Member the Cultural Strategy, Destination Management Plan, Festivals and Events Strategy, Memorials Policy, Heritage Strategy and associated areas e.g. creative industries.
- 17.4 To approve, allocate, modify and amend grants to cultural, voluntary and charitable organisations, following consultation with the relevant Cabinet Member and Executive Director Enabling Services and make decisions to vary budget allocations within the Financial Procedure Rules. To liaise with the Head of Stronger Communities with regard to the Communities Chest grants, or such similar schemes, to avoid duplication and ensure appropriateness of award.
- 17.5 To work with the relevant Cabinet Member and Executive Directors on international partnerships and represent the interests of the Council, particularly with regard to cultural exchanges, events and collaborations
- 17.6 To approve the implementation of discount prices where considered appropriate to meet market conditions, to improve operational efficiency, to achieve financial benefits or to encourage participation by the Authority's target groups.
- 17.7 To negotiate fees for hiring of indoor and outdoor entertainment.
- 17.8 To subsidise the cost of facilities for any event held at any of the Council's cultural facilities (museums, libraries, archives, event spaces, heritage assets) in accordance with the Council's approved terms and conditions.
- 17.9 To undertake negotiations on behalf of the Council in respect of proposed special events in the City.
- 17.10 To grant permission for the use of Speakers' Corner at Hoglands Park, and where appropriate, to make proper charge.
- 17.11 To grant permission for events, entertainments, markets and promotional activities on public lands (including the Guildhall Square open space, Cultural Quarter and Above Bar Precinct) and, where applicable, to make appropriate charges.
- 17.12 In association with the Chipperfield Advisory Committee, to select and acquire works of art for the collection under the Chipperfield Bequest, up to the value of £125,000, subject to the necessary finance being available.
- 17.13 To select and acquire works of art for the collection under the Smith Bequest.
- 17.14 To grant permission for loans from and to the collections and to permit the reproduction of work from the collection.
- 17.15 To select works and subjects and to arrange for their reproduction for art gallery and museum purposes, subject to proper charges being made where appropriate.

GROWTH & PROSPERITY

- 17.16 To enter into standard agreements for the carrying out of archaeological works
- 17.17 To negotiate on and accept prices for events, including trade fees and admission charges, subject to the proviso that these conform to any relevant Council policy.
- 17.18 To revise the Implementation Plan for the Collections Development Policy (including Acquisition and Disposal Policies) for Museum Accreditation, following consultation with the relevant Cabinet Member.
- 17.19 To use the David and Liza Brown Bequest Fund for the purchase of works of art for the Art Gallery's permanent collection in the future.
- 17.20 To grant permission for filming requests on Council land or premises, following consultation with the Director of Legal and Governance and to make a charge, where applicable.
- 17.21 To act as City liaison to promote filming at privately owned locations and to charge and retain a location finder's administrative charge, where applicable.
- 17.22 To provide appropriate support to Culture Trust and similar bodies following consultation with the relevant Cabinet Member.
- 17.23 Ability to make operational decisions on opening / closing museum, archive and library venues due to range of factor e.g. pandemic, health and safety, staffing shortages / illness.
- 17.24 Exercise the functions of the Council including all powers and duties of the Council in terms of the following legislation and any subsequent or similar legislation or replacing or expanding legislation:
 - Cultural Property (Armed Conflict) Act 2017
 - Dealing in Cultural Objects 2003
 - Human Tissues Act 2004
 - Museums and Libraries Act 1964
 - Public Records Act 1958 (places of deposit)
 - Local Government Records Act 1962 (amended 2003)
 - Scheduled Ancient Monuments Act 1979
 - Treasures Act 1996
 - Town and Country Planning Act 1990
 - National Planning Policy Framework
 - Museums Association Code of Ethics
- 17.25 To grant, but not refuse, street trading consents in respect of Guildhall Square, except for the sale of fruit and vegetables, subject to the terms and conditions of the licence and other legal criteria as appropriate including but not limited to those indicated in Appendix 4 of the City Services Committee on 21st December 1992, to restrict the hours of occupation and operation to between 8:00 am and 9:00 pm on any day, not excluding Sunday, save as restricted by law, for up to a maximum of 30 traders at any one time and subject to any supervision of any provision that may then be in force.

RESIDENT SERVICES

18. EXECUTIVE DIRECTOR RESIDENT SERVICES

RESIDENT SERVICES

19. DIRECTOR OF HOUSING

- 19.1 To serve Notices of Seeking Possession and/or Notices to Quit where appropriate and to take necessary action upon the expiry of such Notices
- 19.2 To institute proceedings for the recovery of possession of property and/or land occupied by squatters
- 19.3 To serve notices and to institute forfeiture proceedings to residential leaseholders in appropriate cases.
- 19.4 To evict, where lawful, necessary and expedient.
- 19.5 To authorise a one-off reduction in rent by up to a maximum of £500 where some or all of the dwelling is unusable due to major works or loss of services.
- 19.6 To authorise the sale of Council houses and flats in accordance with the Right to Buy legislation and the shared ownership scheme for all mortgagees, their management and subsequent repayment.
- 19.7 To authorise variations in shop leases, rents and terms of tenure where this is consistent with effective management of estates, contributes to social enterprise or tackling worklessness, or provides services which support the local community.
- 19.8 To authorise the repossession, under the County Court Rules 1981 of properties sold under the Right to Buy Legislation and the shared ownership scheme following default on Mortgage Payments rent and/or leasehold maintenance and major works costs.
- 19.9 To approve home loss, disturbance and ex-gratia payments for removal expenses for displaced tenants on modernisation or major works of Council dwellings.
- 19.10 To determine transfer by applications by tenants on management grounds.
- 19.11 To authorise attendance and representation of the Council at Leasehold Valuation Tribunal (LVT) for the purposes of presenting information as required and to agree decisions or proposals made through the LVT process in accordance with the Council's legal responsibilities in the discharging of the Council's housing functions.
- 19.12 To discharge the Council's functions as a local housing authority in respect of the day to day routine management, maintenance, improvement and repair of properties or land held under the powers of the Housing Act 1985 or any re-enactment thereof including those properties sold under the Right to Buy Scheme and any other properties managed but not funded from the Housing Revenue Account in accordance with agreed policies and the Council's relevant Procedure Rules.
- 19.13 To grant tenancies to people left in occupation, and joint tenancies in accordance with Annex C of the Code of Guidance on Parts VI and VII of the Housing Act 1996.
- 19.14 To determine applications made under the Leasehold Reform, Housing and Urban Development Act 1993.
- 19.15 To institute proceedings under the Protection from Eviction Act 1977.
- 19.16 To institute proceedings under Section 1 Accommodation Agencies Act 1953.
- 19.17 To allocate acquired properties, hostel accommodation and property allocated for short life. In addition, in exceptional circumstances, to approve the permanent rehousing of applicants, both to be exercised outside the Council's Points Scheme.

RESIDENT SERVICES

- 19.18 To discharge the Council's functions and duties under Part III Housing Act 1985 and Part VII of the Housing Act 1996 (homelessness) and to make all administrative decisions in this regard.
- 19.19 To let empty acquired properties to housing co-operatives or Housing Associations for housing use and to obtain any necessary consent, following consultation with the Executive Director Enabling Services.
- 19.20 To grant secure tenancies to tenants where a return to their previous address is either not feasible or where to do so would be in the interests of the best management of the stock.
- 19.21 To take all decisions and exercise all discretionary power in relation to properties which have proved hard to let.
- 19.22 To operate the Special Needs quota exceptional allocations policy as approved. This policy to include PDO referrals in accordance with the Potentially Dangerous Offenders protocol and MAPPAs in accordance with the Multi-Agency Public Protection Agreement.
- 19.23 To determine the appropriate number of temporary units of accommodation to be used for this purpose at any one time, including the approval to use Council "normal" stock as temporary accommodation for the discharge of duties under the Homelessness Act 2002.
- 19.24 To review and amend the current Allocations Policy.
- 19.25 To grant exceptions to the Allocations policy.
- 19.26 To allocate Government awarded funds as required following consultation with the relevant Cabinet Member and Executive Director Enabling Services.
- 19.27 To determine applications under Section 3(5) Housing Defects Act 1984.
- 19.28 To authorise payments under the Tenants Right to Compensation or Improvements and the Right to Repair.
- 19.29 To determine when the Landlord Controlled Heating should be switched on and off, after consultation with the relevant Cabinet Member to determine and revise the level of charges for Landlord Controlled Heating in future years.
- 19.30 To make financial amendments to the Housing Revenue Account Business Plan and refresh every two years, following consultation with the relevant Cabinet Member.
- 19.31 To grant tenancies to applicants in accordance with the Allocations Policy and to grant temporary service tenancies.
- 19.32 To make decisions on the application of the Disabled Adaptations in Council Housing Policy in individual cases and to make amendments to the policy as required.
- 19.33 To undertake the discharge of any of the Council's functions relating to the welfare of civilians under the Civil Defence Acts 1937 to 1948 and under Section 138 of the Local Government Act 1972 as amended by Civil Contingency Act 2004.
- 19.34 To commence a programme of consultation and engagement with residents and stakeholders on sites identified for redevelopment, subject to consultation with the Head of Stronger Communities, the relevant Cabinet Member and where the site involves Council homes following consultation with the Executive Director Growth & Prosperity.

RESIDENT SERVICES

- 19.35 Following consultation with the relevant Cabinet Member and appropriate stakeholders to review and amend service policies and strategies.
- 19.36 To authorise and implement changes to the Decommissioning of Housing Stock Policy as required, following consultation with the Cabinet Member responsible and Executive Director Enabling Services.
- 19.37 To amend the allocations criteria for supported housing, following consultation with the relevant Cabinet Member and tenants.
- 19.38 To make any order, notice or decision, grant any licence, make any charge or take any enforcement action considered necessary or expedient pursuant to Clean Neighbourhood and Environment Act 2005 and all associated secondary legislation,
- 19.39 Determine and alter as necessary a scale of reasonable charges in respect of enforcement action under s49 of the Housing Act
- 19.40 Determine and alter as necessary an administrative fee for works carried in default of notices.

RESIDENT SERVICES

20. HEAD OF SUPPORTED HOUSING

- 20.1 To discharge the Council's functions as a local housing authority in respect of the day-to-day routine management of supported housing properties or land held under the powers of the Housing Act 1985 or any re-enactment thereof including those properties sold under the Right to Buy Scheme in accordance with agreed policies and the Council's relevant Procedure Rules.
- 20.2 To grant exceptions to the Allocations policy in relation to an age- criteria associated with any of the Council's supported housing stock.
- 20.3 To make decisions relating to the suitability of applicants in the allocation of 'housing with care' properties within the Council's own stock to ensure the integrity of each complex is maintained in order to provide an environment suitable for people with a variety of levels of need whilst retaining the overall sense of independent living.
- 20.4 Following consultation with the relevant Cabinet Member, to agree to waive charges in relation to telecare services

RESIDENT SERVICES

21. DIRECTOR OF ENVIRONMENT

- 21.1 To appoint professional and technical support staff that are deemed to have suitable qualifications, as inspectors under Section 19 Health and Safety at Work etc. Act 1974 and for those officers to exercise all statutory powers relating to enforcement, including but not limited to bringing proceedings.
- 21.2 To authorise suitable specialists under Section 20 (2)(c)(i) of the Health and Safety at Work etc Act 1974.
- 21.3 To liaise with relevant waste collection and waste disposal authorities in Hampshire on waste management issues.
- 21.4 To act under all current or future legislation and Council plans, policies, guidelines and procedures relating to the services and functions managed, operated and controlled by the Executive Director. This should be taken to include all regulations, orders and guidance subsequently issued by Ministers in relation to such services and functions.
- 21.5 To undertake all Environmental Health and Consumer Protection Services functions exercisable by the Council in its capacity as a local authority. This includes Registration and Bereavement Services' functions.
- 21.6 To act as Proper Officer for Registration under the Registration Service Act 1953.
- 21.7 Exercise the functions of the Council including all powers and duties of the Council in terms of the following legislation and any subsequent or similar legislation or replacing or expanding legislation:

Administration of Justice Act 1970

Administration of Justice Act 1985

Agriculture (Miscellaneous Provisions) Act 1968

Agriculture Acts

Agriculture Produce (Grading and Marketing) Acts 1928 and 1931

Animals Act 1971

Animal and Animal Products (Import and Export) (England and Wales) Regulations 2000

Animal Boarding Establishments Act 1963

Animal Feed (Hygiene Sampling etc and Enforcement) (England) Regulations 2015

Animal Health Act 1981

Animal Health Act 2002

Animal Welfare Act 2006

Anti-Social Behaviour Act 2003

Anti-Social Behaviour Act 2006

Anti-Social Behaviour, Crime and Policing Act 2014

Beef Labelling (Enforcement) (England) Regulations 2000

Bovines and Bovine Products (Trade) Regulations 1998

Breeding of Dogs Act 1973 & 1991

Breeding and Sale of Dogs (Welfare) Act 1999

Breeding of Dogs (Licensing Records) Regulations 1999

RESIDENT SERVICES

Brucellosis (England Order 2015)
Building Act 1984
Burial Act 1853
Business Names Act 1985
Business Protection from Misleading Marketing Regulations 2008
Bye-laws for Hairdressers and Barbers
Cancellation of Contracts made in a Consumer's Home or Place of Work etc. Regulations 2008
Cancer Act 1939
Cattle Identification Regulations 2007
Cemeteries Order 1977
Children & Families Act 2014
Children and Young Persons (Protection from Tobacco) Act 1991
Children and Young Persons Act 1933
Chronically Sick & Disabled Persons Act 1970
Civil Enforcement Of Parking Contraventions (England) General Regulations 2007
Civil Enforcement of Parking Contraventions (England) Representations and Appeals Regulations 2007
Civil Contingencies Act 2004
Civil Partnership Act 2004
Clean Air Act 1993
Clean Air Act 1983 – Motor Fuel (Composition and Content) Regulations
Clean Neighbourhood and Environment Act 2005
Common Agriculture Policy (Wine) (England & Northern Ireland) Regulations 2001
Companies Act 2006
Consumer Credit Act 1974
Consumer Protection (Distance Selling) Regulations 2000
Consumer Protection Act 1987
Consumer Protection from Unfair Trading Regulations 2008
Consumer Rights Act 2015
Control of Pesticide Regulations 1986
Control Of Pollution Act 1974, Part 3 (except sections 70(2), (3) and 71), sections 91-94, section 97 and Part 6.
Control of Pollution (Anti-Fouling Paint) Regulations 1986
Control of Pollution Act 1974
Control of Pollution (Amendment) Act 1989
Copyright, Designs and Patents Act 1988
Courts and Legal Services Act 1990
Countryside and Rights of Way Act 2000
Crime and Disorder Act 1998
Criminal Justice Act 1988

RESIDENT SERVICES

Criminal Justice and Public Order Act 1994
Criminal Justice & Police Act 2001
Customs and Excise Management Act 1979
Dairy Products (Hygiene) Regulations 1985
Dangerous Dogs Act 1991
Dangerous Wild Animals Act 1976
Deregulation Act 2015
Designation of Local (Southampton Port Health Authority) District Order 1978.
Development of Tourism Act 1969 Tourism (Sleeping Accommodation Price Display) Order 1977
Disabled Persons Parking Badges Act 2013
Dogs (Fouling of Land) Act 1996
Ecodesign for Energy-Using Products Regulations 2007
Education Reform Act 1988
Energy Act 1976
Energy Conservation Act 1981
Energy Efficiency (Private Rented Property)(England & Wales) Regulations 2015
Enterprise Act 2002
Environment Act 1995
Environment Act 2021
Environmental Protection Act 1990
Environmental Protection (Duty of Care) Regulations 1991
Environmental Protection (Microbeads)(England) Regulations 2017
Estate Agents Act 1979
European Communities Act 1972 (save as amended by the European Union (Withdrawal) Act 2018)
European Union (Withdrawal) Act 2018 as it continues to give effect to the following Regulations or Orders under which this local authority has an enforcement duty:

- African Horse Sickness (England) Regulations 2012
- Animal and Animal Products (examination for Residues and Maximum Residue Limits)(England and Scotland) Regulations 2015
- Animal By-Products (Enforcement)(England) Regulations 2013
- Animal Feed (Basic Safety Standards)(England) Regulations 2019
- Avian influenza (Preventative Measures)(England) Regulations 2006
- Avian Influenza (Vaccination)(England) Regulations 2008
- Biofuel Labelling Regulations 2004
- Bluetongue Regulations 2008
- Business Protection from Misleading Marketing Regulations 2008
- Cat and Dog Fur (Control of Import, Export and Placing on the Market) Regulations 2008
- Cattle Identification Regulations 2007
- Construction Products Regulations 2013

RESIDENT SERVICES

Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013
Consumer Protection from Unfair Trading Regulations 2008
Consumer Rights (Payment Surcharges) Regulations 2012
Cosmetic Products Enforcement Regulations 2013 and the EU Cosmetic Products Regulation 1223/2009
Crystal Glass (Descriptions) Regulations 1973
Detergents Regulations 2010
Diseases of Swine Regulations 2014
EC Fertilisers (England and Wales) Regulations 2006
Eggs and Chicks (England) Regulations 2009
Electrical Equipment (Safety) Regulations 2016
Electromagnetic Compatibility Regulations 2016
Energy Information Regulations 2011
Energy Performance of Buildings (England and Wales) Regulations 2012
Equine Identification (England) Regulations 2018
Financial Services (Distance Marketing) Regulations 2004
Fluorinated Greenhouse Gases Regulations 2015
Food Information Regulations 2014
Food Safety & Hygiene (England) Regulations 2013
Foot-and-Mouth Disease (Control of Vaccination) (England) Regulations 2006
Footwear (Indication of Composition) Labelling Regulations 1995
Gas Appliances (Enforcement) and Miscellaneous Amendments Regulations 2018
General Product Safety Regulations 2005
Genetically Modified Organisms (Traceability and Labelling)(England) Regulations 2004
Infant Formula and Follow On Formula (England) Regulations 2007
Materials and Articles in Contact With Food (England) Regulations 2012
Measuring Container Bottles (EEC Requirements) Regulations 1977
Measuring Instruments Regulations 2016
Non- Automatic Weighting Instruments Regulations 2016
Novel Foods (England) Regulations 2018
Official Controls (Animals, Feed and Food, Plant Health Fees etc.) Regulations 2019 in so far as it relates to food law
Official Feed and Food Controls (England) Regulations 2009 in so far as it relates to food law
Olive Oil (Marketing Standards) Regulations 2014
Organic Products Regulations 2009
Package Travel and Linked Travel Arrangements Regulations 2018
Packaging (Essential Requirements) Regulations 2015
Passenger Car (Fuel Consumption and CO2 Emissions Information) Regulations 2001
Personal Protective Equipment (Enforcement) Regulations 2018
Poultry Meat (England) Regulations 2011
Pressure Equipment (Safety) Regulations 2016
Products of Animal Origin (Disease Control)(England) Regulations 2008

RESIDENT SERVICES

Pyrotechnic Articles (Safety) Regulations 2015
Quality Schemes (Agricultural Products & Foodstuffs) Regulations 2018
Quick Frozen Food Stuffs (England) Regulations 2007
Radio Equipment Regulations 2017
REACH Enforcement Regulations 2008
Recreational Craft Regulations 2017
Registration of Establishments (Laying Hens) (England) Regulations 2003
Rights of Passengers in Bus and Coach Transport (Exemptions and Enforcement) Regulations 2013
Scotch Whisky Regulations 2009
Simple Pressure Vessels (Safety) Regulations 2016
Specified Products from China (Restrictions On First Placing On The Market) (England) Regulations 2008
Spirit Drinks Regulations 2008
Supply of Machinery (Safety) Regulations 2008
Textile Products (Labelling and Fibre Composition) Regulations 2012
Timeshare, Holiday Products, Resale and Exchange Contracts Regulations 2010
Tobacco and Related Products Regulations 2016
Toys (Safety) Regulations 2011
Trade in Animals and Related Products Regulations 2011
Transmissible Spongiform Encephalopathies (England) Regulations 2018
Veterinary Medicines Regulations 2013
Volatile Organic Compounds in Paints, Varnishes and Vehicle Refinishing Products Regulations 2012
Weights and Measures (Packaged Goods) Regulations 2006
Welfare of Animals at Time of Killing (England) Regulations 2015
Wine Regulations 2011
Zoonoses (Monitoring) (England) Regulations 2007

Explosives Acts 1875
Fair Trading Act 1973
Fireworks Act 2003
Food Act 1984
Food and Environment Protection Act 1985
Food Safety Act 1990
Food Hygiene (England) Regulations 2006
Food Safety and Hygiene (England) Regulations 2013
Food Standards Act 1999
Foot and Mouth Disease (Control of Vaccinations) (England) Regulations 2001
Forgery and Counterfeiting Act 1981
Fraud Act 2006
Fuel (Lead Content of Petrol) Regulations 1981 (as amended);
Fur Farming (Prohibition) Act 2000
General Food Regulations 2004

RESIDENT SERVICES

Gambling Act 2005
Hallmarking Act 1973
Hampshire Act 1983
Health Act 2006
Health & Social Care Act 2008
Health and Safety at Work etc Act 1974 together with the following Regulations made under the 1974 Act:
 The Ammonium Nitrate Materials (High Nitrogen Content) Safety Regulations 2003
 The Biocidal Products and Chemicals (Appointment of Authorities and Enforcement) Regulations 2013
 The Chemicals (Hazard Information and Packaging for Supply) Regulations 2009
 The Dangerous Substances and Explosive Atmospheres Regulations 2002,
 The Explosives Regulations 2014,
 The Petroleum (Consolidation) Regulations 2014, and
 The provisions of the following Acts mentioned in Schedule 1 to the 1974 Act;
 Explosives Act 1875
 Public Health Acts 1936 and 1961
Health Protection (Coronavirus, Restrictions) (England) Regulations 2020
Health Protection (Local Authority Powers) Regulations 2010
Highways Act 1980
Home Safety Act 1961
House to House Collections Act 1939
Housing Act 1985
Housing Act 1996
Housing Act 2004
Housing Regeneration Act 2008
Horse Passports Regulations 2009
Hypnotism Act 1952
International Health Regulations 2005
Intoxicating Substances (Supply) Act 1986
Knives Act 1997
Legal Services Act 2007
Licensing Act 2003
Local Authority Cemeteries Order 1977
Local Government Act 1972 (Section 111)
Local Government (Miscellaneous Provisions) Acts 1976 and 1982
Marriage Act 1994
Medicines Act 1968
Motor Cycle Noise Act 1987
Motor Fuel (Sulphur Content of Gas Oil) Regulations 1981

RESIDENT SERVICES

Motor Vehicle (Safety Equipment for Children) Act 1991
Natural Environment Rural Communities Act 2006
Noise Act 1996
Noise and Statutory Nuisance Act 1993
Non-Automatic Weighing Instruments Regulations 2000
Offensive Weapons Act 2019
Olympic Symbol etc (Protection) Act 1995
Organic Products Regulations 2001
Ozone Depleting Substances Regulations 2015
Performing Animals (Regulation) Act 1925
Pesticides (Fees and Enforcement) Act 1989
Pet Animals Act 1951 and Pet Animals Act 1951 (Amendment) Act 1983
Petroleum (Consolidation) Act 1928.
Plastic Materials and Articles In Contact With Food (England) Regulations 2009
Poisons Act 1972
Police and Criminal Evidence Act 1984
Police, Factories etc (Miscellaneous Provisions) Act 1916
The Southampton Port Health Authority Order 2010
Prevention of Damage by Pests Act 1949
Prices Act 1974
Private Water Supply Regulations 2016 and 2017
Proceed of Crimes Act 2002
Processed Animal Proteins (England) Regulations 2001
Products of Animal Origin (Import and Export) Regulations 1991
Products of Animal Origin (Import and Export) (Amended) Regulations 1997
Property Misdescriptions Act 1991
Protection of Animals (Amendment) Act 2000
Protection of Animals Act 1911
Psychoactive Substances Act 2016
Public Health Acts Amendment Act 1907
Public Health (Control of Disease) Act 1984
Public Health (Infectious Diseases) Regulations 1988
Public Health Act 1936
Public Health Act 1961
Public Health Ships Regulations 1979 as amended by the Public Health Ships (Amendment)(England) Regulations
Refuse Disposal (Amenity) Act 1978
Registered Designs Act 1949
Redress Schemes for Letting Agencies Work and Property Management Work (Requirement to Belong To Scheme etc) (England) Order 2014
Road Traffic Acts 1988 and 1991
Road Traffic Regulation Act 1984

RESIDENT SERVICES

Scrap Metal Dealers Act 2013
Sheep and Goats (Records, Identification & Movement)(England) Order 2009
Single Use Carrier Bags Charges (England) Order 2015
Site Waste Management Plans Regulations 2008
Slaughterhouses Act 1974
Solicitors Act 1974
Standardised Packaging of Tobacco Products Regulations 2015
Sunbed (Regulation) Act 2010
Telecommunications Act 1984
Tenant Fees Act 2019 (and the Housing & Planning Act 2016 as it relates to Client Money Protection Schemes)
The National Parks and Access to the Countryside Act 1949
The Protection of Badgers Act 1992
Theft Act 1968
Timeshare Act 1992
Tobacco Advertising and Promotion Act 2002
Town and Country Planning Act 1990
Town Police Clauses Act 1847
Trade Descriptions Act 1968
Trade Marks Act 1938
Trade Marks Acts 1994
Traffic Management Act 2004
Transport Act 2000
Unfair Terms in Consumer Contracts Regulations 1999
Unsolicited Goods and Services Acts 1971 and 1975
Video Recordings Act 2010
Vehicles (Crime) Act 2001
Water Act 2003
Weights and Measures Act 1985
Wildlife and Countryside Act 1981
Zoo Act 1981

This delegation is subject to a requirement to consult with the Director of Legal and Governance prior to the service of any order, notice or commencement of any legal proceedings.

- 21.8 To determine applications for information to be treated as commercially confidential under Section 22 of the Environmental Protection Act 1990 (as amended).
- 21.9 To sign and serve notices under Sections 33, 34, 46, 47, 59 and 71 of the Environmental Protection Act 1990 (as amended) to deal with waste.
- 21.10 To sign and serve notices under Sections 80 and 80A of the Environmental Protection Act 1990 (as amended) dealing with the abatement of nuisances.
- 21.11 To authorise as enforcement officers such members of professional and technical support staff who are deemed to have suitable qualifications in respect of Section 19

RESIDENT SERVICES

of the Food and Environment Protection Act 1985, as amended by the Pesticides (Fees and Enforcement) Act 1989.

- 21.12 To issue and sign written instruments of appointment under the Act and regulations.
- 21.13 To grant authorised officers the power to sign and serve notices under Section 19 of the Food and Environment Protection Act 1985.
- 21.14 To appoint such members of professional and support staff deemed to have suitable qualifications under Section 5(6) of the Food Safety Act 1990.
- 21.15 To appoint suitable specialists under Section 32(4) of the Food Safety Act 1990.
- 21.16 All powers and duties under the Health Protection (Local Authority Powers) Regulations 2010 including but not restricted to the powers under Sections 2 to 11 to deal with children attending school, decontamination of persons and premises and to restrict access to and move dead bodies.
- 21.17 To introduce increased charges for the issue of Ship Sanitation control and exemption certificates for coastal vessels.
- 21.18 To discharge the functions, duties and powers to control disease on ships and aircraft as conferred by the Public Health (Ships) Regulations 1979 and Public Health (Aircraft) Regulations 1979 as amended in 2007 to implement the requirements of the International Health Regulations 2005. To include the appointment of a medical officer, medical practitioners and authorised officers to exercise the powers conferred by the regulations.
- 21.19 All powers and duties under the Public Health (Control of Disease) Act 1984 as amended by the Health and Social Care Act 2008 including but not restricted to the powers under Sections 45M and 76 to deal with the protection of health from the risk of infection and deal with defective premises.
- 21.20 To exercise duties under the Public Health (Control of Disease) Act as amended by the Health and Social Care Act 2008 to arrange for a body to be removed to a mortuary for burial or cremation.
- 21.21 In accordance with the Public Health (Infectious Diseases) Regulations 1988, to require persons to discontinue or refrain from engaging in any occupations connected with food and to take such other step as empowered under the Regulations.
- 21.22 To make payments by way of compensation, to persons required to discontinue or refrain from engaging in any occupation connected with food.
- 21.23 To appoint Public Analysts under the Food Safety and Agriculture Acts.
- 21.24 To exercise all powers necessary and expedient in relation to the Council's collection of healthcare waste functions (commercial and domestic), including but not limited to the authority to enter into any contracts necessary to give effect to or facilitate this function.
- 21.25 To institute proceedings under the Protection from Eviction Act 1977.
- 21.26 To institute proceedings under Section 1 Accommodation Agencies Act 1953.
- 21.27 To make minor modifications to the approved terms and conditions of financial assistance provided in accordance with the Council's Housing Strategy or such other strategy or policy in relation to this function.

RESIDENT SERVICES

- 21.28 To consider and determine any application from any person considered to be a special case and who therefore falls outside the Housing Strategy or such other strategy or policy in relation to this function.
- 21.29 To provide temporary rehousing, subject to a maximum period of four months where financial assistance repair work takes place in accordance with the Council's Housing Strategy or such other strategy or policy in relation to this function.
- 21.30 To amend the system of prioritising enquiries and applications for financial assistance arising from owner-occupiers and/or private sector tenants to ensure resources are targeted towards those living in the worst housing conditions and in greatest need in relation to the Housing Strategy or such other strategy or policy in relation to this function.
- 21.31 To determine when a land charge is required on a property to secure the repayment of any financial assistance granted in accordance with the Council's Housing Strategy or such other strategy or policy in relation to this function.
- 21.32 To approve applications for the provision of financial assistance in accordance with the Council's Housing Strategy or such other strategy or policy in relation to this function.
- 21.33 To waive financial assistance repayment conditions in relation to the Council's Housing Strategy or such other strategy or policy in relation to this function.
- 21.34 To authorise Environmental Health Officers and other authorised officers to take all enforcement action, powers and provision as appropriate, under the Housing Act 2004, and any subsequent secondary legislation, in accordance with the Council's enforcement policies.
- 21.35 Determine and alter as necessary a scale of reasonable charges in respect of enforcement action under s49 of the Housing Act;
- 21.36 Determine and alter as necessary a scale of reasonable fees in respect of the licensing of houses in multiple occupation under s63(3) of the Housing Act; and
- 21.37 Determine and alter as necessary an administrative fee for works carried in default of notices.
- 21.38 To seek confirmation from the appropriate national authority of a designation for an Additional Licensing Scheme under section 56 of the Housing Act 2004, following consultation with those persons likely to be affected by any such scheme.
- 21.39 To seek confirmation from the appropriate national authority of a designation for a Selective Licensing Scheme under section 80 of the Housing Act.
- 21.40 To approve the use of the Enforced Sale Procedure.
- 21.41 To determine when a local land charge is required on property to secure the repayment of any grant awarded in accordance with the Council's Housing Strategy or such other strategy or policy in relation to this function.
- 21.42 To make necessary revision to the Enforcement Policy as the need arises, following consultation with the relevant Cabinet Member.
- 21.43 To authorise Environmental Health Officers and other authorised officers to take all enforcement action, powers and provision as appropriate, under the Housing Act 2004, and any subsequent secondary legislation, in accordance with the Council's enforcement policies.

RESIDENT SERVICES

- 21.44 To seek confirmation from the appropriate national authority of a designation for an Additional Licensing Scheme under section 56 of the Housing Act 2004, following consultation with those persons likely to be affected by any such scheme.
- 21.45 To seek confirmation from the appropriate national authority of a designation for a Selective Licensing Scheme under section 80 of the Housing Act.
- 21.46 To affix statutory notices to and to arrange for the removal of, vehicles deemed to be abandoned on public land.
- 21.47 To undertake any necessary investigative work for the purposes of enforcement including issue a fixed penalty notices or any other notice on any person or person found littering, flyposting, or committing graffiti.
- 21.48 To serve street litter control notices.
- 21.49 To undertake all functions, powers and duties including authorising legal action in respect of Blue Badge & Parking Permit fraud.
- 21.50 To enter into agreements with external bodies for the purposes of maintaining graves, memorials and crematoria.
- 21.51 To inspect burial grounds for the purposes of ensuring that the rules and regulations imposed by the burial authority are adhered to.
- 21.52 To remove unauthorised memorials situated within the burial authority's land, including cemeteries and crematoria.
- 21.53 To keep a register of all burials and cremations.
- 21.54 To authorise the disposal of cremated remains.
- 21.55 To approve the grant, renewal, refusal and revocation of licences to approved premises under the Marriage Act 1994 as the Proper Officer for Registration.
- 21.56 To authorise officers to exercise powers of entry and other statutory powers including, but not limited to, search and seizure conferred by the legislation set out in 14.4 referred to below and elsewhere in the Scheme relating to Environmental Health Officers, Environmental Health practitioners, Trading Standards Officers, Fair Trading Officers and other Enforcement Officers. This is deemed to include all secondary legislation and any other superseding enactments relating to the acts below that may from time to time come into force.
- 21.57 To undertake any duties in respect of new work in the areas of strategy, community safety and equalities.
- 21.58 To authorise legal proceedings or other action to be taken to recover possession of any property or land which is being occupied by travellers, squatters or other unlawful occupants.
- 21.59 To appoint officers for the implementation of the Council's functions under all legislation, including the power to appoint a Chief Inspector of Weights and Measures under the Weights and Measures Act 1985, Environmental Health Officers and other Environmental Health practitioners (including Environmental Health Technicians and Scientific Officers), Trading Standards Officers, Fair Trading Officers and other Enforcement Officers.
- 21.60 To execute works by agreement, at the expense of the owner or occupier, in respect of any notice served.

RESIDENT SERVICES

- 21.61 To authorise and institute any legal proceedings, the issue of simple cautions and, where authorised by the Finance and: Legal & Business Operation, to prosecute or defend any such proceedings, in relation to any powers listed or implied under the delegations to the Executive Director: Communities, Culture & Homes, Environmental Health Practitioners, the Chief Inspector of Weights & Measures, Trading Standards Officers and Fair Trading Officers.
- 21.62 To authorise and issue any Fixed Penalty Notices, relating to any function or responsibility under the Executive Director's management or control.
- 21.63 In addition to the statutory offences referred to in this scheme, to investigate, institute and authorise legal proceedings and where authorised by the Director of Legal and Governance , to prosecute in respect of any statutory conspiracy offences and common law offences to include conspiracy and conspiracy to defraud; and authorisations to officers contained within this scheme shall include powers to investigate any statutory conspiracy offences and common law offences such as conspiracy and conspiracy to defraud.
- 21.64 In respect of all statutory and common law offences referred to within this scheme, where authorised by the Director of Legal and Governance , and where deemed appropriate and reasonable to institute, or authorise legal proceedings and to prosecute where the cause of action arises or the place of offence is outside of Council boundaries where such action deliver a benefit to the residents of the City of Southampton.
- 21.65 To grant, but not refuse, consent for performances of hypnotism under the Hypnotism Act 1952.
- 21.66 To approve local certification of films that are capable of classification without difficulty and which are not likely to cause public concern, following consultation with the Chair of the Licensing Committee.
- 21.67 Subject to any requirement to place any matter before a duly convened Licensing Committee, to undertake the following functions under the Licensing Act 2003:
- a. where no objection or adverse representation is made to an application, to determine the following applications:
 - i. for a personal licence;
 - ii. for a premises licence or a club premises certificate;
 - iii. for a provisional statement;
 - iv. to vary a premises certificate or club premises certificate;
 - v. to vary a designated premises supervisor;
 - vi. to transfer a premises licence;
 - vii. for an interim authority;
 - viii. to serve counter notices in respect of temporary event notices ;
 - ix. for removal of the mandatory designated supervisor condition for community premises.
 - b. in all cases, to determine the following matters:
 - i. a request to be removed as a designated premises supervisor;

RESIDENT SERVICES

- ii. to decide whether a representation is irrelevant, frivolous, vexatious, etc;
 - iii. to keep a register under Section 8 of the Act;
 - iv. to enter premises as an authorised officer of the Council pursuant to Sections 96, 108 and 179 of the Act;
 - v. to agree to dispense with a hearing pursuant to Regulation 9 Licensing Act 2003 (Hearings) Regulations 2005;
 - vi. consultation of other responsible authorities on minor variation applications;
 - vii. applications for minor variations of premises licences and club premises certifications;
 - viii. to suspend premises licences or club premises certificates where the annual fee or late night levy has not been paid;
 - ix. to withdraw club premises certificates where a club does not satisfy the conditions for being a qualifying club in relation to a qualifying club activity.
- 21.68 To enter premises for the purposes of consulting and advising on the licensing objectives and compliance with the Licensing Act 2003.
- 21.69 To serve a closure notice under section 19 of the Criminal Justice and Police Act 2001 where premises are being, or within the last 24 hours have been, used for the unauthorised sale of alcohol for consumption on, or in the vicinity of, the premises.
- 21.70 To issue a closure notice under sections 76 to 91 (Chapter 3) of the Anti-Social Behaviour, Crime and Policing Act 2014, if satisfied that there are reasonable grounds:
- (a) that the use of particular premises has resulted, or (if the notice is not issued) is likely soon to result, in nuisance to members of the public, or.
 - (b) that there has been, or (if the notice is not issued) is likely soon to be, disorder near those premises associated with the use of those premises.
- and that the notice is necessary to prevent the nuisance or disorder from continuing, recurring or occurring.
- 21.71 To ensure that any appropriate body or individual has been consulted before issuing a notice under 18.66.
- 21.72 To vary and cancel a closure notice under 18.66.
- 21.73 To serve a closure notice, an extension notice, a cancellation notice and variation notice, and to enter any premises for the purposes of complying with section 79(2)(a) Anti-Social Behaviour, Crime and Policing Act 2014.
- 21.74 Where appropriate, to apply to the Magistrates' Court for a closure order.
- 21.75 To carry out appropriate consultation and to recommend to Council on the making, extension, variation and discharge of Public Spaces Protection Orders under sections 59 to 75 (Chapter 2) of the Anti-Social Behaviour, Crime and Policing Act 2014.
- 21.76 To inspect licensed sex establishments.
- 21.77 To renew sex establishment licences where no objection is made.
- 21.78 To grant by way of renewal, but not refuse, street trading consents for Above Bar Pedestrian Precinct.

RESIDENT SERVICES

- 21.79 To grant, but not refuse, applications for street collection permits and house-to-house collection licences under the Police, Factories, etc, (Miscellaneous Provisions) Act 1916 and the House to House Collections Act 1939.
- 21.80 To determine applications for hackney carriage licences, in accordance with Council policy and to suspend and revoke such licences.
- 21.81 To determine applications for private hire vehicle licences, in accordance with Council policy and to suspend and revoke such licences.
- 21.82 To determine applications for hackney carriage drivers' licences, in accordance with Council policy and to suspend and revoke such licences.
- 21.83 To determine applications for private hire drivers' licences, in accordance with Council policy and to suspend and revoke such licences.
- 21.84 To determine applications for private hire operators' licences, in accordance with Council policy and to suspend and revoke such licences.
- 21.85 To make or vary a hackney carriage table of fares and to determine objections to any proposal to make or vary a table of fares.
- 21.86 Subject to any requirement to place any matter before a duly convened Licensing Committee to undertake the following functions under the Gambling Act 2005:
- i. to determine applications for premises licences where no relevant representations are received.
 - ii. to determine applications to vary premises licences in respect of which no representations have been received.
 - iii. to determine whether a representation is vexatious, frivolous or would not influence the authority's determination of the application.
 - iv. to determine applications for transfer of premises licences where no representations are received.
 - v. to revoke premises licences for failure to pay the annual fee.
 - vi. to determine that a premises licence has lapsed.
 - vii. to reinstate a lapsed premises licence where no representations are received.
 - viii. to reject an application for review of a premises licence on various grounds.
 - ix. to initiate a review of a premises licence.
 - x. to determine that representations about a review of a premises licence is frivolous, vexatious or will certainly not influence a review of a premises licence.
 - xi. to determine action following a review of a premises licence where no hearing is held and all parties agree in advance to the relevant action.
 - xii. to determine applications for a provisional statement in respect of which no representations are received.
 - xiii. to disregard representations made in respect of applications for premises licences after issue of a provisional statement.
 - xiv. to issue a counter notice to a temporary use notice where the number of permitted days are exceeded.
 - xv. to object to a temporary use notice.

RESIDENT SERVICES

- xvi. to institute criminal proceedings in respect of an offence under the provisions of the Act.
 - xvii. to determine applications for family entertainment centres.
 - xviii. to notify the lapse of family entertainment centre gaming permit.
 - xix. to register non-commercial societies for small lotteries.
 - xx. to refuse applications for registration for small society lotteries.
 - xxi. to revoke registrations of societies for small society lotteries.
 - xxii. to cancel registrations of societies for small society lotteries in the event of non-payment of the annual fee.
 - xxiii. to determine applications for variation of club gaming permits and club registration permits and cancellation of permits where no representations are received.
 - xxiv. to cancel club gaming permits and club registration permits for failure to pay the annual fee.
 - xxv. to determine applications for grant, variation or transfer of licensed premises gaming machine permits.
 - xxvi. to cancel licensed premises gaming machine permits and vary the number or category of machines where no representations are received.
 - xxvii. to cancel licensed premises gaming machine permits for failure to pay the annual fee.
 - xxviii. to determine applications for prize gaming permits and applications for renewal of prize gaming permits.
 - xxix. to determine that a prize gaming permit has lapsed.
- 21.87 Under the Police & Social Responsibility Act 2001 (PSR Act), to determine whether the holders of any relevant late night authorisations fall within any permitted exemption or reduction categories and in particular whether the holders of any relevant late night authorisations who are members of any approved business-led best practice scheme fall within the permitted reduction category.
- 21.88 To determine the aggregate amount of expenses of the Council that are permitted deductions under section 130(1)(b) of the PSR Act 2011.
- 21.89 To publish annual notices under section 130(5) of the PSR Act 2011 relating to anticipated expenses and the net amount of the levy payments.
- 21.90 To make adjustments to payments in accordance with paragraph 7 of the Late Night Levy (Application and Administration) Regulations 2012.
- 21.91 To determine from time to time when and for what purposes the Council will apply the non-specified proportion of the net amount of the levy payments.
- 21.92 To obtain additional software licences for any library IT when the user base expands.
- 21.93 To set levels of royalty payment and agree licences to print.
- 21.94 To sign agreements for copying from books and journals.
- 21.95 Subject to obtaining the necessary licences for the library service only, to take multiple abstracts from national newspapers.

RESIDENT SERVICES

- 21.96 To accept publicity for display from outside bodies, subject to any legal requirements and policies adopted by the Council.
- 21.97 To take whatever action is necessary in respect of library fines, and costs / charges for lost books, photocopying, loans, etc, including waiving or reducing.
- 21.98 To deal with applications for the use of car parks on their individual merits, normally to be granted only to charities and non-profit organisations, following consultation with the Director of Legal and Governance.
- 21.99 To grant permission for use of Council car parks for display purposes.
- 21.100 To advertise proposed disabled persons' parking bays in accordance with Council policy.
- 21.101 In accordance with orders made under the Road Traffic Regulation Act 1984 and subsequent legislation and Council policy to take actions to manage the residents parking schemes, and in relation to parking control the waiving of the penalty, standard or excess charge: the acceptance of an alternative amount in lieu of the penalty, standard or excess charge: the service of notices to ascertain the identity of the driver of a vehicle, the initiation of prosecutions and the issue of permits, dispensations and waivers.
- 21.102 In accordance with orders made under the Road Traffic Regulation Act 1984 and subsequent legislation and Council policy to take actions necessary to manage the pay and display and pay on foot systems of parking control in car parks and lorry parks; issue of penalty, standard and excess charges notices and notices of offence; the sale of prepaid parking tickets; the collection of parking charges; the initiation of prosecutions; and the issue of permits, dispensations and waivers.
- 21.103 To register unpaid penalty charges (Charge Certificates) at the Traffic Enforcement Centre (County Court Bulk Centre) and to seek warrants of execution to complete the recovery process.
- 21.104 To present the Council's evidence to the National Parking Adjudication Service.
- 21.105 To approve the issue of civil penalty notices in Cemetery Road and to respond to appeals (challenges) against the issue of any notice.
- 21.106 Under the Scrap Metal Dealers Act 2013, to undertake the administration and enforcement of the function, the power to request further information of applicants (paragraph 4, schedule 1), to determine applications (including refusal), revoke licences or to impose conditions under section 3(8) and the power to issue or cancel a closure notice for unlicensed sites, and, where appropriate, to apply for closure orders (schedule 2) and take such other action in this respect as may be required.
- 21.107 To make any order, notice or decision, grant any license, make any charge or take any enforcement action considered necessary or expedient pursuant to Clean Neighbourhood and Environment Act 2005 and all associated secondary legislation, following consultation with the Director of Legal and Governance.
- 21.108 To enter into agreements with external bodies for the purpose of maintaining and managing the highway, transport asset management, on and off street car parks maintenance and management.

RESIDENT SERVICES

22. HEAD OF CITY SERVICES

- 22.1 To exercise the functions of the Council including all powers and duties of the Council in terms of the Small Holdings and Allotments Act 1908, Allotments Act 1922, Allotments Act 1925 and Allotments Act 1950 and any subsequent or similar legislation or replacing or expanding legislation.
- 22.2 Following consultation with the Director of Legal and Governance, to make applications under Section 38 of the Commons Act 2006.
- 22.3 Following consultation with the relevant Cabinet Member, the Director of Legal and Governance and the Executive Director Enabling Services, to agree for the Council to act as the accountable body on behalf of formally constituted “friends” groups, resident, tenant or community groups, or sports clubs applying for external grant funding of less than £125,000 to improve the city’s open spaces and associated assets and infrastructure. This responsibility may include procuring supplies, goods or services on behalf of the grant recipient, certifying receipt of goods and services, agreeing practical completion of site works, authorising payment of invoices, controlling and monitoring project expenditure, and keeping accurate and auditable financial records for the purpose of reclaiming project expenditure from the external grant funding body.
- 22.4 To commence impoundment procedures when a horse is deemed to pose an unacceptable risk to public safety, private property, adversely affect public rights to recreation, or is significantly damaging the environment.
- 22.5 All Waste and Fleet Transport service functions exercisable by the Council.
- 22.6 All powers necessary and expedient in relation to the Council’s statutory duties to collect and dispose of municipal waste, including but not limited to the authority to enter into contracts necessary to give effect to or facilitate this function.
- 22.7 To liaise with waste collection authorities in Hampshire on all strategic waste issues, ensuring appropriate consultation with colleagues on non-specific waste issues such as spatial planning.
- 22.8 To determine the charges for the collection of trade refuse, garden waste, charity, textile and shoe banks and MOTs.
- 22.9 To set or vary charges for residents using the special bulky domestic refuse collection service waste receptacles, including bulk bin containers, where these are not provided free in accordance with Council policy, following consultation with the appropriate Cabinet Member and the spokesperson for each opposition party.
- 22.10 To require the production of a trade waste transfer document and the power to issue a fixed penalty for failing to so provide pursuant to section 34A of the Clean Neighbourhood and Environment Act 2005.
- 22.11 To take any action in relation to, or associated with the Council’s LGV Operators Licences and road traffic legislation.
- 22.12 To take any action in relation to or associated HGV Operators’ Licences.
- 22.13 To procure and maintain the Council’s vehicle fleet in accordance with the Council’s CPRs and the relevant regulatory frameworks.

RESIDENT SERVICES

- 22.14 Power to make, modify or vary, revoke and confirm Tree Preservation Orders under Sections 198 and 201 of the Town and Country Planning Act 1990 except where valid objections are received.
- 22.15 To determine applications for works to trees that are subject to protection by Tree Preservation Order and to impose such conditions on any consent that s/he deems appropriate.
- 22.16 To serve a notice to plant replacement trees, where they are a requirement of the land owner's duty to replace under Section 206 of the Town and Country Planning Act 1990 or where replacements have been conditioned under a tree works decision notice.
- 22.17 To execute works in default of non-compliance with a notice to replant trees and to recover all reasonable costs from the landowner.
- 22.18 To determine whether to proceed with an applicant's case, in pursuance of section 68(2) – 68(5) of Anti-Social Behaviour Act 2003 (High Hedges). To authorise the serving of any resulting notices following investigations and to deal with any appeal allowed under the Act.
- 22.19 To determine whether or not, and to what extent to refund fees pursuant to s68(8) of the Anti-Social Behaviour Act 2003 (High Hedges).
- 22.20 To execute works in default of the remedial work detailed in any remedial notice under the Anti-Social Behaviour Act 2003 (High Hedges).
- 22.21 To undertake a six-monthly review of the level of the fee to be charged for the service under Part 8 of the Anti-Social Behaviour Act 2003 and to vary the fee level as necessary to ensure that the costs of providing the service are recovered in the financial year (High Hedges).
- 22.22 To authorise an appropriate officer to enter land for any purpose pursuant to Part 8 of the Anti-Social Behaviour Act 2003 (High Hedges).
- 22.23 To approve modifications to the Southampton's Tree Operational Risk Management System (STORMS) following consultation with the Director of Legal and Governance, the Council's Risk and Insurance Manager and the Council's Health and Safety Manager to ensure the system remains fully effective.
- 22.24 To serve a notice on any owner of land on which a tree is situated that is in such a condition that there is imminent danger of its causing damage to persons or property pursuant to section 23 of the Local Government (Miscellaneous Provisions) Act 1976, after consultation with the Director of Legal and Governance.
- 22.25 To authorise any officer to enter land for the purposes of assessing the condition of tree or trees on another land pursuant to section 24 of the Local Government (Miscellaneous Provisions) Act 1976.

RESIDENT SERVICES

23. HEAD OF EMERGENCY PLANNING & BUSINESS CONTINUITY

23.1 To undertake all functions and responsibilities associated with Emergency Planning.

CHILDREN AND LEARNING

24. EXECUTIVE DIRECTOR FOR CHILDREN & LEARNING (DCS)

- 24.1 To exercise all the powers and duties exercisable by the Council relating to the enforcement of legislation and byelaws (which for the avoidance of doubt also includes regulations, orders etc) relating to Children's Services, including the licensing of the employment of children.
- 24.2 To act as the Council's Director of Children's Services (DCS) and Caldicott Guardian (CG) in relation to all children's services and children's safeguarding functions, duties and powers.
- 24.3 Following consultation with Director of Legal and Governance, to institute any proceedings in any court or tribunal for an order under the Children Act 1989 and other associated children's legislation where it is considered appropriate to do so, and to appear on behalf of the Council in any court proceedings:
- 24.4 To pay allowances in respect of children being looked after by the Council in accordance with the scheme approved by the Council for the time being.
- 24.5 To give consents on behalf of the Council where necessary in the interests of children and young persons of whom the Council is in loco parentis.
- 24.6 To approve levels of and variations in fees where the Council has accepted responsibility for children, young persons, or adults attending establishments not maintained or assisted by the Council and alterations in charges for the maintenance of such residents.
- 24.7 To take such actions and decisions as may be required on behalf of the Council acting as an adoption agency.
- 24.8 To approve the reimbursement of or a contribution towards the legal expenses of prospective adopters reasonably incurred during the course of applications to adopt children in the care of the Council, where considered that the prospective adopter's application is in the best interests of the child.
- 24.9 To reduce or waive the charge of providing a home study report for prospective inter-country adopters.
- 24.10 To exercise the functions of the Council in relation to individual children boarded out under the Children Act 1989 and other Regulations.
- 24.11 To take such actions and decisions as are necessary to discharge the Council's duties to promote the welfare of individual children and young persons in the Council's care including (but not limited to):
- a. giving consent for medical, dental and other treatment, for the issue of passports; and for such other purposes as may be required from time to time;
 - b. appointing persons to review cases where children are kept in secure accommodation;
 - c. appointing an independent person to be a visitor to a particular child in the circumstances set out in paragraph 17 of Schedule 2 to the Children Act 1989 in accordance with the Definition of Independent Visitors (Children) Regulations 1991.
- 24.12 To have discretion to reduce or waive any charge in any particular case of exceptional hardship.

CHILDREN AND LEARNING

- 24.13 To administer boarding policies and fees.
- 24.14 To appoint such professional and technical support staff for the supply of children's activities as are deemed to be acceptable under the Children Act 1989 and to sign and issue written instruments of appointment.
- 24.15 Any function exercised on behalf of an NHS body relating to children.
- 24.16 To make such directions and to take such other steps as necessary or expedient to prevent a breakdown, or continuing breakdown, of discipline or governance at any school or suspend the financial delegation of any school in accordance with the Education Acts.
- 24.17 To exercise all functions under sections 10 to 17 inclusive and 20(9) of the Children Act 2004.
- 24.18 Following consultation with the Local Education Authority Governors' Appointment Panel, to nominate LA governors.
- 24.19 To approve nominations of LA representatives to serve on College Governing Bodies.
- 24.20 Following consultation with the appropriate Governing Body, to short-list candidates for interview for appointment as head teacher.
- 24.21 To approve individual exceptions to the general principle of including the names and addresses of all governors in written information for parents.
- 24.22 To administer within budgetary provision any scheme of aid to pupils with outstanding ability in sport.
- 24.23 To write off bad debts (up to a limit of £5,000) owed to the Council, linked with, attributed to or associated with the discharge of the Council's Children's Services functions.
- 24.24 To exercise (following consultation with the Executive Director Enabling Services where affecting the level of Council Tax) all the powers and duties exercisable by the Council under the legislation (which for the avoidance of doubt also includes regulations, orders, etc.)
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| Mandatory Awards | Discretionary Major and Minor Awards |
| Special Discretionary Awards | Discretionary European Fees Only Awards |
| Study Awards | Disabled Students Allowances |
- reserving only to the Council those functions precluded from delegation by legislation and referring to the relevant Appeals Panel any appeal that cannot be resolved.
- 24.25 To make modifications / amendments to the approved standard conditions of grant aid.
- 24.26 Following consultation with the relevant Cabinet Member, the Director of Legal and Governance and the Executive Director Enabling Services to amend the terms of reference and membership set for the Schools' Forum and Admissions Forum so far as may be necessary to give effect to any new Act, Regulation or Code of Practice.
- 24.27 To issue penalty notices for non-attendance at all Southampton schools in accordance with the Education (Penalty Notices) (England) Regulations 2004 as amended.
- 24.28 To provide financial assistance to community organisations hiring education facilities in the City in order to encourage dual use.
- 24.29 To determine all matters, decisions and appeals relating to school transport and following a consultation with a three person panel comprising senior officers.

CHILDREN AND LEARNING

- 24.30 Following consultation with the Executive Director Enabling Services, to approve all staffing and insurance arrangements for the visits of Youth Bands Orchestras and Choirs.
- 24.31 In exceptional cases, to make available awards to pupils with musical talent who do not attend Southampton schools.
- 24.32 To approve, for music or performing arts courses, any college a Discretionary Award applicant wishes to attend.
- 24.33 To make suitable adjustments annually to the maximum grant available for uniform / dress allowances to pupils of secondary school age to take account of inflation.
- 24.34 Where a family is in receipt of relevant benefits to pay for all initial replacement clothing and incidental expenses while the child is at a boarding school, as long as the family's financial circumstances make them eligible.
- 24.35 To make the maximum clothing grant available to children at boarding schools with expensive clothing lists where families have a very low income, although not qualifying for relevant benefits.
- 24.36 To refer disputes with the governing bodies of schools to the Secretary of State under Section 495 of the Education Act 1996 and to apply to the Secretary of State for him to use his powers to prevent the unreasonable exercise of functions under Section 496 and to use his powers under Section 497 (General Default Powers) and 498 (Appointment of Governors) of the 1996 Act.
- 24.37 To permit playgroups to use any surplus school furniture or equipment as appropriate.
- 24.38 To review and amend the scale of grants for extra-curricular activities to pupils at non-maintained schools as necessary.
- 24.39 To approve educational arrangements with regard to swimming.
- 24.40 Following consultation with the relevant Cabinet Member, schools and governing bodies, to determine school term and holiday dates for future academic years
- 24.41 To appoint supervisors on buses where this is considered to be necessary to ensure the safety of children who are legally entitled to be transported to and from school.
- 24.42 To determine when supervision is necessary in motorcars and to arrange accordingly for pupils attending day schools.
- 24.43 To arrange with parents or private motorists for the transport of children who qualify for transport to ordinary or special schools and to pay mileage rates as set out in the Council's Home to School Transport Policy.
- 24.44 To arrange transport where this is justified by exceptional family circumstances or on medical grounds.
- 24.45 To accept a route other than the shortest available in cases where the shortest route could constitute a temporary danger to a pupil.
- 24.46 To vary the charge for privilege transport from time to time.
- 24.47 To approve additional payments in exceptional cases in respect of travel expenses incurred by pupils with special educational needs attending boarding schools.
- 24.48 To approve the payment of travelling expenses to parents of disabled children at residential special schools in cases of hardship where the frequency of visits per term for essential social reasons is in excess of the number of normally permitted visits.

CHILDREN AND LEARNING

- 24.49 To act in all cases relating to the placement of, or the provision of equipment for disabled children, with professional advice as to the appropriate form of action to be taken.
- 24.50 Following consultation with the relevant Cabinet Member to remove providers of nursery education who are failing to meet the national Code of Practice, or local conditions of funding, from the Directory of Registered Providers and where conditions of funding have been breached and cannot otherwise be remedied to the satisfaction of the Council, to seek the recovery of all or part of any nursery education grant paid to them.
- 24.51 Following consultation with the relevant Cabinet Member and Director of Legal and Governance, to develop and agree an appropriate process for any decisions to remove nursery education providers from the Directory of Registered Providers with the Southampton Early Years Development and Childcare Partnership, including a right to appeal the decision to an Appeals Panel comprising the Chair of the Early Years and Development Childcare Partnership, the Early Years and Development Childcare Manager and an independent representative for providers (or their respective nominees). All appeals will be conducted in accordance with the agreed procedure.
- 24.52 To oversee arrangements for early years settings on the Directory of Registered Providers in respect of eligible pre-school children receiving their entitlement to early years education and for the annual review of the funding rate that will apply to each provider under the authority's early years funding formula.
- 24.53 To approve the data and inflation rates used in calculating school budget shares including numbers of special unit places.
- 24.54 To approve a catchment area, within the limits imposed by the Secretary of State from time to time, for each school on the Council's approved list, for travelling expenses to be paid within that area or adjacent to it in the light of school organisation changes.
- 24.55 Following consultation with the appropriate Governing Body, to raise or lower the admission limit for a school on a temporary basis.
- 24.56 To agree, following consultation with the Director of Legal and Governance, the wording, form and content of any Statutory Notice for School Organisational Changes and the arrangements for their publication.
- 24.57 Following consultation with the Director of Legal and Governance, to issue regulations relating to safety matters in educational establishments as the need arises and to secure appropriate monthly arrangements for the review of such safety matters.
- 24.58 To determine requests for the provision of school meals in school holidays.
- 24.59 To approve the granting of a free meal at a further education establishment to certain students enrolled on courses for the unemployed sponsored by the Council, in accordance with the current eligibility for free school meals.
- 24.60 Following consultation with the Executive Director Enabling Services, to determine (raise or lower) charges for all types of school meals in accordance with the general policy of the Council on the School Meals Service.
- 24.61 To exercise all functions under Sections 23C to 24D of the Children Act 1989.

CHILDREN AND LEARNING

25. DEPUTY DIRECTOR - CHILDREN'S SOCIAL CARE

- 25.1 Following consultation with Director of Legal and Governance, to institute any proceedings in any court or tribunal for an order under the Children Act 1989 and other associated children's legislation where it is considered appropriate to do so, and to appear on behalf of the Council in any court proceedings:
- 25.2 To pay allowances in respect of children being looked after by the Council in accordance with the scheme approved by the Council for the time being.
- 25.3 To give consents on behalf of the Council where necessary in the interests of children and young persons of whom the Council is in loco parentis.
- 25.4 To approve levels of and variations in fees where the Council has accepted responsibility for children, young persons, or adults attending establishments not maintained or assisted by the Council and alterations in charges for the maintenance of such residents.
- 25.5 To take such actions and decisions as may be required on behalf of the Council acting as an adoption agency.
- 25.6 To approve the reimbursement of or a contribution towards the legal expenses of prospective adopters reasonably incurred during the course of applications to adopt children in the care of the Council, where considered that the prospective adopter's application is in the best interests of the child.
- 25.7 To reduce or waive the charge of providing a home study report for prospective inter-country adopters.
- 25.8 To exercise the functions of the Council in relation to individual children boarded out under the Children Act 1989 and other Regulations.
- 25.9 To take such actions and decisions as are necessary to discharge the Council's duties to promote the welfare of individual children and young persons in the Council's care including (but not limited to):
 - a. giving consent for medical, dental and other treatment, for the issue of passports; and for such other purposes as may be required from time to time;
 - b. appointing persons to review cases where children are kept in secure accommodation;
 - c. appointing an independent person to be a visitor to a particular child in the circumstances set out in paragraph 17 of Schedule 2 to the Children Act 1989 in accordance with the Definition of Independent Visitors (Children) Regulations 1991.
- 25.10 To have discretion to reduce or waive any charge in any particular case of exceptional hardship.
- 25.11 To administer boarding policies and fees.
- 25.12 To appoint such professional and technical support staff for the supply of children's activities as are deemed to be acceptable under the Children Act 1989 and to sign and issue written instruments of appointment.
- 25.13 Any function exercised on behalf of an NHS body relating to children.

CHILDREN AND LEARNING

- 25.14 To make such directions and to take such other steps as necessary or expedient to prevent a breakdown, or continuing breakdown, of discipline or governance at any school or suspend the financial delegation of any school in accordance with the Education Acts.
- 25.15 To exercise all functions under sections 10 to 17 inclusive and 20(9) of the Children Act 2004.
- 25.16 To write off bad debts (up to a limit of £5,000) owed to the Council, linked with, attributed to or associated with the discharge of the Council's Children's Services functions.
- 25.17 To exercise (following consultation with the Executive Director Enabling Services where affecting the level of Council Tax) all the powers and duties exercisable by the Council under the legislation (which for the avoidance of doubt also includes regulations, orders, etc.)
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- reserving only to the Council those functions precluded from delegation by legislation and referring to the relevant Appeals Panel any appeal that cannot be resolved.
- 25.18 To make modifications / amendments to the approved standard conditions of grant aid.
- 25.19 Following consultation with Director of Legal and Governance , to institute any proceedings in any court or tribunal for an order under the Children Act 1989 and other associated children's legislation where it is considered appropriate to do so, and to appear on behalf of the Council in any court proceedings:
- 25.20 To pay allowances in respect of children being looked after by the Council in accordance with the scheme approved by the Council for the time being.
- 25.21 To give consents on behalf of the Council where necessary in the interests of children and young persons of whom the Council is in loco parentis.
- 25.22 To approve levels of and variations in fees where the Council has accepted responsibility for children, young persons, or adults attending establishments not maintained or assisted by the Council and alterations in charges for the maintenance of such residents.
- 25.23 To take such actions and decisions as may be required on behalf of the Council acting as an adoption agency.
- 25.24 To approve the reimbursement of or a contribution towards the legal expenses of prospective adopters reasonably incurred during the course of applications to adopt children in the care of the Council, where considered that the prospective adopter's application is in the best interests of the child.
- 25.25 To reduce or waive the charge of providing a home study report for prospective inter-country adopters.
- 25.26 To exercise the functions of the Council in relation to individual children boarded out under the Children Act 1989 and other Regulations.

CHILDREN AND LEARNING

- 25.27 To take such actions and decisions as are necessary to discharge the Council's duties to promote the welfare of individual children and young persons in the Council's care including (but not limited to):
- a. giving consent for medical, dental and other treatment, for the issue of passports; and for such other purposes as may be required from time to time;
 - b. appointing persons to review cases where children are kept in secure accommodation;
 - c. appointing an independent person to be a visitor to a particular child in the circumstances set out in paragraph 17 of Schedule 2 to the Children Act 1989 in accordance with the Definition of Independent Visitors (Children) Regulations 1991.
- 25.28 To have discretion to reduce or waive any charge in any particular case of exceptional hardship.
- 25.29 To administer boarding policies and fees.
- 25.30 To appoint such professional and technical support staff for the supply of children's activities as are deemed to be acceptable under the Children Act 1989 and to sign and issue written instruments of appointment.
- 25.31 Any function exercised on behalf of an NHS body relating to children.
- 25.32 To make such directions and to take such other steps as necessary or expedient to prevent a breakdown, or continuing breakdown, of discipline or governance at any school or suspend the financial delegation of any school in accordance with the Education Acts.
- 25.33 To exercise all functions under sections 10 to 17 inclusive and 20(9) of the Children Act 2004.
- 25.34 To write off bad debts (up to a limit of £5,000) owed to the Council, linked with, attributed to or associated with the discharge of the Council's Children's Services functions.
- 25.35 To exercise (following consultation with the Executive Director Enabling Services where affecting the level of Council Tax) all the powers and duties exercisable by the Council under the legislation (which for the avoidance of doubt also includes regulations, orders, etc.)
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| Mandatory Awards | Discretionary Major and Minor Awards |
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| Study Awards | Disabled Students Allowances |
- reserving only to the Council those functions precluded from delegation by legislation and referring to the relevant Appeals Panel any appeal that cannot be resolved.
- 25.36 To make modifications / amendments to the approved standard conditions of grant aid.

CHILDREN AND LEARNING

26. HEAD OF EDUCATION

- 26.1 Following consultation with the Local Education Authority Governors' Appointment Panel, to nominate LA governors.
- 26.2 To approve nominations of LA representatives to serve on College Governing Bodies.
- 26.3 Following consultation with the appropriate Governing Body, to short-list candidates for interview for appointment as head teacher.
- 26.4 To approve individual exceptions to the general principle of including the names and addresses of all governors in written information for parents.
- 26.5 To administer within budgetary provision any scheme of aid to pupils with outstanding ability in sport.
- 26.6 Following consultation with the relevant Cabinet Member, the Director of Legal and Governance and the Executive Director Enabling Services to amend the terms of reference and membership set for the Schools' Forum and Admissions Forum so far as may be necessary to give effect to any new Act, Regulation or Code of Practice.
- 26.7 To issue penalty notices for non-attendance at all Southampton schools in accordance with the Education (Penalty Notices) (England) Regulations 2004 as amended.
- 26.8 To provide financial assistance to community organisations hiring education facilities in the City in order to encourage dual use.
- 26.9 To determine all matters, decisions and appeals relating to school transport and following a consultation with a three person panel comprising senior officers.
- 26.10 Following consultation with the Executive Director Enabling Services, to approve all staffing and insurance arrangements for the visits of Youth Bands Orchestras and Choirs.
- 26.11 In exceptional cases, to make available awards to pupils with musical talent who do not attend Southampton schools.
- 26.12 To approve, for music or performing arts courses, any college a Discretionary Award applicant wishes to attend.
- 26.13 To make suitable adjustments annually to the maximum grant available for uniform / dress allowances to pupils of secondary school age to take account of inflation.
- 26.14 Where a family is in receipt of relevant benefits to pay for all initial replacement clothing and incidental expenses while the child is at a boarding school, as long as the family's financial circumstances make them eligible.
- 26.15 To make the maximum clothing grant available to children at boarding schools with expensive clothing lists where families have a very low income, although not qualifying for relevant benefits.
- 26.16 To refer disputes with the governing bodies of schools to the Secretary of State under Section 495 of the Education Act 1996 and to apply to the Secretary of State for him to use his powers to prevent the unreasonable exercise of functions under Section 496 and to use his powers under Section 497 (General Default Powers) and 498 (Appointment of Governors) of the 1996 Act.
- 26.17 To permit playgroups to use any surplus school furniture or equipment as appropriate.
- 26.18 To review and amend the scale of grants for extra-curricular activities to pupils at non-maintained schools as necessary.

CHILDREN AND LEARNING

- 26.19 To approve educational arrangements with regard to swimming.
- 26.20 Following consultation with the relevant Cabinet Member, schools and governing bodies, to determine school term and holiday dates for future academic years
- 26.21 To appoint supervisors on buses where this is considered to be necessary to ensure the safety of children who are legally entitled to be transported to and from school.
- 26.22 To determine when supervision is necessary in motorcars and to arrange accordingly for pupils attending day schools.
- 26.23 To arrange with parents or private motorists for the transport of children who qualify for transport to ordinary or special schools and to pay mileage rates as set out in the Council's Home to School Transport Policy.
- 26.24 To arrange transport where this is justified by exceptional family circumstances or on medical grounds.
- 26.25 To accept a route other than the shortest available in cases where the shortest route could constitute a temporary danger to a pupil.
- 26.26 To vary the charge for privilege transport from time to time.
- 26.27 To approve additional payments in exceptional cases in respect of travel expenses incurred by pupils with special educational needs attending boarding schools.
- 26.28 To approve the payment of travelling expenses to parents of disabled children at residential special schools in cases of hardship where the frequency of visits per term for essential social reasons is in excess of the number of normally permitted visits.
- 26.29 To act in all cases relating to the placement of, or the provision of equipment for disabled children, with professional advice as to the appropriate form of action to be taken.
- 26.30 Following consultation with the relevant Cabinet Member to remove providers of nursery education who are failing to meet the national Code of Practice, or local conditions of funding, from the Directory of Registered Providers and where conditions of funding have been breached and cannot otherwise be remedied to the satisfaction of the Council, to seek the recovery of all or part of any nursery education grant paid to them.
- 26.31 Following consultation with the relevant Cabinet Member and Director of Legal and Governance, to develop and agree an appropriate process for any decisions to remove nursery education providers from the Directory of Registered Providers with the Southampton Early Years Development and Childcare Partnership, including a right to appeal the decision to an Appeals Panel comprising the Chair of the Early Years and Development Childcare Partnership, the Early Years and Development Childcare Manager and an independent representative for providers (or their respective nominees). All appeals will be conducted in accordance with the agreed procedure.
- 26.32 To oversee arrangements for early years settings on the Directory of Registered Providers in respect of eligible pre-school children receiving their entitlement to early years education and for the annual review of the funding rate that will apply to each provider under the authority's early years funding formula.
- 26.33 To approve the data and inflation rates used in calculating school budget shares including numbers of special unit places.

CHILDREN AND LEARNING

- 26.34 To approve a catchment area, within the limits imposed by the Secretary of State from time to time, for each school on the Council's approved list, for travelling expenses to be paid within that area or adjacent to it in the light of school organisation changes.
- 26.35 Following consultation with the appropriate Governing Body, to raise or lower the admission limit for a school on a temporary basis.
- 26.36 To agree, following consultation with the Director of Legal and Governance, the wording, form and content of any Statutory Notice for School Organisational Changes and the arrangements for their publication.
- 26.37 Following consultation with the Director of Legal and Governance, to issue regulations relating to safety matters in educational establishments as the need arises and to secure appropriate monthly arrangements for the review of such safety matters.
- 26.38 To decline requests for the provision of school meals in school holidays.
- 26.39 To approve the granting of a free meal at a further education establishment to certain students enrolled on courses for the unemployed sponsored by the Council, in accordance with the current eligibility for free school meals.
- 26.40 Following consultation with the Executive Director Enabling Services, to determine (raise or lower) charges for all types of school meals in accordance with the general policy of the Council on the School Meals Service.
- 26.41 To represent the interests of the Council through attendance at the Sub Regional Group on post 16 commissioning and to take all decisions required pursuant to membership on the group in relation to the exercise of statutory duties for the commissioning of learning and skills for children and young people.
- 26.42 To exercise all powers and duties granted or imposed under the Apprenticeship, Skills, Children and Learning Act 2009 and to do anything necessary to commission services as provided for in accordance with the Council's 16-19 obligations.
- 26.43 To formally sign off regeneration Delivery Plans and Funding Agreements with the appropriate Funding Agencies for all externally funded projects and programmes relating to equalities, cohesion, community safety and community involvement following consultation with the Executive Director Enabling Services.
- 26.44 After consultation with the Executive Director Enabling Services, to approve, cancel or amend funding agreements for learning providers in relation to post-16 learning.
- 26.45 To pay travelling allowances to eligible students at Further Education establishments on the basis of public transport season ticket costs.
- 26.46 To pay travelling allowances to students qualifying for transport who provide their own vehicles to travel to schools/colleges according to a scale to be determined and varied as required following consultation with the Executive Director Enabling Services.
- 26.47 To implement in respect of further education students, where appropriate, any changes in transport regulations made which affect pupils aged 16-19 attending secondary schools and colleges.
- 26.48 To work with Post-16 learning providers to ensure that transport is not a barrier to participation in learning, and to implement activities and provide financial support where appropriate.

27. DIRECTOR OF STRATEGY & PERFORMANCE

- 27.1 To make amendments to the Council's equality policies in order to address evolving legal and performance requirements.
- 27.2 To lead on all policies relating to equalities, social cohesion and community engagement.
- 27.3 To be responsible for the completion and updating of the Policy Framework Plans following consultation with the Director of Legal and Governance, and implementing the Council's Performance Management Framework.
- 27.4 To make minor and technical amendments to any Level 1 and Level 2 strategies, following consultation with the relevant Cabinet Member and Chief Executive, provided the amendments only make updates to data or actions based on latest evidence and performance and only following consultation with the Director of Legal and Governance where such changes require amendment to the Council's Constitution.
- 27.5 To design, develop, launch and / or commission research and customer insight activities.
- 27.6 To design, develop, launch and / or commission public consultation activities with approval of relevant chief officer and cabinet member.
- 27.7 The provision and sharing of data for research initiatives.
- 27.8 To approve changes, updated content and enhancements to the Southampton Data Observatory website and its associated technology and standards and similar initiatives.
- 27.9 To develop, update and publish the Joint Strategic Needs Assessment, Community Safety Strategic Needs Assessment, Pharmaceutical Needs Assessment and any other statutory needs assessment to inform future planning and commissioning of services and the reduction of inequalities, in agreement with the Director of Public Health and / or responsible Statutory Partnership Board.
- 27.10 Decisions relating to the collection, organisation, storage and analytical use of Council held data and the implementation of new technologies to support evidence-based decision making within the Council, adhering to all relevant policies and strategies, in consultation with the Head of IT and Data Protection Officer where necessary.
- 27.11 Decisions relating to the collection, preparation and completion of statutory data returns for the Council, in agreement with the responsible Director or Head of Service.
- 28 Decisions relating to the definition of research priorities of the Southampton HDRC including engagement activities with local communities
- 29 To design, develop, launch and / or commission research activities aligned to Southampton HDRC research priorities.
- 30 The provision and sharing of data for Southampton HDRC research initiatives.
- 31 To develop and submit bids for external research funding aligned to Southampton HDRC research priorities.
- 32 To commission third parties to deliver media relations, social media, email and digital marketing and public engagement, to protect and enhance the Council's reputation and services, and in emergency warn and inform.
- 32.1 In cases of urgency, and/or when an appropriate Member or officer is not available, to act as a spokesperson for the Council.

STRATEGY & PERFORMANCE

- 32.2 To commission suppliers to install and manage outdoor advertising assets subject to relevant planning and legal approvals.
- 32.3 To commission suppliers to manage advertising across the council's digital channels.

Recording Officer Decisions

DECISION MAKING AND DELEGATION

1. Background

- 1.1 This document sets out the legal framework to decision making and establishes a system to document decisions taken under delegated authority.

2. Types of Decisions

- 2.1 The significance of decisions taken under delegated powers will vary, and officers authorised to make delegated decisions will need to exercise judgement in determining whether decisions are significant enough to require placing in the Forward Plan if they are Executive functions and/or formally recording. To assist in this process, decisions relating to Executive functions are defined as Key or Administrative. Key Decisions must be formally recorded in accordance with paragraph 7. Administrative Decisions although not required to be formally reported to the Proper Officer, must be recorded so as to provide an audit trail as referred to in paragraph 7.
- 2.2 In relation to non-Executive functions, officers should adopt a similar approach to formal recording to ensure transparency of decision-making. Whilst Scrutiny Panels cannot consider decisions of Regulatory Panels, such officer decisions can be challenged externally through the courts. A delegated decision form to record Council functions is referred to in paragraph 5.2.
- 2.3 A Key Decision is as defined in Article 12.

3. The Process

- 3.1 Before taking any decision, the authorised officer must take into account the principles of decision making set out the Constitution
- 3.2 All proposed Key Decisions must be in the Council's Forward Plan which sets out matters to be considered by the authority over the following four months and is updated on a monthly basis. Officers proposing to make a Key Decision and needing to place an item on the Council's Forward Plan should complete the Forward Plan template and supply this to the Democratic Services Officer. This is available on the Council's intranet site. Key decisions must be published on the Forward Plan at least 28 clear days before the proposed decision date.
- 3.3 If it is impracticable to include the matter in the Forward Plan, then the officer must comply with the legal requirements relating to exceptional and urgent Executive decisions. These are laid out in full in the Access to Information Procedure Rules, Part 4 of the Council's Constitution. Officers will find the explanation of the constitutional and legal position set out in the Corporate Standards on Decision-Making.
- 3.4 If an officer is unable to give five clear days notice of a Key Decision that was not in the Forward Plan, ~~they~~ can take the decision only if the chair of the relevant Scrutiny Panel agreed that the decision is urgent and cannot reasonably be deferred. The full procedure is again set out in the Access to Information Procedure Rules and again laid out in the Corporate Standards on Decision-Making.

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4. Call-in

- 4.1 Relevant decisions made by officers are subject to call-in by the relevant Scrutiny Panel and cannot be implemented until either the call-in period has expired or the Scrutiny Panel has made a decision regarding the call-in. The call-in procedure is set out in the Overview and Scrutiny Procedure Rules within the Constitution.

5. Recording the Decision

- 5.1 Officer Key Decisions are recorded in the same manner as Cabinet / Cabinet Member Key Decisions. The nominated Democratic Services Officer will produce a Decision Record in the same format as those relating to Cabinet decisions following the officer decision taking as advertised on the Forward Plan.
- 5.2 The Democratic Services Officer will maintain a record of all decisions referred to in paragraphs 5.1, including any report upon which each decision was made and subject to any requirement for confidentiality, will ensure that this decision is recorded by the Council. They will also ensure that the record of decisions is available for public inspection during all normal office hours and that the public has the right to copy or to be provided with a copy of any part of that record upon payment of a reasonable copying and administrative charge.

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6. Authorisation of Officers to exercise Delegated Powers

- 6.1 The Officer Scheme of Delegation includes the power for officers to authorise other officers to exercise delegations that have been delegated to them under the Scheme. This must be to another officer or officers of suitable experience and seniority. Each Executive Director, Director and Head of Service will prepare a Scheme of Authorisation within 28 days of the Council's AGM when the Scheme of Delegation is approved, and revise it as appropriate during the year. It shall set out how decisions will be made in his/her area. This should establish which officers will be given authority to make decisions under the Chief Officer's delegated powers, and subject to which terms and conditions. The Scheme of Authorisation will be lodged with the Director of Legal & Governance.
- 6.2 Whilst Executive Directors, Directors and Heads of Service may authorise other officers to take delegated decisions, the decision is still their responsibility, who will be accountable for the decision to authorise and the exercise of that authorisation.

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7. Referral

- 7.1 Whilst this Scheme is designed to encourage officers to take responsibility for decisions, an officer may decide that a particular issue is such that it should be referred to the body from whom authority was delegated. Such a referral must take place where the proposed decision relating to Executive function is in conflict with the Council's Budget and Policy Framework.
- 7.2 The Executive may also direct an officer's delegated authority should not be exercised and that the matter should be referred to the Executive.
- 7.3 In relation to the exercise of non-Executive functions, the officer may decide to refer a particular issue to the Committee or sub-committee from whom it was delegated, or if none, arrange for an appropriate recommendation to be made to Full Council.

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8. Giving Reasons

8.1 A matter of increasing significance in local authority decision-making is when reasons have to be given. Generally, giving reasons is an accepted 'best practice' principle of good administration. Case law suggests that the practice may be important in ensuring that controversial decisions are rooted in relevant considerations and with proper regard to available legal powers.

9. Accountability

9.1 Officers are accountable to the Council for any decision they make, and with the exception of decisions relating to non-Executive functions, may be required to report to, and answer questions from a Scrutiny Panel in respect of any Decision. Scrutiny Panel may also call in Key and Major Decisions before they are implemented and may recommend a course of action when the matter is to be reconsidered by the officer.

10. Consultation with Members

10.1 General Provisions

- a. Decisions made by officers under delegated powers fall into two principal categories, namely:
 - decisions delegated to officers in or following consultation with [the relevant Cabinet Member](#) (which may or may not be Key Decisions); and
 - other decisions delegated to officer (which are not required to be taken in or following consultation with Cabinet Members) and which may or may not be Key Decisions.
- b. Officers to whom decisions have been delegated have a duty to ensure that effective consultation takes place in accordance with the Constitution / the terms of the delegation.
- c. Every effort will be made to ensure that Members have a realistic time scale to respond to consultation and, where appropriate and reasonably practicable, this time scale will be sufficient to enable Members to consult with their constituents. Members will be informed of any time restrictions which may apply relating to the process of consultation, particularly where urgent action is needed in the Council's and/or the public interest.

10.2 Decisions by Officers following consultation with Cabinet Members

Officers to whom decision-making powers have been delegated, subject to consultation with Cabinet Members, will ensure that such consultation takes place.

10.3 Other Decisions delegated to officers

- a. Officers acting within the remit of their delegated powers will ensure that they identify, at an early stage, issues upon which Members should be consulted; and
- b. Officers will ensure that appropriate and timely consultation takes place and always with the Chief Financial Officer and the Director of [Legal & Governance](#), (or their nominee) .

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10.4 Consultation with Cabinet Members

Officers will ensure that appropriate consultation is undertaken with Cabinet Members on issues relating to their [portfolios](#).

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SCHEME FOR HANDLING PETITIONS

1. **Petitions**

The Council welcomes petitions and recognises that they are a way in which the people can let the Council know their concerns. All petitions must be submitted in accordance with this guidance and can be in electronic form created from the Council's website or on paper and sent to Democratic Services, Civic Centre, Civic Centre Road, Southampton SO14 7LY.

2. **Content**

2.1 Petitions submitted to the Council must:-

- include a clear and concise statement covering the subject of the petition stating what action the petitioners wish the Council to take;
- should be accompanied by the name, address, and contact details of the petition organiser; and
- contain a minimum of 50 signatures of persons who live, work or study in the City and who support the petition.

3. **Petition Organiser**

The Petition Organiser is the person the Council will contact to explain how it will respond to the petition. The contact details of the Petition Organiser will not be placed on the website. If the petition does not identify a Petition Organiser, the Council will contact signatories to the petition to agree who should act as the Petition Organiser.

4. **Restrictions**

4.1 A petition may be rejected should the [Democratic Services & Member Services Manager](#) consider that the petition:-

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- contains intemperate, inflammatory, abusive or provocative language;
- is defamatory, frivolous, vexatious, discriminatory or otherwise offensive, or contains false statements;
- is too similar to another petition submitted within the last six months;
- discloses confidential or exempt information, including information protected by a court order or government department;
- discloses material which is otherwise commercially sensitive;
- contains names of individual citizens as the target of the petition, or provides information where they may be easily identified, e.g. officers or public bodies;
- contains advertising statements;
- refers to an issue which is currently the subject of a formal Council complaint, Local Government [and Social Care](#) Ombudsman complaint or any legal proceedings;
- relates to the Council's Planning or Licensing functions as there are separate statutory processes in place for dealing with these matters;
- does not relate to an issue upon which the Council has powers or duties or on which it has shared delivery responsibilities; or

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- has already been the subject of debate by Full Council within the last six months.

4.2 During politically sensitive periods, such as prior to an election or referendum, politically controversial material may need to be restricted.

4.3 If a petition does not follow the guidelines set out above, the Council may decide not to do anything further with it. In that case, the Council will write to you to explain the reasons.

5. **On Receipt of a Petition**

5.1 An acknowledgement will be sent to the Petition Organiser within three working days of receiving the petition. It will let them know what the Council plans to do with the petition and when they can expect to hear from the Council again. It will also be published on the website.

5.2 If the Council can do what your petition asks for, the acknowledgement may confirm that the Council has taken the action requested and the petition will be closed. If the petition has enough signatures to trigger a Council debate (over 1,500 signatures), or 750 signatures requiring referral to Overview & Scrutiny Management Committee, then the acknowledgment will confirm this and tell you when and where the meeting will take place. If the petition needs more investigation, the Council will tell you the steps it plans to take. If more than one petition is received on the same subject matter within a 7 day period, if appropriate, they will be amalgamated which may trigger a Council debate as above.

5.3 If the petition relates to action currently being progressed by the Council and the petition triggers with a debate at Full Council or Overview & Scrutiny Management Committee, then the action will be suspended pending the debate, save in relation to statutory, contractual or other legal situations, where suspension would prejudice the Council's position.

5.4 If the petition applies to a planning or licensing application, is a statutory petition (for example requesting a referendum on having an elected mayor), or on a matter where there is already an existing right of appeal, such as Council Tax Banding and non-domestic rates, other procedures apply. These will take precedence.

5.5 The Council will not take action on any petition which it considers to be vexatious, abusive or otherwise inappropriate and will explain the reasons for this in its acknowledgement of the petition.

5.6 To ensure that people know what the Council is doing in response to the petitions received, the details of all the petitions submitted will be published on the website, except in cases where this would be inappropriate. Whenever possible the Council will also publish all correspondence relating to the petition (all personal details, except the name, will be removed).

6. **Council's Response to Petitions**

6.1 The Council's response to a petition will depend on what a petition asks for and how many people have signed it, but may include one or more of the following:-

- taking the action requested in the petition
- considering the petition at a Council meeting
- holding an inquiry into the matter

- undertaking research into the matter
- holding a public meeting
- holding a consultation
- holding a meeting with petitioners
- referring the petition for consideration by the Council's Overview and Scrutiny Committee*
- calling a referendum
- writing to the petition organiser setting out the Council's views about the request in the petition

*Overview and Scrutiny Committees are committees of Councillors who are responsible for scrutinising the work of the Council - in other words, the Overview and Scrutiny Committee has the power to hold the Council's decision makers to account.

6.2 If your petition is about something over which the Council has no direct control (for example the local railway or hospital) it will give consideration to what the best method is for responding to it is. The Council may make representations on behalf of the community to the relevant body. The Council works with a large number of local partners and where possible will work with these partners to respond to your petition. If the Council is not able to do this for any reason (for example if what the petition calls for conflicts with Council policy), then it will set out the reasons for this to you.

6.3 If your petition is about something that a different Council is responsible for, the Council will give consideration to what the best method is for responding to it. It might consist of simply forwarding the petition to the other Council, but could involve other steps. In any event the Council will always notify you of the action it has taken.

7. Full Council debates

7.1 If a petition contains more than 1,500 signatures, where time permits it will be debated by the full Council unless it is a petition asking for a senior Council officer to give evidence at a public meeting. This means that the issue raised in the petition will be discussed at a meeting which all Councillors can attend. The Petition Organiser will be given five minutes to present the petition at the meeting and the petition will then be discussed by Councillors in accordance with Council Procedure Rules as contained. Where time does not permit a debate at Full Council, the matter will be referred to the appropriate decision-maker or relevant committee. If the petition is a matter relating specifically to the February budget resolution and cannot be deferred, the [Lord Mayor](#) will use their discretion as to how the matter will be handled.

7.2 The Council will decide how to respond to the petition at this meeting. They may decide to take the action the petition requests, not to take the action requested for reasons put forward in the debate, or to commission further investigation into the matter, for example by a relevant committee. The Petition Organiser will receive written confirmation of this decision. This confirmation will also be published on the City Council's website.

8. Non-Qualifying Petitions (fewer than 1,500 signatures)

8.1 Should the petition contain at least 750 signatures, the relevant Cabinet Member or Executive Director will give evidence at a public meeting of the Council's Overview and Scrutiny Committee. The petition may ask for a senior Council officer to give

evidence at a public meeting about something for which the officer is responsible as part of their job. For example, your petition may ask a senior Council officer to explain progress on an issue, or to explain the advice given to Councillors to enable them to make a particular decision.

8.2 Petitioners should be aware that the Overview and Scrutiny Committee may decide that it would be more appropriate for another officer to give evidence instead of any officer named in the petition - for instance if the named officer has changed jobs. Committee members will ask the questions at this meeting, but you will be able to suggest questions to the chair of the committee by contacting Democratic Services up to three working days before the meeting.

8.3 A petition with a minimum of 50 signatures will be treated as one to which a response in accordance with the Scheme is to be made. Petitions with fewer signatories may still be submitted, but the Council will have greater flexibility in responding to the issues these petitions raise.

9. E-petitions

9.1 The Council welcomes e-petitions which are created and submitted through the [website](#). E-petitions must follow the same guidelines as paper petitions. The Petition Organiser will need to provide the Council with their name, postal address and email address. You will also need to decide how long you would like your petition to be open for signatures. Most petitions run for three months, but you can choose a shorter or longer timeframe, up to a maximum of six months.

9.2 Individuals signing an e-petition will receive by email a link to that part of the City Council's website where the response to the petition will be displayed. The Council regrets that it cannot respond by post or other means other than posting information on the website to all the signatories of paper petitions other than the promoters and organisers.

9.3 Should the Council feel that it cannot publish a petition for some reason the Petition Organiser will be contacted with an explanation and given the opportunity to amend and resubmit the petition. If the Petition Organiser does not resubmit within 10 working days, a summary of the petition and the reason why it has not been accepted will be published under the 'rejected petitions' section of the website.

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PART 11: CHANGE CONTROL

This part of the Constitution sets out the changes made to the Constitution since its adoption.

Changes made May 2022

Minor changes to the Contract Procedures rules and changes to the Health & WellBeing Board's Terms of Reference and Membership. Details can be found [here](#).

Changes made June 2021

Changes to Responsibility for Functions

Updated to reflect change of Administration

Civic & Ceremonial Protocol

Updated to include Guidance on the Use of the Southampton Coat of Arms

Changes made July 2020

- Articles
On 24th June 2020 Council resolved that the acceptance of and approval to spend all future COVID funding is delegated to the S151 Officer following consultation with the Cabinet Member for Resources & Income Generation, Leader, relevant portfolio holder and relevant Executive Director in whose areas the funding implementation impacts. This will be reported to Cabinet quarterly for transparency.
- Changes to Scheme of Delegation
Change to delegation for S151 officer to reflect the above.
- Changes to Responsibility for Functions
Addition of the Terms of Reference for the Local Outbreak Engagement Board

Changes made May 2020

- Changes to Scheme of Delegation
Changes mainly around re-organising delegations to remove duplication, changes to job titles
- Contract Procedure Rules
The principal changes are updates to the PCR threshold values to reflect the UK Official Journal of the European Union (OJEU) threshold values applicable between 1st January 2020 and 31st December 2021.

Also a new rules within "Exemption" section (19) relating to children's placements and education funding to reflect acceptance that this spend should not be treated as non-compliant.

- Council Procedure Rules
Following discussion between Group Leaders, for clarity in paragraph 11.4(b) in relation to the asking of Urgent (and therefore previously untabled) Questions the following wording be added: "The Mayor must seek the advice of the Service Director: Legal & Business Operations" before deciding to permit the Question to be asked".

Changes made May 2019

- Changes to Scheme of Delegation
Changes mainly around re-organising delegations to remove duplication, changes to job titles

- Council Procedure Rules
Addition of a clause (11.4(c)) relating to the Annual General Meeting and the notice required for Member questions. The time for submitting formal questions is extended following annual elections.

Addition of a clause (11.5(a)) regarding the form of response to Member Questions to simply reflect the fact that written responses can be tabled.

- Contract Procedure Rules
 - a. Increase the low value transaction threshold from £1,000 to £5,000 meaning that officers are able to make purchases directly up to the value of £5,000 provided that they have obtained at least one written quote;
 - b. Amend the drafting in respect of the use of framework agreements to clarify that the use of specific framework agreements must only be approved for use by the Service Director – Business and Digital Operations on a single occasion, after which their appropriateness for use is determined by Procurement Services Team on a case-by-case basis;
 - c. Mandate that where the Council has in place specific contracts with suppliers to provide supplies, services or works these contracts must be used to source relevant requirements, unless directed otherwise by the Service Director - Digital and Business Operations;
 - d. Transfer the approval of Integrated Commissioning Unit (ICU) exemptions from the Service Director – Digital and Business Operations to the Service Director - Quality and Integration;
 - e. Amend the ‘Intermediate-Value Transactions’ procedure to allow Officers sourcing temporary staff to obtain three quotes or use approved frameworks directly without need to go involve the Procurement Services Team;
 - f. Create a new requirement for at least one quote to be sought from a Small or Medium-sized Enterprise (SME) supplier for all requirements of above £5,000 in contract value;
 - g. Expand the arrangements captured in the Contracts Register to capture “one off” as well as recurring payments and
 - h. Include a clear obligation on Officers to communicate any agreed extensions or variations to contracts to the Procurement Services Team to ensure that these are reflected in the Contracts Register.

Changes made May 2018

- Changes to Scheme of Delegation

Changes mainly around re-organising delegations to remove duplication, changes to job titles

Removed from Service Director: Finance & Commercialisation

To review the Council’s contribution towards the Employee Car Scheme by the variation in annual rentals and insurance premiums for the Council’s benchmark cars.

To review the mileage allowance for the Employee Car Scheme following any significant variations in petrol prices and the rental / mileage differentials, in addition to the annual review each April.

To finalise details of the operation of the Employee Car Scheme within the Council's policy.

To finalise details of the operation of the Mortgage Equity Scheme within the Council policy.

To authorise requests for Assisted Car Purchase Scheme loans after consultation with the Chief Strategy Officer.

Service Director: Transactions & Universal Services

Addition of various Acts of Parliament under which officers can act

- Changes to the Financial Procedure Rules
CCG B41

Decisions will be made in line with the criteria set out below

<p>Additions: Existing or New Schemes</p> <p><i>Funded from new, sources including 100% ringfenced.</i></p> <p><i>Report required to Council Capital Board by Chief Officer in consultation with CFO and Cabinet Member</i></p>	<p>Expenditure should be in line with CPR's</p> <p><i>Can be sought as a separate decision or within the same report as seeking approval to add a new scheme if sufficient detail is available</i></p>	<p>Virements and Re-Phasing **</p> <p><i>Variations across schemes within an overall programme can be approved by CHIEF OFFICER in consultation with CFO and relevant Cabinet Member</i></p>
<p>Up to £500,000</p> <p>Approved by CHIEF OFFICER in consultation with CFO and Cabinet Member</p>	<p>Up to £500,000</p> <p>Approved by CHIEF OFFICER in consultation with CFO and Cabinet Member</p>	<p>Up to £500,000</p> <p>Approved by CHIEF OFFICER in consultation with CFO and Cabinet Member</p>
<p>Over £500,000 up to £2 million</p> <p>Approved by CABINET</p>	<p>Over £500,000 up to £2 million</p> <p>Approved by CABINET</p>	<p>Over £500,000 up to £2 million</p> <p>Approved by CABINET</p>
<p>Over £2 million</p> <p>Approved by COUNCIL</p>	<p>Over £2 million</p> <p>Approved by COUNCIL</p>	<p>Over £2 million</p> <p>Approved by COUNCIL</p>

* This includes credit arrangements such as financing leases.

** If the virement is not in line with current approved council policies and strategies the decision must be made by Council regardless of value.

Following consideration and recommendation by the CCB, the CFO, in consultation with the COO, can approve virements of any value within a programme. The approval limits do not apply in respect of decisions taken at the Joint Commissioning Board up to a value of £2 million

where the decision is taken by an officer / individual Cabinet Member following consultation with and the agreement of all Cabinet Member representatives on the Board or to acquisitions and disposals in relation to the Property Investment Fund, authority being delegated to the Associate Director: Capital Assets, following consultation with the Leader of the Council and the Service Director: Finance and Commercialisation.

- Cabinet Members ToRs
Representing the Council on and exercising any functions in relation to any Partnership Boards or Committees to which they are appointed

Key Decision criteria

1. *In relation to paragraph (i) above, the term “significant” shall be construed as meaning £500,000 (except that this does not apply to (i) care packages where the value of the care package exceeds £500,000. For the purposes of this paragraph, the term “care package” is defined as a package of personal care, support or education purchased as a consequence of an assessment of a child’s needs within the Children Act 1989, Children (Leaving Care) Act 2000 and the Education Act 1981 and the relevant guidance is contained in the Special Education Needs Revised Code of Practice. The decision to provide the care package is for the duration of the individual’s childhood, up to the age of 18 years, 19 years or 21 years according to the relevant legislation or guidance (ii) proposals and decisions under the Property Acquisition Strategy of whatever value) (iii) proposals and decisions of Council appointed representatives (officer and elected member) acting in their capacity as Board Members or Shareholder Representatives as individual decision makers or as part of decision making Boards or meetings of a Local Authority Trading Company owned or operated by Southampton City Council (iv) decisions of Council appointed representatives (officer and elected member) acting under delegated powers and in accordance with Financial Procedure Rules at meetings of the Joint Commissioning Board.*

- Changes to the Contract Procedure Rules

The amendments proposed to the current Contract Procedure Rules (CPRs) dated May 2017 can be divided into two broad categories:

1. Those arising from changes to the European Union (EU) procurement thresholds for the public sector for the period 1st January 2018 to 31st December 2019.
2. Those arising from the Council's approach to simplifying procurement processes.

The overarching objectives of these amendments are to:-

- Ensure that the Council fully complies with the legislation to mitigate the risk of legal challenge and
- Ensure that the CPRs assist the Council to achieve value for money for its goods, services and works through an appropriate and proportionate approach to procurement activity.

The proposed version of the CPRs do not anticipate the UK’s position post leaving the EU. Whilst it is not anticipated that there will be any key changes to the United Kingdom’s procurement approach in the short term, the CPRs will be revisited if and when any changes occur.

Summarised below are the key changes proposed arising from changes to the European Union (EU) procurement thresholds:

1. Replacement of the UK (pounds) Official Journal of the European Union (OJEU) threshold values applicable between 1st January 2018 and 31st December 2019.

Summarised below are the key changes proposed arising from the Council's approach to simplifying procurement processes:

2. Removing the requirement for the Service Director - Business and Digital Operations to authorise contracts awarded as a result of single tenders when it can be demonstrated that a value for money review was undertaken and an audit trail is available.
3. Removal of reference to "purchase orders" as these relate to the operational process required (rather than the rules which must be followed when identifying a supplier) and is dealt with in other guidance.
4. Removal of the instruction that in respect of Low Value Transactions, Officers must make the Procurement Services Team aware of their intention to procure prior to requesting the quote(s).
5. Removal of the requirement for three written quotations to be sought if (in respect of contract values of less than £25,000 only) the Procurement Services Team determines that only one supplier and no competitors exist for the requirement.
6. Removal of the required number of evaluators required as part of the evaluation process for tenders and quotations.
7. To reflect the Scheme of Delegation, removal of Service Director – Finance and Commercialisation as the point of contact for section 17 - Conflicts of Interest and Corruption and replacement with Service Director - Digital and Business Operations.

Changes made May 2017

- Contract Procedure Rules

The amendments can be divided into three broad categories:

- i. Those arising from the introduction of the Public Contract Regulations 2015 (PCR 2015), Concession Contract Regulations 2016 and Transparency Code.
- ii. Those arising from general updates to roles and delegations under the constitution.
- iii. Those arising from the Council's evolving strategic and operational approach to procurement.

- Officer Delegations

- i. Replacement job titles to reflect current Council management structures and a number of procurement related responsibilities of the CFO have moved to the Service Director: Digital & Business Operations.
- ii. It is proposed to increase the limit for delegated authority in current paragraph 20.9f for the restructuring of ground leases involving an increase in rent where a premium is paid from £150,000 to £500,000 to make the limit consistent with the

limit for delegated authority to sell land up to a value of £500,000 in current paragraph 20.2 b. and to exchange land up to a value of £500,000 in current paragraph 20.11.

- Financial Procedure Rules
The FPRs have been reviewed in light of the changing Chief Officer structure and for strengthening of financial management. Key changes:
 - a. The ability for Service Directors to balance their financial position within their overall resources has been made more explicit (Financial Management - What is a virement?)
 - b. To make clear that no one has the authority to overspend (A.17), and where this is a possible sets out the procedure that must be followed;
 - c. The schools elements have also been updated to reflect the changing funding and the new deficit policy agreed with the Schools Forum;
 - d. In the financial planning section the emphasis has been placed on the 5 year Medium Term Financial Plan and as a result we have been able to remove the budget section and amalgamate it with the financial planning section;
 - e. Where possible the HRA has been aligned within the standard Financial Procedure Rules

Changes made January 2016

- Part 08 – Proper Officers
Addition of Head of Leisure, Planning and Transport as Proper Officer under Regulation 4 of the Neighbourhood Planning (Referendums) Regulations 2012.

Changes made December 2014

- Part 03 – Responsibility for Function
Amendments to the Terms of Reference for Health Scrutiny Panel and addition of Terms of Reference for Children & Families Scrutiny Panel.

Changes made November 2014

- Members' Code of Conduct
Addition of paragraph relating to Register of Interests and gifts and hospitality.

Changes made June 2014 (AGM)

- Council Procedure Rules
 - Addition of sub-paragraphs (e) and (f) in 2.3 relating to meetings taken place between annual elections and the AGM.
 - Reduction of time allocated to Executive Business at Full Council.
- Financial Procedure Rules / Budget & Policy Framework Procedure Rules
Revisions primarily with regard to financial thresholds.
- Officer / Member Protocol
Amendments to clarify position relating to member requests for personal data about an individual employee.
- Officer Delegations

In addition to changes to reflect structural changes, revised arrangements for the submission of planning applications (Head of Planning, Transport & Sustainability), and specific authority to act in the People Directorate to enter into agreements with health bodies.

Changes made March 2014

- Council Procedure Rules
Addition of paragraph 17.6 relating to recoding of vote at budget meeting

Changes made January 2014

- Officer Delegations
 - Changes made to reflect Head of Strategic HR now reporting direct to Director of Corporate Services.
 - Change Head of Property, Procurement and Contract Management to Head of Property & Procurement
 - Reinstatement of delegation relating to works on common land (it having erroneously been deleted)

Changes made July 2013

- Part 8: Overview & Scrutiny Procedure Rules

Paragraph 12.29 changed from quarterly to half-yearly.

Changes made on 14th May 2008

- Article 6: Overview and Scrutiny Committees

The contents of Article 6, together with the Overview and Scrutiny Procedure Rules, were considerably amended to reflect the revised roles and responsibilities of the Overview and Scrutiny Panels, the thrust being that the panels took on a more enquiry-based role.

- Article 9: Standards and Governance Committee

Article 9 was amended to reflect the change in the law so that one of the independent members must chair the Standards and Governance Committee.

- Part 3: Responsibility for Functions

The section relating to responsibility for Full Council functions was amended to reflect the revised Functions and Responsibilities Regulations 2008 and the new roles and responsibilities under the Local Government Public Involvement in Health Act 2007 which had been delineated as being the responsibility of Full Council.

- Part 4: Council Procedure Rules

The Council Procedure Rules were amended in the following respects:

- The order of the standard agenda for Full Council meeting was amended following a period of piloting alternative arrangements (CPR2.2(a));
- The procedure for dealing with deputations was amended to enable the Mayor to have a discretion to reject or refuse any requests where deputations, or to determine that such a request should be redirected to another body (CPR10.2(a));
- The procedure behind dealing with questions on notice to the Executive was amended at the Full Council AGM meeting. This did not, however, require a change to the Constitution, but a change to the procedure behind the Constitution.

- Part 4: Access to Information Procedure Rules

The rules relating to urgency (rules 15 and 16 – general exception and special urgency) were amended to reflect the change in roles and responsibilities within Overview and Scrutiny, its committees and panels.

- Part 4: Contract Procedure Rules

The Contract Procedure Rules were replaced in their entirety with an entirely new set of Contract Procedure Rules, designed to modernize the way in which procurement is undertaken and reflecting the Council's new Procurement Strategy.

Changes made on 16th May 2007

- Article 14: Review and Revision of the Constitution

It was agreed that minor changes broadly of a managerial nature should be delegated to the Monitoring Officer, provided the other two statutory officers (Head of Paid Services and Chief Financial Officer) agree, subject to consultation with the Cabinet Member and relevant opposition Group spokespersons, and that such changes should also be reported to the next meeting of Standards and Governance Committee.

- Overview and Scrutiny Procedure Rules
The number of Members on a Panel needed to bring about a call-in was reduced from three to two.
- Financial Procedure Rules
Various amendments were made to the Financial Procedure Rules, specifically in relation to the virement rules and changes to the approval of capital schemes.
- Members' Code of Conduct
A revised Members' Code of Conduct, in accordance with the new statutory Code of Conduct for Members' was adopted without amendment by the Council.
- Protocol on Officer / Member relations
The Protocol on Officer / Member Relations was revised to contain explicitly within it the standards expected by Officers in responding to Members' queries or requests for information.
- Officer Delegations
The Scheme of Officer Delegations was amended to enable the Head of HR to make payments to staff in accordance with the adopted policy statement on discretionary severance and payments arrangements where an unreduced pension is payable or where no discretionary element is involved, after consultation with the Head of Finance. In addition, the delegated powers to Trading Standards and Enforcement Officers were updated to reflect legislative change.

Changes made on the 19th July 2006

- Article 4: Policy Framework Plans
There was a minor amendment in the text relating to the Children and Young People's Plan to reflect the repealing of statutory requirements in relation to certain plans and documentation no longer required (but not yet fully enacted).
- Article 11: Officers
This article was updated to reflect the changes made to the top management structure during the year.
- Article 12: Decision-making
This article was amended to clarify the definition of "key decision" to exclude care packages from within that decision.
- Officer / Member Protocol
This Officer / Member Protocol was amended in two particular respects. The first reflected when Members should and should not minute meetings that they attended whether officers were present or not relating to procurement activities. The second related generally to Members' participation and involvement in procurement.

- Appeals Panel
This Constitution was amended to transfer responsibility for highways appeals from the non-Executive Appeals Panel to the Executive, with accompanying amendments to the Executive's terms of reference and the Officer Scheme of Delegation.
- Monitoring Officer Protocol
A Monitoring Officer Protocol was included within the Constitution.
- Civic and Ceremonial Protocol
The Civic and Ceremonial Protocol was amended to reflect the fact that Clear Channel have made a commitment that the Mayor may have two free uses of the Guildhall during his/her year of office.
- Officer Scheme of Delegation
The Officer Scheme of Delegation was amended to reflect the removal of the delegated power to enable officers to approve enhanced or added-years redundancies. In addition, a regime was approved whereby when officers exercise more significant delegations, these will have to be recorded. That record will be made available to the Members and public, initially by way of inspection, ie on paper, but in due course using the intranet / internet. This did not change the Officer Scheme of Delegation, but will require for the more significant officer exercises of delegated powers, an audit trail to be put in place. The regime, set out in a detailed procedure note, was approved and added to the Constitution.

Changes made on 18th May 2005

- List of Policy Framework Plans
This was amended to reflect the fact that the Department for Education and Skills (DfES) has indicated that it no longer requires local authorities to produce the Education Development Plan and the Early Years Development and Child Care Plan. Unfortunately, the necessary Modification Order has not yet been produced by the Government and, therefore, the list of Policy Framework Plans has been amended to recognise the change, but also acknowledge that the Modification Order is not yet in place.
- Minutes of Council Meetings: Written Record of Questions on Notice and Written Answers to Members of the Executive
It was agreed to amend the Council Procedure Rules so that the Record of Questions Asked on Notice and Answers given would be included within the minutes of Full Council meetings.
- Employment Matters
It was agreed to merge the Employment and Appeals Panels and amend the Officer Scheme of Delegation so that delegations previously expressed as being to the "Head of Human Resources following consultation with the Chair of the Employment Panel", would forthwith to the "Head of Human Resources in consultation with the relevant CM, and the Chair of Employment Panel to be informed of the decision after it had been made".

- Financial Management Issues / Financial Procedure Rules
The Financial Procedure Rules were amended in a couple of minor and technical manners to make them consistent in terms of decisions made by officers, by Members, etc.
- Scheme of Delegation
This reflected the comprehensive review carried out in 2004, and was predominantly tidying up.
- Contract Procedure Rules / Financial Procedure Rules – Pre-payment
The Rules were amended to make the need for compliance in respect of pre-payments more robust, and make it explicit that a pre-payment can only be made with the express written consent of the Chief Financial Officer and Monitoring Officer.
- Minor and Consequential Changes
There are a number of minor and consequential changes: specifically:
 - the definition of “Clear Day” within the Council Procedure Rules was revised for the sake of clarity;
 - there was some minor re-wording of some of the delegations to make the clearer as to who exercised what responsibilities;
 - some delegations were moved from one officer to another to reflect changes in organisational structure;
 - the responsibility for functions relating to high hedges under the Anti-Social Behaviour Act was allocated to the Planning and Rights of Way Panel, future delegations to officers to be considered by that Panel;
 - the organisational management chart set out in Part 7 of the Constitution was revised;
 - Article 11 (Officers) was revised to reflect the reorganisation and the appointment of an Executive Director of Children and Learning Services;

Changes made on 23rd June 2004

- Article 5
The Council’s whole-hearted support for the offices of Mayor and Sheriff were stressed and a cross-reference was made in Article 5 to the Civic and Ceremonial Protocol, a new addition set out in Part 5 of the Constitution.
- Part 3 (Responsibility for Functions)
This was amended to reflect changes made to Committees and Sub-Committees and appointments to those Committees and Sub-Committees.
- Council Procedure Rule 1.4
Council Procedure Rule 1.4 was amended to make it clear that the Mayor may, from time to time, issue guidance as to how s/he will discharge his/her responsibilities in chairing Full Council.

- Council Procedure Rule 2.3(d)
Council Procedure Rule 2.3(d) was added to enable the Mayor, subject to any legal obligations and following consultation with the Group Leaders, to introduce new procedures or processes for the purpose of experimenting or trialing new initiatives during Full Council meetings.
- Council Procedure Rule 12
Council Procedure Rule 12 (Executive Business) was amended so that:
 - a. supplementary questions may be asked by any Member;
 - b. the Mayor has the discretion to both disallow questions and decide that they are not appropriate for a supplementary question to be asked and/or to redirect the question to another body, eg Overview and Scrutiny.

In addition, the Mayor was given the express discretion to determine the order in which questions should be asked.

- Budget and Policy Framework Procedure Rules
The Budget and Policy Framework Procedure Rules were altered in respect of the Budget so that the Executive's Budget Issues Paper was replaced with a Roll-Forward Position Statement on the Budget, prepared by the Chief Financial Officer, dependent on the timing of the Local Government Financial Settlement. Consequential amendments were made to these rules in accordance with that.
- Financial Procedure Rules
These were revised in their entirety to bring them up-to-date, review the various provisions within them and to ensure that they accorded with proper financial practices.
- Officer Code of Conduct
An Officer Code of Conduct was added in the absence of a statutory Officer Code of Conduct pending consultation by the Government on a draft, due in 2004/05.
- Protocol on Member / Officer Relations
The Protocol on Member / Officer Relations was revised to reflect some additional provisions relating to the provision of Officer advice to Members prior to the Full Council meeting that sets the Budget in February each year.
- Civic and Ceremonial Protocol
This was a new Protocol added to reflect the responsibilities and role of both the Mayor and Sheriff and ensure that everyone – all Members, Officers and, indeed, those holding the office of Mayor and Sheriff were aware of the totality of the roles and responsibilities.
- Code for Dealing with Joint Arrangements with Third Parties
This is a new Code added in order to reflect the Authority's position on any proposed partnerships, externalisations or other joint working to as to ensure that the authority's position is fully protected and any necessary separation of powers, advice, etc is put in place in good time so that not only are the governance arrangements of the highest standard, but the authority receives the best and most appropriate independent advice and that there is no actual or perceived conflict of interests.
- Officer Scheme of Delegation
The Officer Scheme of Delegation was updated to reflect new delegations necessary in the light of new legislation and changes to terminology to reflect organisational change

during the municipal year. No new powers, however, were delegated to officers of a substantive or significant nature.

Changes made on 21st May 2003

- Article 4
The definition of the Budget in Article 4.01(b) was redefined to reflect the legal definition.
- Article 14
Article 14.02 was amended to add an extra criterion to allow Officers to revise the Constitution to reflection delegations granted to Officers by the Executive, the Council, a Committee or Sub-Committee.
- Article 15
Article 15.03 of the Constitution was amended to reflect the fact that Members and Officers of the Council will be encouraged to refer to the Constitution using the intranet and internet, as will the public, reducing the need to print paper versions of the Constitution for internal use.
- Part 3: Responsibility for Functions
This part of the Constitution was amended to reflect the changes in the Executive responsibilities, the Committees and Sub-Committees of the Council and also to reflect the fact that the Officer Scheme of Delegation is now incorporated within the Constitution at Part 10.
- Council Procedure Rule 2.4
Council Procedure Rule 2.4 relating to the Budget meeting was amended to enable the Medium Term Plan and any other business which the Chief Executive, Chief Financial Officer or Monitoring Officer consider should be placed before Members at that meeting.
- Council Procedure Rule 9
In relation to Council Procedure Rule 9 which deals with the duration of meetings, an additional Council Procedure Rule (9.6) was added to put in place a presumption in favour of meetings of the Council, its Committees and Sub-Committees finishing by 6:30 pm.
- Council Procedure Rule 12: Executive Business
Council Procedure Rule 12 was amended to reflect a change in procedure for Executive Business, the emphasis being on questions asked on notice.
- Council Procedure Rule 15: Honours
Council Procedure Rule 15 was amended to tighten the procedure relating to proposals to grant the status of Honorary Alderman or Freeman of the City to any citizen or group of citizens and, in addition, to reflect a proposal to bring forward a process for bestowing recognition on citizens or groups of citizens for service to the City.
- Budget and Policy Framework Procedure Rules
Budget and Policy Framework Procedure Rule 2B, which deals with the budgetary process, was amended to reflect the change in emphasis to the Medium Term Plan.
- Budget and Policy Framework Procedure Rules: Virement Rules

The virement rules were amended to reflect changes to the amount of virements that the Cabinet may make.

- Executive Procedure Rules
Following consultation with the Solicitor to the Council, the Executive Procedure Rules were amended by the Leader to reflect change procedures to be adopted for Executive decision-making.
- Financial Procedure Rules
The Financial Procedure Rules were amended to consolidate them with the Financial Management Standards.
- Officer / Member Protocol
The Officer / Member Protocol was amended to clarify the position where Officers or Members believe there has been a breach of the Code of Conduct for Members, the Officer / Member Protocol or the disciplinary rules and procedures relating to Officers. In addition, the expectations of Officers providing support to Scrutiny were clarified.
- Management Structure
The Management Structure was amended to reflect changes to the Council's officer structure during the administrative year.
- Part 10: Officer Scheme of Delegation
The Officer Scheme of Delegation was incorporated within the Constitution and accordingly cross-references and changes were made to Part 3 of the Constitution to reflect its incorporation.
- Part 11: Change Control
A section was added to the Constitution to summarise changes made to the Constitution over the period of its existence.

Terms of Reference For Governance Committee

General

This Committee is a committee of the Council appointed by the Council under the Local Government Act 1972.

Certain functions are delegated by this Committee to Officers. Full details may be found in Part 3 of the Council's Constitution.

Where a function or matter within the Committee's competence has been delegated to an officer, the Committee may exercise that function/matter concurrently with the officer to whom it has been delegated.

The exercise of any function or matter within the Committee's competence is always subject to any relevant requirement of the Council's Constitution including any Special Procedure and Protocol drawn up and approved by the Director of Legal and Governance in pursuance of Council Procedure Rule 2.

Standards, ethics and probity

1. To lead on the Council's duties under Chapter 7 Localism Act 2011 and to design, implement, monitor, approve and review the standards of ethics and probity of the Council, both for Councillors and The Committee's powers shall include responding to consultation documents and the promulgation of Codes of Conduct but the adoption and revisions to the local Members Code of Conduct shall be reserved to the Council.
2. To promote a culture of openness, ready accountability and probity in order to ensure the highest standards of conduct of Councillors and employees.
3. To lead on all aspects of Corporate Governance by promoting the values of putting people first, valuing public service and creating a norm of the highest standards of personal conduct.
4. To oversee and manage programmes of guidance, advice and training on ethics, standards and probity for Councillors and employees and on the Members Code of Conduct.
5. To be responsible for the Council's register of Members' interests and to receive reports from the Monitoring Officer on the operation of the register from time to time.
6. To be responsible for written guidance and advice on the operation of the system of declarations of Members' Interests and to receive reports from the Monitoring Officer on the operation of the system of declarations from time to time.
7. To establish, monitor, approve and issue advice and guidance to Councillors on a system of dispensations to speak on, or participate in,

matters in which they have interests and give dispensation in appropriate cases.

8. To exercise the functions of the Council in relation to the ethical framework, corporate governance and standards of conduct of Joint Committees and other bodies.
9. To establish a Standards Sub-Committee to investigate and determine appropriate action in respect of alleged breaches of the Members Code of Conduct.
10. To support the Monitoring Officer and Executive Director: Corporate Services in their statutory roles and the issuing of guidance on them from time to time.
11. To receive regular reports on the performance of the Corporate Complaints process, Local Government & Social Care Ombudsman referrals and Code of Corporate Governance and to recommend revisions to related policies and procedures as appropriate.

Employment Matters

General

Certain functions are delegated by this Panel to Officers. Full details may be found in the Officer's Scheme of Delegation which may be obtained [online](#).

Where a function or matter within the Panel's competence has been delegated to an officer, the Panel may exercise that function/matter concurrently with the officer to whom it has been delegated.

The exercise of any function or matter within the Panel's competence is always subject to any relevant requirement of the Council's Constitution including any Special Procedure and Protocol drawn up and approved by the Director of Legal and Governance in pursuance of Council Procedure Rule 26.2.

1. Power to appoint staff, excluding Chief Officers, and to determine the terms and conditions on which all staff hold office but excluding revisions to pay scales (including procedures for their dismissal). (Section 122 Local Government Act 1972).
2. The making of agreements with other local authorities for the placing of staff at the disposal of those other authorities, to the extent that the staff are being placed at the disposal of the other authority in relation to the discharge of functions which are not the responsibility of the Executive of the authority placing the staff. (Section 13(4) and (5) Local Government Act 1972).
3. Functions relating to local government pensions, (Regulations under Section 7, 12 or 24 Superannuation Act 1972).

4. To agree redundancy and severance payments and early release of pension benefits, where added years, enhanced payments or any element of discretion is sought.
5. To determine any appeal against a decision where a right of appeal exists at law, but where there is no specific provision in the terms of reference of any other Committee or Panel for the hearing of such an appeal.
6. To determine school transport and associated appeals.
7. To have oversight and keep under review all the HR policies and procedures.
8. To determine any appeal where, in the opinion of the Director of Legal and Governance, a right of appeal should be conferred to give effect to the operation of the principles of natural justice or the principles contained in the Human Rights Act 1998.

Terms of Reference for Standards Sub-Committee

1. To assess written allegations that a member or co-opted member (or former member or co-opted member) of the Council has failed, or may have failed, to comply with the Members Code of Conduct in accordance with Chapter 7 Localism Act 2011 or any amendment or re-enacted thereof and to administer sanctions where appropriate.
2. To grant dispensations to members under Section 33 Localism Act 2011 or any amendment or re-enacted thereof.

NB Reference to member, co-opted member or former member includes reference to former independent members of the Governance Committee and Church and Parent Governor representatives.

Terms of Reference for Standards Appeals Sub-Committee

1. To hear an appeal by any member where the Standards Sub Committee has found that the member has failed to comply with the Members Code of Conduct in accordance with Chapter 7 Localism Act 2011 or any amendment or re-enacted thereof and administer sanctions where appropriate.

AUDIT COMMITTEE

1. To provide independent assurance on the adequacy of the risk management framework and the internal control and reporting

environment. To oversee financial reporting and annual governance processes leading to the production of the annual governance statement.

2. To be satisfied and provide assurance that appropriate controls and actions are being taken on risk and internal control related issues identified by the internal or external auditors or other review and inspection bodies, including the acceptance of significant risk.

3. To receive, and make recommendations on, such reports as are required in relation to all audit matters including the Annual Audit Plan.

4. To monitor the progress and implementation of the Council's Improvement Plan produced in response to any Best Value or other inspections The Committee shall specifically have responsibility for oversight of and provision of assurance on the following functions:

- securing value for money and reviewing the effectiveness of these arrangements
- consider the framework of assurance and the framework addresses the risk and priorities of the council
- ensuring that Council assets are safeguarded;
- maintaining proper accounting records;
- ensuring the independence, objectivity and effectiveness of internal and external audit;
- the arrangements made for cooperation between internal and external audit and other review bodies;
- considering the reports of internal and external audit and other review and inspection bodies;
- ensuring that internal and external audit are free from interference when setting the priorities of the annual audit plan, including scoping and communication of the results of audit work performed;
- the internal and external auditors have free and unfettered access to senior management, the leader and chair of this committee;
- ensuring that there is no compromise on the ability of internal or external audit to provide independent assurance on the control framework;
- the scope and effectiveness of the internal control systems established by management to identify, assess, manage and monitor financial and non-financial risks (including measures to protect against, detect and respond to fraud).
- consider the reports of progress and performance of the internal auditors, including any deviations from the public sector internal audit standards and any significant resource deficiencies.
- To review the Annual Governance Statement (AGS) prior to approval and consider whether it properly reflects the risk

environment and supporting assurances, taking into account internal audits opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.

- To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
- To monitor the effect of development and operation of risk management in the Council.
- To monitor progress in addressing risk related issues reported to the committee.
- To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
- To monitor the counter fraud strategy, actions and resources which includes relevant strategies and procedures such as the Council's whistle blowing strategy and procedures.
- To review the governance and insurance arrangements for wholly owned companies (if any), significant partnerships, or collaborations.
- To approve the internal audit charter.
- To approve the risk based internal audit plan and counter fraud plan, including internal audits resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those of the sources.
- To consider a report on the effectiveness of internal audit to support the AGS where required to do so by the accounts and audit regulations.
- To support the independence of external audit through consideration of the external auditors annual assessment of its independence and review of any issues raised by the Public Sector Audit Appointments (PSAA) or the authority's auditor panel as appropriate.
- To consider the external auditor's annual letter, relevant reports and report to those charged with governance.
- To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.
- To review and approve the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are any concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
- To consider the external auditor's report to those charged with governance on issues arising from the order of accounts.

- To seek assurances that the Council has complied with the Treasury Management Strategy and Practices by demonstrating effective control of the associated risks and pursuing optimum performance consistent with those risks.
- To report to those charged with governance on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and, internal and external audit functions.
- To publish an annual report on the workings of the Committee for the previous municipal year.

Audit committees:

practical guidance for
local authorities and police

2022 edition

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The **Chartered Institute of Public Finance and Accountancy** (CIPFA) is the professional body for people in public finance. Our 14,000 members work throughout the public services, in national audit agencies, major accountancy firms and other bodies where public money needs to be effectively and efficiently managed. As the world's only professional accountancy body to specialise in public services, CIPFA's qualifications are the foundation for a career in public finance. We also champion high performance in public services, translating our experience and insight into clear advice and practical services. Globally, CIPFA leads the way in public finance by standing up for sound public financial management and good governance.

The audit committee member in a local authority

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CIPFA is keen that the guidance provides practical support to audit committee members and those who work with the committee. It is therefore invaluable that we have interacted with audit committee members and officers through our training courses and events.

Thank you for providing your insights on the challenges, frustrations and rewards of being an audit committee member. I hope that this publication can support you in undertaking your important work.

Diana Melville

Governance Advisor, CIPFA

Introduction to the new guidance

As a member of your authority's audit committee, you play an important role in the good governance of the authority. The audit committee contributes to its overall success by examining how its arrangements for decision making, consideration of risk and operations work. The committee has a unique view – one that is non-political. Instead of focusing on policy and decision making, it examines the 'engine' of the authority – how things get done. Most importantly, it shines a light on areas where things might be missed or need to adapt or improve.

To be a success, your audit committee must have a good grasp of its role and responsibilities. It will also need to follow some good practice principles. These are set out in the **CIPFA Position Statement on Audit Committees**.

The aim of this practical guide is to support you in your time as an audit committee member.

This section of CIPFA's guidance is for members of an audit committee in an authority. It will support both elected members and co-opted independent members (also known as lay members) to understand the purpose of the committee and its functions and their responsibilities as members of the committee. It will link to other sections of CIPFA's guidance, which will provide additional resources.

FURTHER SECTIONS OF CIPFA'S GUIDANCE

The 2022 edition of *Audit Committees: Practical Guidance for Local Authorities and Police* builds on previous editions but aims to better target the guidance at the most appropriate audience. This section is aimed directly at audit committee members in local authorities. A separate section covers the same material but for police audit committees.

Guiding the audit committee is a supplement to the member guide. It is aimed at those who support the committee, helping them to ensure that its operations are in accordance with the appropriate legislation and good practice. It also includes links to additional resources that are relevant for the committee's work. Audit committee members may also wish to access this supplement.

There are several appendices available, including example terms of reference, improvement tools and a knowledge and skills framework. These are available across all parts of this publication.

Contents

THE PURPOSE OF AUDIT COMMITTEES.....	9
PURPOSE OF THE AUDIT COMMITTEE.....	9
IMPACT	9
HOW THE AUDIT COMMITTEE SUPPORTS OVERALL GOVERNANCE WITHIN THE AUTHORITY	9
THE CORE FUNCTIONS OF AN AUDIT COMMITTEE.....	13
MAINTENANCE OF GOVERNANCE, RISK AND CONTROL ARRANGEMENTS.....	14
Good governance.....	14
Ethical framework.....	15
Risk management	16
Internal controls.....	17
Value for money and best value arrangements	18
Countering fraud and corruption.....	19
Arrangements for partnerships, collaborations and subsidiaries.....	19
ACCOUNTABILITY AND PUBLIC REPORTING.....	20
Financial reporting.....	20
Annual governance statement	23
ASSURANCE AND AUDIT ARRANGEMENTS.....	23
Assurance frameworks and assurance planning.....	23
Supporting and making best use of audit	24
External audit	24
Internal audit.....	27
ENSURING THE FOCUS OF THE AUDIT COMMITTEE.....	29
POSSIBLE WIDER FUNCTIONS OF AN AUDIT COMMITTEE.....	31
REQUIREMENTS OF GOVERNANCE AND AUDIT COMMITTEES IN WALES.....	31
Scrutiny of financial affairs.....	31
Performance assessment arrangements.....	31
Developing the approach to the review	31
Arrangements for handling complaints.....	32
TREASURY MANAGEMENT	32
SUPPORTING CORPORATE IMPROVEMENT PROGRAMMES.....	33
CONSIDERING MATTERS AT THE REQUEST OF STATUTORY OFFICERS OR OTHER COMMITTEES	33
INDEPENDENCE AND ACCOUNTABILITY	35
STRUCTURE AND INDEPENDENCE.....	36
Committee size.....	36
Reporting lines	36
Dedicated focus.....	36
Decision-making powers and delegations.....	36
Rights of access to documents and requesting attendance at committee.....	36
ADMINISTRATIVE AND OPERATIONAL ARRANGEMENTS	37
Supporting the audit committee.....	37

Frequency of meetings.....	37
Transparency	38
Meetings and interaction outside scheduled meetings.....	38
Private meetings with the external auditor and head of internal audit	38
KEY RELATIONSHIPS	39
ACCOUNTABILITY	39
To those charged with governance.....	39
The audit committee annual report.....	39
Supporting accountability to the public and stakeholders	40
Supporting internal accountabilities	40
MEMBERSHIP AND EFFECTIVENESS OF THE AUDIT COMMITTEE	41
COMMITTEE MEMBERSHIP	42
Elected representatives and political balance.....	42
Separation from executive roles	42
Including co-opted independent members (also known as lay members).....	42
The role of the co-opted independent member	43
Remuneration	43
Appointment of the chair	43
Knowledge and experience	44
Training and development	44
DEVELOPING EFFECTIVENESS	44
Feedback to committee members.....	45
Appendices to support evaluation.....	45
Problem solving	45
APPENDICES	47

The purpose of audit committees

Purpose of the audit committee

Audit committees are a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

The committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

Impact

As a non-executive body, the influence of the audit committee depends not only on the effective performance of its role, but also on its engagement with the leadership team and those charged with governance.

The committee should evaluate its impact and identify areas for improvement.

CIPFA Position Statement 2022

HOW THE AUDIT COMMITTEE SUPPORTS OVERALL GOVERNANCE WITHIN THE AUTHORITY

The overall aim of good governance is to align the authority's processes and structures with the attainment of sustainable outcomes. In practice, this means ensuring that:

- resources are directed in accordance with agreed policy and according to priorities
- there is sound and inclusive decision making
- there is appropriate stewardship of public assets and resources
- there is transparency and clear accountability for the use of resources in order to achieve desired outcomes for service users and communities.

Governance for the sector is defined in **Delivering Good Governance in Local Government: Framework** (CIPFA/Solace, 2016) as follows:

- *Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.*
- *To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times.*

Good governance is ultimately the responsibility of the governing body (the full council or equivalent), as well as those with leadership roles and statutory responsibilities in the organisation, including the elected mayor (where applicable), chief executive, the chief financial officer (CFO)

and the monitoring officer. In local government, the governing body is the full council or authority. Putting good governance into practice requires both members and officers to play their part.

The audit committee should play a key role in supporting the discharge of those responsibilities by providing a high-level focus on audit, assurance and reporting. In local government, the authority sometimes delegates specific governance responsibilities, though CIPFA's recommendation is that the audit committee should remain an advisory committee.

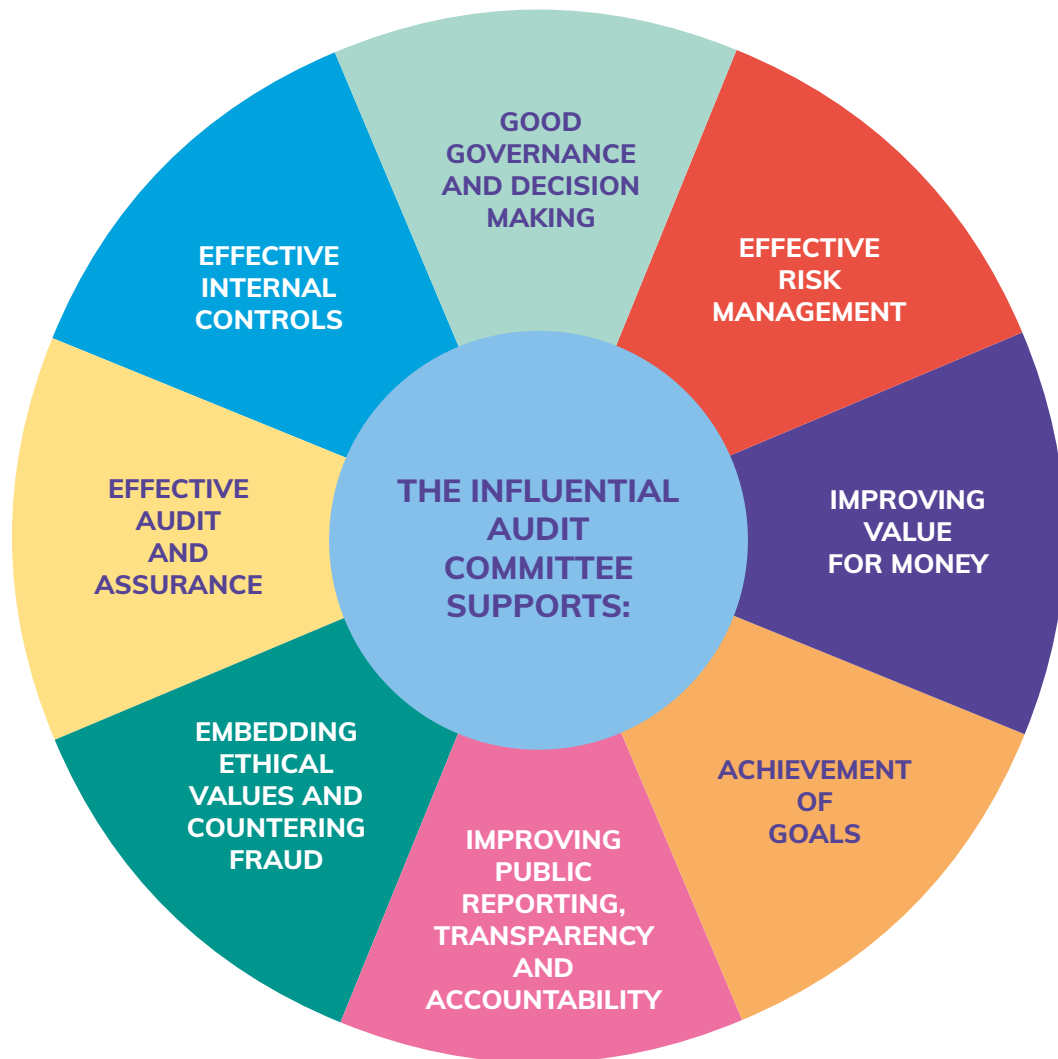
As a key component of an organisation's governance arrangements, the audit committee has the potential to be a valuable resource for the whole authority. Where it operates effectively, an audit committee adds value to its authority by supporting improvement across a range of objectives. To achieve wide-ranging influence, an audit committee will need commitment and energy from the membership, together with support and openness from the authority.

The principal areas where the committee can exert influence and add value are:

- aiding the achievement of the authority's goals and objectives by helping to ensure appropriate governance, risk, control and assurance arrangements
- promoting the principles of good governance and how they are applied during decision making
- raising awareness of the need for sound internal control and contributing to the development of an effective control environment
- supporting arrangements to govern risk and for effective arrangements to manage risk
- advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively across the authority
- reinforcing the objectivity, importance and independence of both internal and external audit and supporting the effectiveness of the audit functions
- supporting the development of robust arrangements for ensuring value for money
- helping the authority to implement the values of ethical governance, including effective arrangements for countering the risks of fraud and corruption
- promoting measures to improve transparency, accountability and effective public reporting to the authority's stakeholders and the local community.

The influence that an effective audit committee can have in these areas is set out in Figure 1.

Figure 1: The influential audit committee



CIPFA’s view is that audit committee functions can be most effectively delivered by a dedicated audit committee. Such a committee provides a key resource to support the implementation of good governance standards. It is possible for the functions of an audit committee to be undertaken by other committees, but a dedicated resource is likely to be more knowledgeable and effective, with more time to focus on these important issues.

The core functions of an audit committee

The core functions of audit committees should reflect both standard practice for audit committees across all sectors and the specific legislative and professional standards requirements for local authorities.

This chapter identifies the core areas of business for an audit committee and explains why they are important. The way the audit committee works must align with legislation and recommended guidance for some of these areas. This guidance is consistent with the requirements and key references are identified. *Guiding the audit committee* provides further details where required, together with links to additional resources.

The Position Statement sets out the core functions of the audit committee as follows.

Maintenance of governance, risk and control arrangements

- Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.
- Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.
- Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the authority's exposure to the risks of fraud and corruption.

Financial and governance reporting

- Be satisfied that the authority's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives.
- Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

Establishing appropriate and effective arrangements for audit and assurance

- Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities.
- In relation to the authority's internal audit functions:
 - oversee its independence, objectivity, performance and conformance to professional standards
 - support effective arrangements for internal audit
 - promote the effective use of internal audit within the assurance framework.
- Consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.
- Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.
- Support effective relationships between all providers of assurance, audits and inspections, and the organisation, encouraging openness to challenge, review and accountability.

The Position Statement sets out the core functions of the audit committee. Essentially, the responsibilities of the committee fall into three broad areas:

- 1 Supporting the establishment and maintenance of good governance, risk management and control arrangements.
- 2 Supporting accountability and public reporting, in particular the financial statements and the annual governance statement, and other statements that accompany the financial statements.
- 3 Supporting the establishment and maintenance of good arrangements for internal audit and external audit.

It's important to understand each area, and each area complements and supports the others. To be effective, the audit committee will need to operate across all areas and not just focus on one or two aspects.

The remainder of this section explains each of these areas in more detail. *Guiding the audit committee* provides more details on legislation, standards and supporting resources.

MAINTENANCE OF GOVERNANCE, RISK AND CONTROL ARRANGEMENTS

Good governance

Local authorities should actively apply the framework of good governance (**Delivering Good Governance in Local Government: Framework** (CIPFA/Solace, 2016)) ('the Framework') and the seven principles of good governance. The audit committee plays an important role in supporting the Framework, not least with its approval of the annual governance statement (AGS), which should align with the Framework. CIPFA recommends that authorities should have a local code of governance to clearly explain how their arrangements are consistent with the principles of good governance. Where there isn't a local code, this information will be available through several sources. Whether or not there is a code, the committee should be able to understand what the authority's arrangements for governance are.

To provide a meaningful review of the AGS, audit committee members should be able to draw on their knowledge of the governance arrangements and on assurances they have received during the year. The audit committee should undertake the following activities to discharge their responsibilities:

- Review the local code of governance and any changes to the arrangements in the year (note it is not the responsibility of the audit committee to establish any local code, but it should be consulted).
- Ensure that a framework of assurance underpins the AGS (see **Assurance and audit arrangements** for more details on assurance planning).
- Over the course of the year, receive reports and assurances over the application of the governance arrangements in practice.
- Review the governance arrangements being put in place for major developments, such as the establishment of a collaborative arrangement or trading company.
- Monitor implementation of action plans or recommendations to improve governance arrangements.
- Consider how the organisation applies governance principles in practice during the committee's review of other agenda items.

Given its role in overseeing the local code of governance and the AGS, the audit committee can promote the implementation of good governance across the authority to make things better in the future, not just review what happened in the past. For example, the committee may make recommendations for action to senior management or refer matters to other committees. The limits to the decision-making powers of audit committees are considered in more depth in **Independence and accountability**.

Where an authority is found to have failed in its statutory obligations to provide best value, the government has the power to intervene. The audit committee is one mechanism an authority should have in place to identify, escalate and oversee the improvement of any governance weaknesses to avoid the necessity of government intervention.

Further details on the AGS and the committee's role in reviewing it are included later in **Accountability and public reporting**.

Ethical framework

Public sector entities are accountable for not only how much they spend but also how they use the resources they have been entrusted with. This is at the heart of Principle A of the governance framework:

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

With its core role in supporting good governance, support for the ethical framework of the authority is also important for the audit committee. In addition, authorities have an overarching mission to serve the public interest in adhering to the requirements of legislation and government policies. This makes it essential that the entire authority can show the integrity of all its actions and has mechanisms in place that encourage and enforce a strong commitment to ethical values and legal compliance at all levels. As part of its review of governance arrangements, the audit committee should be satisfied that there are adequate arrangements for achieving this.

All authorities should have regard to the Seven Principles of Public Life, known as the Nolan Principles:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

The authority will have specific arrangements in place to oversee and operate standards, such as a standards committee, and the audit committee will not duplicate its responsibilities. Instead, its role is to oversee the arrangements that are in place to establish and maintain ethical standards and to obtain assurance over them. This supports the AGS.

Assurance over ethics will come from internal audit or from other sources of assurance, particularly for the annual review underpinning the AGS.

Risk management

Assurance over risk management will be a key element underpinning the AGS. The audit committee also needs a good understanding of the level of assurance the risk management arrangements provide when it reviews the risk-based internal audit plan or reviews other assurances on areas of risk.

The role of the audit committee in relation to risk management covers three major areas.

- 1** Assurance over the governance of risk, including leadership, integration of risk management into wider governance arrangements and the ownership of and accountability for risks. Specifically, this includes:
 - overseeing the authority's risk management policy and strategy and their implementation in practice
 - overseeing the integration of risk management into the governance and decision-making processes of the organisation
 - ensuring that the AGS is an adequate reflection of the risk environment.
- 2** Keeping up to date with the risk profile and the effectiveness of risk management actions by:
 - reviewing arrangements to co-ordinate and lead risk management (an example of such an arrangement is the existence of a group to examine, challenge and support the risk assessment process to ensure consistency across the organisation)
 - reviewing the risk profile and keeping up to date with significant areas of strategic risks, major operational risks or major project risks and seeking assurance that these are managed effectively and owned appropriately (the committee should avoid duplication of risk monitoring and scrutiny undertaken by other committees)
 - seeking assurance that strategies and policies are supported by adequate risk assessments and that risks are being actively managed and monitored
 - following up risks identified by auditors and inspectors to ensure they are integrated into the risk management process.
- 3** Monitoring the effectiveness of risk management arrangements and supporting the development and embedding of good practice in risk management by:
 - overseeing any evaluation or assessment of the body's arrangements, such as a risk maturity assessment or risk benchmarking
 - reviewing evaluation, assurance and audit reports on risk management and monitoring progress on improvement plans.

Acting as a risk committee

Local government bodies do not usually establish a dedicated committee with responsibility for risk management. Instead, committees such as policy and resources, cabinet or scrutiny are likely to play a role in the oversight of individual risks and the adequacy of the risk response. The leadership team, including the executive member body, will take the lead in establishing the risk appetite of the authority. The audit committee should understand the roles played by other committees to avoid duplication and confusion with its own role.

Where other member bodies do not actively review key risks, the audit committee could take on additional functions involving more in-depth reviews of risks. In doing so, the committee should be mindful of when it is acting as a risk committee rather than just as an audit committee.

These functions could include:

- regular reviews of risk registers, particularly strategic risks, and significant operational risks to consider their adequacy and effectiveness in capturing and assessing risks
- risk challenge to evaluate whether planned mitigations are appropriate and effective, making recommendations to the responsible risk owner where appropriate
- identifying dependencies or links between risks and considering if the planned mitigations recognise this
- considering if risks have been escalated appropriately and in a timely manner
- supporting the leadership team in their review of risk appetite, though the final decision should remain with the leadership team.

The audit committee's terms of reference should make it clear whether risk committee roles are included.

Internal controls

The leadership team and the service managers within the authority are responsible for putting in place appropriate internal control arrangements. The aims of internal controls are to:

- manage risks
- allow agreed policies and processes to be put into practice.

In doing these two things, an effective 'internal control framework' will make it more likely that the authority's objectives will be achieved. The internal control framework is a way of describing the complete set of controls that management have put in place.

Controls may take different forms according to the risks that they are intended to manage and their purpose. Some examples of controls include the following:

- Access controls within an IT system determine who has access to that application and the available functions and data (a preventative control).
- Procurement rules, guidance and relevant training may be used to ensure that procurement decisions are within the law and achieve best value (a directive control).
- An exception report identifies outlier transactions in a process for review and approval by management (a detective control).
- Procedures to ensure that a copy of data is kept secure and away from the primary system to allow for recovery (a corrective control).

The control framework will include many corporate arrangements such as an authority's financial regulations, contract standing orders and human resources policies, as well as service-specific controls embedded within a range of policy documents, guidance notes, training manuals and instructions. Some authorities use a structured framework to classify their control frameworks. Some controls are fundamental to a system; often, they are described as 'key controls'.

The effectiveness of the internal control framework should be considered as part of the annual review on governance. Where there are significant control failures, or an overall weakness in the framework, then it should be considered for disclosure in the AGS. CIPFA's **Financial Management Code** (FM Code) (2019) provides a set of principles covering the operation of financial management throughout the authority to help ensure that internal financial controls operate effectively. Assurance over the level of compliance with the FM Code should be considered as part of the annual review on governance.

The head of internal audit's annual opinion (see [Internal audit](#)) will provide an annual opinion covering the framework of internal control alongside that of risk management and governance. This too will inform the AGS. Reports from internal audit and external audit will provide assurance on the adequacy of specific controls.

Historically, internal audit and the audit committee were expected to focus most on financial controls, but today the focus of both will encompass a much broader set of controls.

While a range of internal controls are essential, the audit committee should be conscious that too many controls could result in greater inefficiency or ineffectiveness in an operation. Controls may also become outdated or otherwise no longer fit for purpose. Introducing new controls may incur additional costs or other resources. The committee should strive to ensure that the authority has an appropriate level of internal control linked to the authority's attitude to risk.

Value for money and best value arrangements

Making best use of resources is a key aim for all local authorities and is part of the governance framework. One of the behaviours and actions that underpins Principle C of the Framework is "delivering defined outcomes on a sustainable basis within the resources that will be available". Making best use of resources is an essential enabler to achieving the goals and objectives that the authority has set for itself.

Like other aspects of the committee's responsibilities, the primary focus is on the authority's arrangements for ensuring value for money rather than reviewing the actual performance achieved. This means seeking assurance that the authority has put in place the right mechanisms and is actively pursuing better value for money.

When planning work in relation to value-for-money arrangements, the audit committee should be mindful of what other committees may do. There is a potential overlap with the work of the scrutiny function, so care will be needed to avoid duplication. For example, a scrutiny committee may receive performance reports that show performance against a dashboard of indicators or may benchmark performance against other bodies.

Using this information, the scrutiny committee will challenge whether the authority is on track to achieve its performance targets and meet its objectives. They will highlight areas where value for money may be an issue. The audit committee will first focus on the overall arrangements that are being put in place to achieve value for money. They will receive assurances, from internal audit or from other sources of assurance, on how effectively those arrangements work in practice. As a result of the work of the audit committee, areas of concern about value for money may be identified and recommendations for further action or investigation made.

The audit committee will see references to value for money as part of other areas within its terms of reference. For example:

- Internal audit reports may highlight a value-for-money risk as part of a wider assurance review. It may feature in the head of internal audit's annual opinion.
- The AGS should include reference to how effectively the value-for-money aspect of governance is operating in practice. A value-for-money concern could be included as a recommendation for action if it were significant.
- Output from the risk management arrangements may highlight risks to value for money.

One major area where the audit committee will receive assurance on the adequacy and effectiveness of value-for-money arrangements is from the authority's external auditors. Across the UK, the different audit arrangements have resulted in differences in how value for money and best value are considered by the auditors. Further details of audit codes are set out in *Guiding the audit committee*.

Countering fraud and corruption

Local authorities have responsibilities for the effective stewardship of public money and for safeguarding against losses due to fraud and corruption. If money is misdirected or assets lost to fraud, it means that limited budgets are less able to meet service demands and fulfil the authority's objectives. When any authority experiences a significant fraud or case of corruption, it damages public perception of that authority and undermines public trust. Effective counter fraud and anti-corruption arrangements also relate to the ethical standards that the public expects members and officers to uphold.

The audit committee should have oversight of the authority's arrangements for managing the risks from fraud and corruption, providing assurance that they are fit for purpose. The arrangements should extend beyond having the facility to investigate an allegation or other evidence of fraud. It should include a much broader strategy and understanding of the risks. Guidance on establishing such arrangements is available to authorities in the [CIPFA Code of Practice on Managing the Risk of Fraud and Corruption](#) (2014).

Oversight of counter fraud plans and availability of resources and their effectiveness are key areas for obtaining assurance. Specific actions should include:

- reviewing the counter fraud strategy and considering whether it meets recommended practices
- championing good counter fraud and anti-corruption practice to the wider organisation
- reviewing the fraud risk profile and estimate of fraud losses or potential harm to the organisation and its local community
- reviewing the annual counter fraud plan of activity and resources, seeking assurance that it is in line with the strategy and fraud risk profile
- monitoring the overall performance of the counter fraud function
- overseeing any major areas of fraud identified and monitoring action plans to address control weaknesses
- consideration of assurance provided by internal audit.

The CIPFA guidance on the AGS recommends that the adequacy of counter fraud arrangements is evaluated and reported in the AGS using the counter fraud code. The audit committee should have sight of the assurances underpinning this assessment and can play an important role in supporting the development of effective counter fraud and corruption practice.

Arrangements for partnerships, collaborations and subsidiaries

Authorities commonly have a wide range of partnership and collaborative arrangements, including strategic relationships with other public sector organisations, shared service arrangements, commercial relationships with private sector partners and a range of service delivery arrangements with community groups or social enterprises. Authorities may also be the accountable body for local enterprise partnerships (LEPs). Increasingly, authorities have subsidiary arrangements such as commercial trading companies.

Ensuring the adequacy of governance and risk management over such arrangements can be complicated, but it is important, as accountability for performance and stewardship of the public funds involved remains with the authority. For these reasons, the role of the audit committee in relation to these arrangements should be clearly defined.

The audit committee's role should be to consider assurances on whether the partnership or collaboration arrangements are satisfactorily established and are operating effectively. The committee should satisfy itself that the principles of good governance underpin the partnership arrangements. For example, the audit committee should seek assurance that the authority has appropriate arrangements to identify and manage risks, ensure good governance, and obtain assurance on compliance. The committee may also want to know what arrangements have been put in place to maintain accountability to stakeholders and ensure transparency of decision making and that standards of probity are maintained.

For subsidiary arrangements such as the establishment of a trading company, the audit committee will also need to receive assurances that the governance, risk and control arrangements of the authority's oversight of the company are robust.

Where an authority is developing new partnership or collaboration arrangements, the audit committee may wish to receive assurance over governance matters at the project stage. When reviewing the proposed structure, the committee should consider whether the authority has the necessary expertise, advice and training in place to take on new governance roles.

It is also important that the committee clarifies its own responsibilities in relation to the governance arrangements of the new service delivery organisation. Will they act as the audit committee for the new structure, for instance?

The audit committee should consider assurances that underpin the AGS to make sure that partnerships are covered. Where a partner organisation (such as a shared service entity) does not have its own audit committee, then the audit committee could be nominated to undertake this role. This is most likely for the audit committee of the accountable body to support the CFO.

ACCOUNTABILITY AND PUBLIC REPORTING

Public bodies must operate transparently, and being accountable to the public and stakeholder groups is a fundamental aspect of governance arrangements. The audit committee plays a key role in supporting the body's accountability for the use of public money and for the way it is governed. While other public reports are also available, the annual financial reports and the annual governance statements are important accountability statements that are mandated by legislation and guided by professional standards. These accountability statements are the responsibility of those charged with governance, but the audit committee will play a key role in reviewing the arrangements that underpin them and reviewing the statements themselves.

Financial reporting

Local government bodies are required to produce their statutory statements of accounts in accordance with professional accounting standards to ensure a consistent approach and appropriate treatment. This provides confidence to the user in the financial results. The accounting standards are determined by CIPFA/LASAAC and are set out in the **Code of Practice on Local Authority Accounting in the United Kingdom**, updated annually. These standards must incorporate both International Financial Reporting Standards (IFRS) and any adaptations or interpretations necessary for the local government context and local government legislation. A particularly important part of this is the legislative framework that changes what is charged to a revenue account under accounting standards (IFRS) to mitigate or manage the impact of those standards on council taxpayers. As a result, the accounts have an extra layer of complexity that an organisation such as a limited company would not have.

The primary users of financial statements are the recipients of the local services provided and their representatives, together with the providers of the resources required to deliver those

services. Local authority members and Members of Parliament are primary users of local authority financial statements in their capacity as representatives of the interests of service recipients and resource providers.

CIPFA's [Guide to Local Government Finance](#) (2019) sets out details of accounting concepts and principles that underpin the financial reports. The key financial statements are as follows:

Key statements in annual accounts	
Comprehensive Income and Expenditure Statement	This is where all the income and expenditure of the authority is recorded in line with accounting rules. This statement is similar to the one you would find in a private company.
Movement in Reserves Statement	This statement shows the impact of the financial year on the authority's reserves. It also includes all the income and expenditure that is recognised under accounting rules but then removed from the accounts by legislation to give the amount of expenditure that has been funded by the local taxpayer.
Balance Sheet	This statement summarises an authority's financial position at each year-end and reports the assets, liabilities and reserves of the authority. Some of the reserves are specific to authorities, such as the pensions reserve and the capital adjustment account, and exist to allow accounting entries required by legislation. This statement is similar to the one you would find in a private company.
Cash Flow Statement	This summarises the cash flows that have been made into and out of the authority's bank account during the financial year. This statement is similar to the one you would find in a private company.

Some authorities will need to include specific statements to account for their activities – for example, the Housing Revenue Account (HRA) or collection fund – and councils in Scotland are required to hold trading accounts (some councils in the rest of the UK may hold these voluntarily). Administering authorities of the Local Government Pension Scheme will also need to produce pension accounts for their fund.

Authorities are required to include a narrative report in the accounts (management commentary in Scotland). This should provide information on the authority, its main objectives and strategies, the principal risks that it faces and how it has used its resources to achieve its desired outcomes in line with its objectives and strategies. For a non-expert reader, this report will help to explain the statements and help demonstrate the extent to which the objectives of the authority have been achieved.

The role of the audit committee is to review the financial statements prior to approval. The statements are the responsibility of all those charged with governance – the full member body – but the audit committee is delegated the responsibility of a detailed review. Some authorities fully delegate responsibility to the audit committee by including final approval of the accounts in the committee's terms of reference, but CIPFA has always set out the committee's role to be one of review rather than decision making. In England and Wales, co-opted independent members cannot vote to approve the accounts under Section 13 of the [Local Government and Housing Act 1989](#) (see [Membership and effectiveness of the audit committee](#)).

Accounts preparation

The preparation of the statutory statements of accounts is the responsibility of the CFO. The deadline for the publication of the statements is set out in regulations by each of the UK governments. Recently, achieving these deadlines has been adversely impacted by the COVID-19 pandemic and delays in the completion of audits. Monitoring the status of both completion of the statements and liaison with the auditors before publication will be important for the audit

committee. The audit committee will want assurance that the finance team can deliver a set of financial statements of appropriate quality in accordance with the statutory deadlines. Factors they will wish the finance team to highlight to them include:

- significant changes in accounting policies and their implications
- significant judgements made by the authority on material transactions
- changes to the operational basis of the authority – for example, the establishment of a trading company that will need to be consolidated into the accounts
- capacity and capability within the finance function to meet quality standards and deadlines
- whether there have been previous problems with the quality of the financial statements – for example, issues and recommendations from the previous year’s audit
- issues arising from any internal assurance or internal audit reviews and actions taken
- any changes to the external audit requirements that could have implications for the preparation of the statements – for example, the drive to improve audit quality has included increased professional scepticism.

Reviewing the statutory statements of accounts

The complexity and length of the financial statements can be daunting for audit committee members, especially if this is an area where they do not have prior experience. CIPFA has resources that will provide more detailed guidance on the statements and underlying concepts, and specific training is also recommended.

Key areas that the committee should focus on in their review are as follows:

- The narrative report, ensuring that the messages are consistent with the financial statements. The committee should also consider the implications of the issues and challenges identified and consistency with other risk information provided.
- What steps have been taken to make the narrative report readable and understandable to a non-expert and whether steps have been taken to make the accounts accessible. CIPFA’s **Streamlining the Accounts** (2019) includes a section on the presentation and layout of the accounts.
- Reviewing the completeness of the information reported and asking about the steps taken to ensure that the disclosures are complete.
- Identifying the key messages from each of the financial statements and evaluating what that means for the authority in future years.
- Monitoring trends and reviewing for consistency against financial performance observed over the course of the year.
- Reviewing the suitability of accounting policies and treatments and any changes to them – for example, asking the CFO to highlight to the committee where accounting treatment is open to different approaches and explaining why the method used has been chosen.
- Seeking explanations for changes in accounting policies and treatments – for example, where there has been a change in the accounting standards.
- Reviewing major judgemental areas – for example, provisions or reserves.

Understanding Local Authority Financial Statements (CIPFA/LASAAC, 2016) includes a checklist of questions to ask about a local authority’s statements that audit committee members may find particularly helpful.

A current topic for discussion is whether further steps could be taken to make the financial statements more understandable for the public. A recommendation of the Redmond Review was that a standardised statement of service information and costs should be prepared and presented alongside the statutory accounts. This recommendation is still under discussion and review, and the introduction of such a statement would be a development of interest to the audit committee. The audit committee will be interested in any steps taken to improve transparency and accountability by ensuring that the key messages are accessible to users.

Annual governance statement

The committee's role in supporting the principles of good governance and the local code of governance was outlined in the section on supporting good governance, risk management and internal control. The AGS is the key annual public report that requires the authority to evaluate the effectiveness of its governance arrangements.

While the committee will see other agenda items that describe the governance arrangements that have been established – notably updates to the local code of governance – the AGS is all about evaluation. It is an assessment of how good those arrangements are in practice, leading to an opinion on whether they are fit for purpose. Where there are areas for improvement, these should be identified and an appropriate action plan established.

The audit committee should play a key role in reviewing the AGS prior to its final approval. It is typical for the AGS to be provided in draft, usually at the same time the financial statements are prepared. The timetable for final publication follows the regulations of the relevant UK national government.

Key aspects that the audit committee should consider when reviewing the AGS include:

- whether the statement is user friendly for a lay reader
- whether the statement focuses on evaluation, leading to a clear opinion of whether arrangements are fit for purpose and meet the principles of good governance
- whether the AGS is an accurate representation of arrangements, consistent with other information known to the committee (committee members should be able to recognise their own authority's strengths and weaknesses)
- whether it includes appropriate disclosures on conformance with specified codes and standards and is consistent with current CIPFA guidance
- whether the AGS is supported by an appropriate action plan to implement the required improvements and if this is robust.

Although the AGS publication follows the same timetable as the financial statements, it can also be published as a separate accountability report. This would help raise its prominence and value to local stakeholders, providing improved transparency.

ASSURANCE AND AUDIT ARRANGEMENTS

Assurance frameworks and assurance planning

The term 'assurance framework' is used to describe the various means through which the authority's leaders, managers and decision makers can trust that the policies and procedures they have approved are being implemented in practice and operating as intended. Putting in place this framework is the responsibility of the leadership team.

For the audit committee member, reviewing assurances on the operation of governance, risk management and control arrangements is a core part of their role. The committee should also be concerned to know that an adequate assurance framework exists to inform the leadership team.

The audit committee may see references to the Three Lines Model of assurance developed by the Institute of Internal Auditors (IIA). More details of the model are contained in *Guiding the audit committee*. Briefly, the Three Lines Model identifies three different types of assurance:

- Management assurance – embedded in line management arrangements.
- Oversight and compliance assurance – review and monitoring functions.
- Independent assurance (internal audit).

Occasionally, there might be reference to the ‘fourth line’, referring to assurance that comes from outside the authority such as from external auditors or inspectorates.

Some authorities set out their assurance arrangements in a map or diagram. Typically, these outline key areas of the assurances needed and identify the assurance providers.

Whether or not there is a formal assurance framework, the audit committee has a responsibility to understand what assurance is available to support the AGS and to enable the committee to meet its terms of reference. The committee should seek to ensure that assurance is planned and delivered, with the following objectives in mind:

- Clarity on what assurance is required.
- Clear allocation of responsibility for providing assurance.
- Avoiding duplication, bearing in mind the differing objectives of assurance activities.
- Improving the efficiency and cost effectiveness of assurance.
- Obtaining assurance of appropriate rigour and independence across a range of assurance providers.

Each authority has core activities that are central to its effective operation, and the audit committee should consider what assurance it receives on these, whether through the annual governance review, internal audit or management assurance. Core arrangements would include financial management and counter fraud, but other key areas include information governance, information security, procurement, ethical governance, human resources and health and safety.

In reviewing assurance arrangements, the committee should bear in mind that the assurance process has a cost to the authority, and it should therefore be proportional to the risk.

Supporting and making best use of audit

Supporting the authority’s auditors, both internal audit and external audit, is an important dimension to the committee’s work. Helping to make best use of the process of audit and audit outputs will contribute to the committee’s overall purpose. This section explains the committee’s interactions with both internal and external audit and the role of the committee in supporting effective arrangements.

External audit

Within an authority, the full council – all elected councillors – are characterised as “those charged with governance”. In practice, the exercise of some governance responsibilities is delegated to specific committees. This is of particular importance in relation to external audit, as external auditors are required by auditing standards to report to “those charged with governance”. While

the audit committee is the representative body for much of the interface with the external auditors, it is important to remember that all councillors have a governance responsibility, and it is important that they are familiar with key messages from the authority's external auditors.

The audit committee will have several interactions with the external auditors each year following a regular cycle of planning and reporting. There are also roles for the committee in supporting the independence of the auditors, the effectiveness of the external audit process and the impact of their work. The following sections provide more support for the critical interactions between the auditor and the committee. External audit is subject to stringent professional standards and some of these are highlighted in *Guiding the audit committee*. Committee members should recognise that these standards do require auditors to operate in a certain way.

Appointment

In some other sectors, the audit committee plays a lead role in the appointment of the external auditor. In local government, one of the principles of public audit is that appointment should be independent of the organisation. In local government bodies in Wales, Scotland and Northern Ireland, the national audit bodies are responsible for the delivery of local audit. In England, the **Local Audit and Accountability Act 2014** changed the appointment and delivery model for local government bodies, introducing a more direct role for the authority.

In all authorities, the audit committee's role in appointment includes expressing an opinion on the selection and rotation of the external auditor through whichever method is applicable for the organisation. The audit committee's objective is to support auditor independence and effective arrangements and relationships with the auditors.

In England, for all opted-in bodies, Public Sector Audit Appointments (PSAA) appoints the auditor following consultation with the body. Otherwise, the audit committee will work alongside the auditor panel, which will oversee the local appointment process and provide advice to the authority on the final selection. Where the audit committee members meet the requirements of an auditor panel, as defined in regulations supporting the 2014 Act, then the committee can operate as an auditor panel itself and make recommendations on the appointment of the local auditor. Regard must be had for the 2014 Act and regulations if the committee is nominated as an auditor panel.

Monitoring the external audit process

The audit committee's role in relation to the external audit process has three principal aspects:

- 1 To provide assurance that the external auditor team maintains independence following its appointment.
- 2 To receive and consider the work of external audit.
- 3 To support the quality and effectiveness of the external audit process.

Supporting independence

The independence of auditors is critical for confidence in the audit opinion and audit process.

Each year, the external auditor will disclose to the committee an assessment of whether it is independent. These disclosures should include any significant facts that could impact, or be seen to impact on, independence and objectivity, together with any safeguards put in place. Usually, this disclosure is included in the audit plan and when reporting. The audit committee should use these opportunities to discuss their assessment of threats to independence with the external auditor and any safeguards.

The audit committee should seek information from the external auditor on its policies and processes for maintaining independence and monitoring compliance. It should also satisfy itself that no issues with compliance with the ethical standard have been raised by the contract monitoring undertaken by PSAA, the auditor panel (in England), or from audit quality reviews by the Financial Reporting Council (FRC) or the Institute of Chartered Accountants in England and Wales (ICAEW). Regarding non-audit services, audit committees should monitor the approval of non-audit work and, in England, consider the oversight of either PSAA or the auditor panel as appropriate.

Receiving and considering the work of external audit

The committee should receive the planned work programme to support the opinion and receive reports following the completion of external audit work. Where external audit makes recommendations, the audit committee should discuss the action to be taken with managers and monitor the agreed action plan. The committee should contribute to the authority's response to the annual audit report.

While the Code of Audit Practice for each nation will specify exact outputs, the reports from the external auditors are likely to include the following:

- A plan – including approach, risks, team, timetables and outputs.
- Interim reports – reporting on progress, new developments and interim conclusions.
- An opinion on the financial statements and the outcome from the audit. The auditor will also identify any material errors and recommendations.
- Best value or value-for-money arrangements reports – the format of these vary according to the Code of Audit Practice the auditor is working to.
- An annual report.

In England, the Redmond Review recommended that the auditor's annual report should be submitted to full council by the external auditor. CIPFA's recommended approach is that the report should first be submitted to the audit committee for discussion and then submitted to full council by the auditors, accompanied by the response recommended by the audit committee to any significant issues raised in the report. This will support greater transparency with the public and help all elected members understand the outcome of the audit. It should also help to raise the profile of the audit committee among other elected members.

CIPFA also recommends that this approach is adopted by authorities in the rest of the UK unless other arrangements exist to achieve the same level of transparency and strengthened governance.

Auditors may also report by exception. If they identify an area of concern, then the auditors may investigate and may make a recommendation for improvement or a public report. Any such action should be taken very seriously by the audit committee.

Supporting quality and effectiveness

If the audit committee member has no prior experience of audit committee work or external audit, then reviewing the quality of external audit can be a challenging aspect of the work and one where additional training may be required. It is an important aspect of the work of the committee, as it sets expectations for the auditor for the timely delivery of a high-quality audit. It should also support better engagement and interaction between auditor, committee and management. Overall, active interest from the committee will support better outcomes in terms of confidence in the audit opinion, usability of audit output and better understanding of the audit process.

Guiding the audit committee signposts resources on audit quality that can be of use to audit committees.

Reports from inspectorates or other regulatory bodies

In addition to audit reports, the authority may be inspected where it has particular service responsibilities. For example, social care services are inspected by the Care Quality Commission (CQC), education and skills services are inspected by the Office for Standards in Education, Children's Services and Skills (Ofsted), and a fire and rescue authority will be inspected by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS). Other regulatory bodies, such as the Information Commissioner's Office (ICO), may also review and inspect arrangements.

Where inspectorates are focused on operational matters, the committee's role may be limited, but all external assessments and recommendations provide assurance on the robustness of governance, risk and controls within the authority. It is therefore important that the committee is aware of the overall conclusions. Where issues are highlighted by inspections within the remit of the committee, it may play a more active role – for example, reviewing the implementation of an improvement plan. The committee will also want to consider how the work of these assurance providers are taken into account as part of external audit or internal audit.

Internal audit

The authority's internal audit service, whether an in-house team or provided through a shared service or outsourced arrangement, is an essential partner for the audit committee. It is a major source of assurance, providing coverage across many areas that the audit committee will want to know about. The committee also plays an important role in the support for and oversight of the internal audit arrangements, helping to hold it to account. This role is in part determined by the professional standards that the internal auditors must adhere to.

The specific roles of the audit committee in relation to internal audit are to:

- oversee its independence, objectivity, performance and professionalism
- support the effectiveness of the internal audit process
- promote the effective use of internal audit within the assurance framework.

The activities that underpin these three objectives are below.

Oversee independence, objectivity, performance and professionalism

The Public Sector Internal Audit Standards (PSIAS) set out functional reporting arrangements for internal audit to ensure its organisational independence. These are requirements of the professional standards, so there is an expectation that the audit committee should provide support. Each authority will have an internal audit charter, which will set out reporting relationships for internal audit, and the audit committee terms of reference will need to include those elements that relate to it. The charter is likely to set out the audit committee's responsibility to:

- review or approve the following:
 - the internal audit charter
 - the risk-based internal audit plan
 - the internal audit budget and resource plan
- receive confirmation of the organisational independence of the internal audit activity
- consider the appointment and removal of the head of internal audit (referred to in the PSIAS as 'chief audit executive') or the award of a contract for internal audit services

- make enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations on internal audit
- approve and periodically review any safeguards put in place to limit impairments to independence and objectivity where the head of internal audit has been asked to undertake any additional roles/responsibilities outside of internal auditing
- receive the head of internal audit's annual report, which includes:
 - the annual opinion on the overall adequacy and effectiveness of governance, risk management and control
 - a summary of the work on which internal audit has based the opinion
 - a statement on conformance with the PSIAS and the Local Government Application Note (LGAN)
 - the results of the quality assurance and improvement programme (QAIP), including specific detail as required in the PSIAS
- discuss with the head of internal audit the form of the external assessment of internal audit and the qualifications and independence of the assessor
- receive the report on the external assessment of internal audit (at least once every five years), including its overall conclusion and any recommendations (the committee should monitor the implementation of the improvement plan).

The head of internal audit, also known as the chief audit executive, must have unfettered access to the chair of the audit committee. In addition, the chair of the audit committee may serve as sponsor for the external assessment, which forms part of the QAIP, at least once every five years.

Support effective arrangements for internal audit

The audit committee has an important role to play in supporting the process of internal audit and outputs from audit work. It should help ensure that the authority's internal audit is effective, which will mean that the audit committee is better supported, with access to the assurance it needs. Effective internal audit also supports better governance and control arrangements, which are aligned to the audit committee's overall purpose.

Defining the conditions for effective internal audit is not straightforward – different authorities may feel they have effective arrangements using very different service models, for example. However, there are some essential conditions that internal audit needs to be effective:

- A service that operates in accordance with PSIAS.
- A service with access to sufficient and appropriate capacity and capability.
- Leadership from the head of internal audit.
- Good engagement with the committee and management.
- An organisational culture that actively promotes and understands the role of internal audit.

While the designated head of internal audit can be expected to be responsible for internal audit activity, the audit committee plays an important role in supporting the organisation's attitude to and understanding of internal audit. The [CIPFA Statement on the Role of the Head of Internal Audit](#) (2019) sets out the conditions that can make internal audit effective. It is relevant for audit committee members as well as the head of internal audit. CIPFA's research report [Internal audit: untapped potential](#) (2022) also addresses whether public bodies are getting the most from internal audit.

The following activities form a core part of this:

- Receiving updates on the work of internal audit, including key findings, issues of concern and action in hand as a result of internal audit work.
- Receiving communications from the head of internal audit on internal audit's performance relative to its plan and other matters.
- Giving approval to internal audit for any significant additional consulting services not already included in the audit plan prior to internal audit accepting an engagement.
- Receiving reports on instances where the internal audit function does not conform to the PSIAS or LGAN and considering whether the non-conformance is sufficiently significant that it must be included in the AGS.
- Overseeing the relationship of internal audit with other assurance providers and with external audit and any inspectorates.
- Receiving regular reports on the results of the QAIP, including the external assessment.

Promote the effective use of internal audit within the assurance framework

The audit committee should make best use of the internal audit resource within the assurance framework. In particular, the audit committee should seek confirmation from internal audit that the audit plan considers the requirement to produce an annual internal audit opinion that can inform the AGS. Specific activities will include:

- approving (but not directing) the risk-based plan, considering the use made of other sources of assurance
- receiving reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority
- escalating internal audit recommendations where further action is needed
- bearing in mind internal audit's opinion on the overall adequacy and effectiveness of the authority's framework of governance, risk management and control when considering the AGS.

To get the best out of internal audit, the audit committee's understanding of and support for effective risk management and wider assurance arrangements is helpful.

Periodically, there are changes made to the PSIAS and LGAN, as well as more specific guidance to auditors. As a result, the committee may need to receive updates or briefings to ensure that they are aware of the latest requirements.

ENSURING THE FOCUS OF THE AUDIT COMMITTEE

The core functions of the audit committee are wide ranging. At some meetings, it will be inevitable that certain agenda items take priority to meet statutory deadlines. Audit committees should aim to ensure that within each year there is adequate coverage of each of the core functions. The assurance framework of the authority should be a useful resource to support this.

Independence and accountability covers agenda management and **Membership and effectiveness** of the audit committee covers the annual review of the effectiveness of the committee.

Possible wider functions of an audit committee

In addition to the core functions of the committee defined in the CIPFA Position Statement, there are some wider functions that it may be necessary or appropriate for the committee to take on. For audit committees of councils in Wales, there are some specific requirements set out in legislation.

REQUIREMENTS OF GOVERNANCE AND AUDIT COMMITTEES IN WALES

The **Local Government and Elections (Wales) Act 2021** built on requirements first set out in the **Local Government (Wales) Measure 2011**. The specified responsibilities not already covered by the core functions include:

- review and scrutiny of the authority's financial affairs
- review of the performance assessment arrangements of the authority
- review and assessment of the authority's ability to handle complaints effectively.

Scrutiny of financial affairs

Councils will have scrutiny committees that will undertake budget scrutiny and monitor financial performance. The responsibility of the audit committee is not to duplicate these functions, even though the legislation uses the phrase 'scrutinise'. The committee can ensure that they satisfy this requirement through their review of the financial statements, financial control arrangements and the work of internal audit and external audit.

Performance assessment arrangements

The 2021 Act introduced a duty on a principal council to keep its performance under review and to undertake a self-assessment of performance. The legislation requires the governance and audit committee to review the self-assessment report and the committee can make recommendations. The council is not required to adopt the committee's recommendations, but it should include an explanation of why it has not adopted the change.

There is also a requirement for a periodic panel performance assessment, and there is a similar requirement for the governance and audit committee to consider the panel report.

The Auditor General for Wales will have the power to undertake a special inspection if a council is thought to not be meeting the performance requirements. The governance and audit committee will receive the Auditor General's report and will consider the council's draft response to the report. If the committee makes recommendations on the draft response, the council is not required to adopt the change but must explain why it has not.

Developing the approach to the review

The governance and audit committee's focus is on the adequacy and suitability of arrangements rather than performance monitoring. In reviewing the annual self-assessment report the committee should maintain a similar overview.

CIPFA's suggested approach includes:

- consideration of whether the scope and approach to drawing up the self-assessment report is appropriate to fulfil the expectations of the legislation
- whether the council has established appropriate arrangements to obtain assurance over its performance (these arrangements should form part of the wider assurance framework)
- whether the council has carried out the appropriate consultation as part of the performance review
- considering if the panel appointed and the approach to the panel assessment fulfils the requirements of legislation
- whether the report's conclusions and recommendations are consistent with the review and assurances that underpin it
- consideration of whether there are any inconsistencies in information and assurances received by the committee in respect of its other work
- consideration of the recommendations and whether they will maintain and improve the arrangements for performance management going forward.

Arrangements for handling complaints

Assurance that there are effective arrangements to manage complaints could come within the remit of any audit committee. The specific requirement in Wales does mean that governance and audit committees will have increased focus in this area.

The focus will need to remain on the arrangements and not become a forum for the review of individual complaints. The committee will need to consider how they receive this assurance as part of the wider assurance framework. Complaints may be managed centrally or by individual department, but it should be possible for the committee to receive an overall assessment of the effectiveness of those arrangements. If complaints handling was seen as an area of risk, then it could be included in internal audit plans, but other sources of assurance should be routinely available.

TREASURY MANAGEMENT

Treasury Management in the Public Services: Code of Practice and Cross-sectoral Guidance

Notes (CIPFA, 2021) requires all local authorities to make arrangements for the scrutiny of treasury management. CIPFA does not specify this to be an audit committee role, and a local authority may nominate another committee instead. CIPFA is aware, however, that many authorities have nominated the audit committee to do this, and it is therefore appropriate to consider this activity as part of this guidance.

Where the audit committee has been nominated, it should be aware that it needs to undertake a scrutiny role in accordance with the Treasury Management Code in addition to any oversight of governance, risks and assurance matters relating to treasury management that it would consider as an audit committee.

Where the committee is undertaking scrutiny, this is likely to involve the following actions:

- Developing greater awareness and understanding of treasury matters among the committee members.
- Reviewing the treasury management policy and procedures to be satisfied that controls are satisfactory.

- Receiving regular reports on activities, issues and trends to support the committee's understanding of treasury management activities. Note that the committee is not responsible for the regular monitoring of activity under clause three of the Treasury Management Code, so the purpose of receiving regular reports should be clear.
- Reviewing the treasury risk profile and adequacy of treasury risk management processes.
- Reviewing assurances on treasury management (for example, an internal audit report, external audit or other review).

Treasury management is a specialist area, so it is likely that committee members will require training, guidance and support when undertaking scrutiny.

SUPPORTING CORPORATE IMPROVEMENT PROGRAMMES

When an authority is working to an improvement programme – perhaps following a best value review or inspection – there is likely to be an oversight role for the audit committee. The committee should receive assurances that actions are being implemented and recommendations addressed. There may be a dedicated board for the programme and the committee would not seek to duplicate their work. It will need to understand progress, as it will be an area of interest to the external auditors and will link to the action plan of the AGS. Where there are areas of improvement directly within the remit of the committee, it may play a more active role.

CONSIDERING MATTERS AT THE REQUEST OF STATUTORY OFFICERS OR OTHER COMMITTEES

Occasionally, the audit committee may be requested to consider a review of a service, a proposed policy or other similar matters. Such requests could come from another committee in the organisation or from one of the statutory officers. In scoping the terms of reference for a review, the committee should avoid taking on a scrutiny or policy role and ensure the matter relates to governance, risk or control. Examples of where it may be helpful for the audit committee to assist could include:

- reviewing whether adequate governance, risk management or audit processes are in place in relation to a specific service or new policy area
- providing advice to the executive on possible risks or implications for good governance arising from a proposed course of action or decision.

In each case, the aim of the committee should be to make recommendations in line with its role as set out in the Position Statement: advocating the principles of good governance and helping to ensure that there are appropriate governance, risk, control and assurance arrangements in place.

Audit committee recommendations may support the advice or recommendations of the statutory officers but cannot override that advice.

Independence and accountability

The audit committee of an authority should be established in accordance with the principles set out in the 2022 Position Statement. These will ensure that the committee is independent from other committees in the authority and is accountable to those charged with governance.

Independent and effective model

The audit committee should be established so that it is independent of executive decision making and able to provide objective oversight. It is an advisory committee that has sufficient importance in the authority so that its recommendations and opinions carry weight and have influence with the leadership team and those charged with governance.

The committee should:

- be directly accountable to the authority's governing body
- in local authorities, be independent of both the executive and the scrutiny functions
- have rights of access to and constructive engagement with other committees/functions, for example scrutiny and service committees, corporate risk management boards and other strategic groups
- have rights to request reports and seek assurances from relevant officers
- be of an appropriate size to operate as a cadre of experienced, trained committee members. Large committees should be avoided.

The audit committees of local authorities should include co-opted independent members in accordance with the appropriate legislation.

Where there is no legislative direction to include co-opted independent members, CIPFA recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise.

Engagement and outputs

The audit committee should be established and supported to enable it to address the full range of responsibilities within its terms of reference and to generate planned outputs.

To discharge its responsibilities effectively, the committee should:

- meet regularly, at least four times a year, and have a clear policy on those items to be considered in private and those to be considered in public
- be able to meet privately and separately with the external auditor and with the head of internal audit
- include, as regular attendees, the chief finance officer(s), the chief executive, the head of internal audit and the appointed external auditor; other attendees may include the monitoring officer and the head of resources (where such a post exists). These officers should also be able to access the committee members, or the chair, as required
- have the right to call on any other officers or agencies of the authority as required
- support transparency, reporting regularly on its work to those charged with governance
- report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public.

CIPFA Position Statement 2022

STRUCTURE AND INDEPENDENCE

Committee size

In other sectors, audit committees typically have fewer than six members. This is more difficult to achieve in a local authority. CIPFA's recommendation is that authorities should strive to have no more than eight members.

A committee of this size should allow sufficient breadth of experience but is small enough to allow the training and development of a dedicated group.

The use of substitutes on the committee is not recommended. The most effective membership will be based on knowledgeable and skilled members who are able to build on information gained at previous meetings. For example, when reviewing progress on the external audit, the committee member should have been sighted on the audit plan discussed at an earlier meeting.

Reporting lines

The audit committee is an advisory committee on behalf of those charged with governance. As a result, the committee should report to the full council, fire authority or other local government governing body. It is not appropriate to be a sub-committee of the cabinet, scrutiny or policy and resources committee.

Dedicated focus

To ensure a focus on the core functions, the committee should not be combined with other council committees such as scrutiny or standards or policy and resources. A combined committee can result in the distinction between the functions of the committees becoming blurred. The audit committee is non-political and should contain co-opted independent members. These arrangements are different to those of scrutiny. While a standards committee is also non-political and may contain lay members, its focus is different. An appropriate lay member for the audit committee may not be suitable for the work of the standards committee and vice versa. More details on the membership of the committee and role of the co-opted independent member are available in [Membership and effectiveness of the audit committee](#).

Decision-making powers and delegations

CIPFA does not recommend that the audit committee be delegated decision-making powers, as it is advisory.

The committee should be able to make recommendations to other bodies for decisions – for example, to a scrutiny committee for further scrutiny review, and to cabinet, policy and resources or full council for decision. The committee can also make recommendations to the leadership team and service managers – for example, in response to issues raised by auditors.

CIPFA is aware that some authorities do delegate decisions, such as the approval of the financial statements. While the audit committee should lead on the detailed review of the statements, ultimately the statements are the responsibility of all those charged with governance. This is the equivalent of shareholders approving the annual report and accounts of a company.

Rights of access to documents and requesting attendance at committee

As a committee of the authority, the audit committee can request information relevant to its role and agenda. It is good practice to agree on a protocol so there is clarity for all parties. Generally,

authorities operate on a principle of openness and transparency, so there should not be a difficulty in providing relevant information. At all times, the authority will need to have regard for maintaining confidentiality of personal or commercially sensitive data in accordance with guidance.

There may be times when it is not considered timely to provide the information requested – for example, where information is sensitive because of an investigation. In such cases, an adequate explanation should be given and an indication of when information might be available. The chair in particular needs to be briefed.

It is important for audit committee members to maintain an apolitical approach and a focus on overall arrangements rather than individual cases. The committee is not an investigative forum.

It will be helpful to request the attendance of officers at the committee to support discussion of a topic or to agree on the next steps. For example, if the committee wishes to review an internal audit report that identified significant areas for improvement, then it would be appropriate for the lead manager or director responsible for that service to attend the committee to discuss how they will address the weaknesses.

ADMINISTRATIVE AND OPERATIONAL ARRANGEMENTS

Supporting the audit committee

As a full committee of the authority, the committee will receive secretariat support. It will also receive guidance on the proper conduct of the meeting under the authority's constitution and legislation.

The chair of the committee should take part in planning the agenda, helping to ensure that the committee addresses its terms of reference.

Frequency of meetings

CIPFA recommends the committee should meet a minimum of four times per year. The number and frequency of meetings should be determined by what is efficient and effective to cover the work of the committee.

Some agenda items need to be considered at certain times of the year, such as the financial statements and AGS. Other items will be more flexible and others determined by urgency. An annual meetings planner can help to schedule core business throughout the year to achieve adequate coverage and a balance of activity.

Where an audit committee is addressing the full range of governance, risk, control and audit functions, care should be taken in balancing the frequency of meetings against the need to give the committee's business sufficient focused attention, without lengthy and unproductive meetings. Equally, the audit committee should review whether including each item on its agenda results in added value and whether some time-consuming aspects of audit committee business could be more effectively addressed elsewhere. In making these judgements, the audit committee should operate at a resolutely strategic level. Take care to avoid straying into matters of operational detail that service managers should resolve. The skilful chairing of meetings with well-planned agendas should provide the final mechanism for avoiding this danger.

Transparency

Audit committees will normally meet in public, and agendas and minutes will be published. On occasion, there will be agenda items that meet the criteria to be heard in private. The chair should receive advice when a 'part 2' report is scheduled. The rationale for this should be stated.

Some authorities provide facilities for public questions at the start of a meeting. This supports openness and transparency but requires committee support to ensure questions are relevant for the scope of the committee.

Meetings and interaction outside scheduled meetings

The committee may meet informally as required to fulfil other requirements – for example, to take part in training or briefing or conduct a self-assessment.

It is typical for political group meetings to take place before a policy committee meeting; however, the apolitical nature of the audit committee should make such meetings unnecessary.

It is likely that some information will be shared with committee members outside scheduled meetings. There may be a need to keep committee members briefed on issues that are on the agenda, and other matters may be too detailed for inclusion on the agenda. For example, internal audit reports may be provided in full to committee members but may be included on the meeting agenda only where there are significant risks to be discussed. Arrangements to provide the members with an appropriate level of information and updates and a protocol for managing information requests should be discussed and agreed.

Private meetings with the external auditor and head of internal audit

It is standard practice for the external auditors and head of internal audit to have direct access to the audit committee. This helps to reinforce the independence of the auditors, helping them to maintain their professional standards. It also reinforces the independence of the audit committee. A private meeting provides a safe space for discussions and questions. Even if the auditor has no concerns, the meeting provides additional assurance of that.

Suggested questions to ask at a meeting include the following:

- Are you free to determine the scope of internal audit without interference?
- Do you have the access to senior management that you need?
- Do you have any concerns about governance arrangements that you are not comfortable sharing in front of management or in public?
- Are there any emerging governance risks that the committee should be alert to?

The meeting could also be used to test out a question on the auditor, perhaps when the audit committee member is not sure if it is an appropriate question to ask. The meeting thus provides a safe space for committee members and enables the member to ask with confidence in the open meeting. However, it is important that a private meeting is not used as a substitute for formal committee meetings, as this would undermine openness and transparency. Like all aspects of the committee's work, a private meeting should be non-political.

As a minimum, there should be a facility for a private meeting once a year, but they should be made available on request. The committee can meet separately with external audit and the head of internal audit, but a joint meeting could also be an option. To support transparency, the chair should report that a private meeting has taken place at the next audit committee meeting and summarise the topics discussed.

If governance concerns are raised with the audit committee in a private meeting, the chair of the audit committee should agree appropriate steps with the auditor. This would normally include follow-up discussions with one or more of the statutory officers.

KEY RELATIONSHIPS

To be effective, an audit committee will need to engage with a wide range of officers. Representatives of finance and internal audit will attend regularly and often are a source of support to the committee, but other senior officers would normally be expected to attend. While it is for each audit committee to determine who attends its meetings, the following examples show the wide range of officers who can add value to audit committee meetings:

- The chief executive and corporate directors for the AGS and other governance-related issues.
- The monitoring officer for the AGS and ethical governance issues.
- The risk management officer for discussions around risk management.
- The head of counter fraud for agenda items on fraud risks and counter fraud activity.
- Service senior managers for audit, risk or governance discussions on their service areas.
- Scrutiny, ethics or standards committee representatives – it may be helpful to invite representatives along to explain their work programme or recent reports.

Interactions with the head of internal audit will need to take account of the professional standards (PSIAS), so that the correct oversight and reporting can be demonstrated.

ACCOUNTABILITY

To those charged with governance

The audit committee should be held to account regularly by those charged with governance – full council or the equivalent body in another authority. Accountability should cover:

- whether the committee has fulfilled its agreed terms of reference
- whether the committee has adopted recommended practice
- whether the development needs of committee members have been assessed and whether committee members are accessing briefing and training opportunities
- whether the committee has assessed its own effectiveness or been the subject of a review and the conclusions and actions from that review
- what impact the committee has on the improvement of governance, risk and control arrangements within the authority.

The audit committee annual report

The committee should prepare an annual report that provides assurance to all those charged with governance that it fulfils its purpose and can demonstrate its impact. This is a key output of the committee. The report should be publicly available, supporting the authority's accountability to wider stakeholders, including the public.

Suggested content for the report is set out below.

Alignment of the committee to recommended practice

- The report should briefly outline the extent to which it follows the CIPFA Position Statement in the following areas:
 - The size of the committee.
 - Structure and composition, including the number of independent members.
 - Reporting line and independence from other committees.
 - Whether its terms of reference include all the core functions of the committee.
- Results of the committee's annual evaluation of its effectiveness and assurance over key indicators should be reported. There should be disclosure over areas where the committee has concerns (which could link to the action plan in the AGS) and a statement of what the audit committee has done to escalate their concerns or make recommendations.
- The report should summarise how it has fulfilled its terms of reference and the key issues escalated to the leadership team or other committees during the year.
- The report should summarise the development work that will support the committee members, eg training.

The annual report should be timed to support the annual review of governance and preparation of the AGS. This enables the committee to take stock of the assurances it has received and the extent to which its own performance has contributed to governance arrangements.

The committee should consider how it can improve understanding of its work and raise its profile among other elected members. By improving understanding and engagement, the influence of the committee is likely to grow. **CIPFA has produced a set of frequently asked questions about the work of the committee** that helps communicate its role and the value it brings.

Supporting accountability to the public and stakeholders

The committee has a key role in reviewing the accountability reports of the authority and in helping the authority to discharge its responsibilities. Committee meetings will normally be held in public, except for exempt items, so this also contributes to the accountability of the authority to the public and stakeholders. The audit committee's own annual report will also support accountability to external stakeholders.

A wider group of stakeholders such as partner organisations may have an interest in the committee's work, although there is no direct accountability relationship between them. Holding open meetings and publishing agendas and minutes will support wider communication and transparency.

Supporting internal accountabilities

Through a review of internal and external audit reports, risk management information and other key strategies, the audit committee will hold to account those responsible for implementing recommendations and action plans. In addition, by overseeing the evaluation and improvement of governance, risk management and control, the audit committee helps those responsible for governance to ensure that accountability throughout the authority works well.

The audit committee is most effective in supporting internal accountability when it discusses governance, risk or control issues with the responsible managers directly.

Membership and effectiveness of the audit committee

Choosing elected members for the committee and appointing additional co-opted independent members is an important step in ensuring the committee can carry out its work effectively. This section examines the characteristics needed by members and practical issues. It also considers the importance of evaluating the effectiveness of the committee.

Audit committee membership

To provide the level of expertise and understanding required of the committee, and to have an appropriate level of influence within the authority, the members of the committee will need to be of high calibre. When selecting elected representatives to be on the committee or when co-opting independent members, aptitude should be considered alongside relevant knowledge, skills and experience.

Characteristics of audit committee membership:

- A membership that is trained to fulfil their role so that members are objective, have an inquiring and independent approach, and are knowledgeable.
- A membership that promotes good governance principles, identifying ways that better governance arrangement can help achieve the organisation's objectives.
- A strong, independently minded chair, displaying a depth of knowledge, skills, and interest. There are many personal skills needed to be an effective chair, but key to these are:
 - promoting apolitical open discussion
 - managing meetings to cover all business and encouraging a candid approach from all participants
 - maintaining the focus of the committee on matters of greatest priority.
- Willingness to operate in an apolitical manner.
- Unbiased attitudes – treating auditors, the executive and management fairly.
- The ability to challenge the executive and senior managers when required.
- Knowledge, expertise and interest in the work of the committee.

While expertise in the areas within the remit of the committee is very helpful, the attitude of committee members and willingness to have appropriate training are of equal importance.

The appointment of co-opted independent members on the committee should consider the overall knowledge and expertise of the existing members.

Impact

As a non-executive body, the influence of the audit committee depends not only on the effective performance of its role, but also on its engagement with the leadership team and those charged with governance.

The committee should evaluate its impact and identify areas for improvement.

CIPFA Position Statement 2022

COMMITTEE MEMBERSHIP

Elected representatives and political balance

Elected members of local authorities are part of the body charged with governance. Elected members bring knowledge of the organisation, its objectives and policies to the audit committee. Members with experience in scrutiny or standards offer additional knowledge of activity, risks and challenges affecting those areas.

Ideally, the selection of elected members to the audit committee will take account of aptitude and experience. In practice, most authorities have appointed members according to rules on political balance, even though the committee should be non-political. As long as the committee remains an advisory body and not decision making, then full council can waive the political balance requirement. Potentially, this could increase flexibility in the selection of suitable members.

Separation from executive roles

The leader of the cabinet, administration, chair of the policy and resources committee or the elected mayor must not be a member of the audit committee. Care should also be taken where councillors in senior policy-making roles are considered for membership. Where an authority has a cabinet system of governance, including a member of cabinet on the committee is discouraged. If the council has a policy and resources committee, members of this committee should also not sit on the audit committee. In addition, chairs of other policy committees should not be members. This will allow members of the audit committee greater independence in their role and assist in a non-political approach.

If an executive member is included, other compensating arrangements should be made to ensure independence – for example, where there is a majority of independent members or an independent chair of the committee. An executive member should not chair the audit committee.

CIPFA recommends that a period of two years should elapse before a councillor who previously held a senior policy role joins the audit committee.

An overlap with other committee roles such as scrutiny or standards is not necessarily a problem. It can add value by bringing knowledge of activity in these areas into the committee. Those who are members of other committees should take care to not blur their roles.

It is important that there is engagement between those deciding policy matters and the audit committee. This will support audit committee members in staying up to date and help policy makers understand recommendations made by the committee. Examples of engagement could include the members of the executive attending the committee to brief them on the actions they are taking, or the chair of the audit committee attending cabinet or policy and resources to explain audit committee recommendations.

Including co-opted independent members (also known as lay members)

A co-opted independent or lay member is a committee member who is not an elected representative but recruited to join the committee. The objective of including such members is to increase the knowledge and experience base of the committee, reinforcing its independence.

Inclusion of lay members is a legislative requirement for authorities in Wales and for combined authorities in England.

Where there is no requirement to, CIPFA recommends the committee includes two co-opted independent members.

The reasons for CIPFA's recommendation are as follows:

- To supplement the knowledge and experience of elected representatives in specific areas, such as audit or financial reporting.
- To provide continuity outside the political cycle. This is of particular importance where membership of the committee changes annually or because of elections.
- To help achieve a non-political focus on governance, risk and control matters.
- Having two co-opted members rather than one will allow recruitment of members with different but complementary knowledge and experience, increase the resilience and continuity of the committee.
- Having two co-opted members shows a commitment to supporting and investing in the committee.

While including co-opted members can bring real value to the committee, care is needed to ensure that the arrangement works well, both for the co-opted member and for the other committee members. It is essential that the co-opted member receives an adequate induction and ongoing support to provide organisational context and to build working relationships.

The role of the co-opted independent member

The role description for a co-opted member of the committee will be the same as for an elected representative who is a committee member. The only substantial difference will be where the committee has been delegated decision-making responsibilities – although such delegations are not advised by CIPFA – a co-opted member cannot vote on council policy, so will not be able to take part in the decision, though they can, of course, contribute to the discussions prior to the formal decision. The minutes of the meeting should distinguish between a delegated committee decision and a recommendation from the committee to another council body. The latter is part of the role of an advisory committee and the co-opted member should be able to take part fully.

Guiding the audit committee contains additional resources to support the planning for and recruitment of independent members.

Remuneration

It is usual practice to provide some form of payment to the lay committee members and to pay expenses for attending meetings. The allowance recognises the value and time contributed by the member. If an independent member is appointed as the committee chair, an additional sum would be appropriate. Elected members of the committee will be paid allowances and expenses in accordance with the authority's agreed arrangements.

Appointment of the chair

In Wales, a lay member will be recruited specifically to the position of chair, and in other parts of the UK, some authorities have decided on a co-opted independent member for the role. This allows the authority to specify the requirements of the chair during recruitment. In other authorities, the appointment of the committee chair will be decided according to the constitution of the authority. In all cases, it is recommended that the characteristics of an effective chair are considered. These include:

- an ability to plan the work of the committee over the year and beyond
- meeting management skills

- an ability to bring an objective, apolitical attitude and help ensure the apolitical nature of the committee
- core knowledge and skills required of audit committee members
- a clear focus on the role of the committee and ambition to lead the committee in line with good governance principles
- a focus on improvement and securing agreement on actions.

The tenure of the audit committee chair remains a matter for the authority. When making this decision, it should be recognised that a period of continuity can be helpful, particularly for the development of greater knowledge and expertise, while rotation also helps to deliver a new perspective.

Knowledge and experience

There is a range of knowledge and experience that audit committee members can bring to the committee that will enable it to perform effectively. No one committee member would be expected to be a specialist in all areas, but there are some core areas of knowledge that committee members will need to acquire.

Appendix C sets out a knowledge and skills framework for audit committee members and the committee chair. This can guide members on their training needs and support the evaluation of the overall knowledge and skills of the committee. It can also be used when recruiting independent members. It distinguishes between core areas of knowledge that all audit committee members should seek to acquire and a range of specialisms that can add value to the committee.

The audit committee should review risks, controls and assurances that cover the entire operation of the authority, so knowledge of specific service areas will be helpful. Other areas of specialist knowledge and experience – for example, in accountancy, audit, governance and risk management – will add value to the committee.

Training and development

Audit committees should have access to support to guide them in their roles, help them to understand the key agenda items, and to keep them informed of new developments. *Guiding the audit committee* includes a suggested training and support programme.

New co-opted members may have technical knowledge and experience, but they will still need to understand the local government context with which they may not be familiar. Support should also be provided to help integrate them into the committee and familiarise them with the council's structure and processes.

Audit committee members should review their knowledge and skills – for example, as part of an annual self-assessment process or training needs analysis. As well as shaping the training plan, evidence of the assessment and delivery of training will support the profile of the committee – for example, by including it in the annual report.

DEVELOPING EFFECTIVENESS

An audit committee's effectiveness should be judged by the contribution it makes to and beneficial impact it has on the authority's business. Since it is primarily an advisory body, it can be more difficult to identify how the audit committee has made a difference. Evidence of effectiveness will usually be characterised as 'influence', 'persuasion' and 'support'. A good standard of performance against recommended practice, together with a knowledgeable and experienced membership, are

essential requirements for delivering effectiveness. The CIPFA Position Statement recommends the committee's annual report should include the results of a performance assessment.

Assessing the effectiveness of the committee should consider the following:

- An assessment of whether the committee is operating in accordance with the practices recommended in this guidance and complies with legislation (where appropriate).
- How the committee has fulfilled its terms of reference, including the core functions of the committee.
- The operation of the committee, including the support and training provided and how members have developed their knowledge and experience.
- The committee's effectiveness in terms of impact on the quality of governance, risk management and internal control, together with satisfactory audit arrangements.
- Feedback from those interacting with the committee.

Feedback to committee members

It is normal practice in other sectors for the chair of the audit committee to provide feedback to individual members. In the political environment of an authority, this is more difficult to do. Consideration should be given to facilitating general feedback as part of a wider committee self-assessment. Suggested areas for discussion include:

- attendance
- participation in discussions and questioning
- any training needs
- suggestions for how the committee could develop.

Appendices to support evaluation

CIPFA has developed some improvement tools for the committee to use to inform its evaluation. These are available in Appendices E and F.

The audit committee should report on its effectiveness in its annual report, and the annual report should be timed to support the AGS. More information on the annual report is available in [**Independence and accountability**](#).

Problem solving

Where the committee is experiencing difficulties, the improvement tools may help to identify those areas that need change. For a newly constituted committee, or one with several new members, it can take time to build up effective operations. This is one reason why a comprehensive programme of training and support is needed.

Other difficulties can arise if there is a poor understanding of the role and purpose of the committee among others or if there is insufficient engagement.

Appendix D includes a summary of the difficulties that audit committees sometimes experience and suggestions for addressing them.

Sector and devolved government guidance

PART 1: COMPARISON OF SECTOR AND DEVOLVED GOVERNMENT REGULATIONS AND GUIDANCE ON KEY AREAS RELATING TO AUDIT COMMITTEES

Guidance area	England (combined authorities)	Wales (local authorities and corporate joint committees)	England and Wales Police	England, Northern Ireland and Scotland (local authorities)
Specific legislation or statutory guidance	<u>Cities and Local Government Devolution Act 2016.</u> <u>Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.</u>	<u>Local Government (Wales) Measure 2011</u> as amended by the <u>Local Government (Democracy) (Wales) Act 2013.</u> <u>Local Government and Elections (Wales) Act 2021.</u>	<u>Financial Management Code of Practice for the Police Forces of England and Wales (FMCP)</u> (Home Office, 2018).	Not applicable
Establishment of an audit committee	Required	Required	Required It is recommended that this should be a combined body for both PCC and chief constable.	No guidance
Composition of the audit committee	Committees must have at least one independent person as defined by guidance. The committee should reflect the political balance of the constituent authorities as far as is reasonably practical. The committee may not include an officer of the combined authority or a constituent council.	The committee must have lay persons comprise one-third of its members. The member appointed as the committee chair must be a lay person. The deputy chair must not be a member of the executive or an assistant to its executive. The committee must be politically balanced.	Police audit committees should comprise between three and five members who are independent of the PCC and the force.	No guidance

Guidance area	England (combined authorities)	Wales (local authorities and corporate joint committees)	England and Wales Police	England, Northern Ireland and Scotland (local authorities)
Specified functions of the audit committee	<p>Review and scrutinise the authority's financial affairs.</p> <p>Review and assess the authority's risk management, internal control and corporate governance arrangements.</p> <p>Review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the authority's functions.</p> <p>Make reports and recommendations to the combined authority.</p>	<p>Review and scrutinise the authority's financial affairs.</p> <p>Make reports and recommendations in relation to the authority's financial affairs.</p> <p>Review and assess the risk management, internal control, performance assessment and corporate governance arrangements of the authority.</p> <p>Make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements.</p> <p>Review and assess the authority's ability to handle complaints effectively.</p> <p>Make reports and recommendations on the authority's ability to handle complaints effectively.</p> <p>Oversee the authority's internal and external audit arrangements.</p> <p>Review the financial statements prepared by the authority.</p>	<p>Consider the internal and external audit reports of both the PCC and the chief constable.</p> <p>Advise the PCC and the chief constable according to good governance principles and adopt appropriate risk management arrangements in accordance with proper practices.</p>	No guidance
Responsibilities of the audit committee in relation to external audit	No guidance	Oversee external audit arrangements.	Review external audit reports.	No guidance

PART 2: GOVERNMENT GUIDANCE BY SECTOR AND DEVOLVED GOVERNMENT ON MATTERS THAT MAY BE INCLUDED IN AUDIT COMMITTEE TERMS OF REFERENCE

Accounts and audit regulations are statutory instruments issued by the UK or devolved governments. The various regulations impose requirements on 'relevant bodies' – eg a local authority, fire and rescue authority or police body – in relation to governance, internal control, financial reporting and internal audit.

The accounts and audit regulations do not specify that these requirements must be met by an audit committee. However, where it is the audit committee of a relevant body that undertakes or reviews the specified task, the audit committee must meet the requirements of the regulations and take them into account in agreeing their terms of reference.

The following is a link for each sector and/or region and the sets of regulations affecting them, highlighting key regulations. The regulations are subject to periodic updates by the appropriate government body, and audit committee members should be made aware of any changes by their organisation.

Local authorities in England (including combined authorities and fire and rescue authorities)	
Relevant government guidance	<u>Accounts and Audit (England) Regulations 2015</u>
Local authorities in Wales	
Relevant government guidance	<u>Accounts and Audit Regulations (Wales) 2014</u> and the <u>Accounts and Audit (Wales) (Amendment) Regulations 2018</u>
Local authorities in Scotland	
Relevant government guidance	<u>Local Authority Accounts (Scotland) Regulations 2014</u>
Local authorities in Northern Ireland	
Relevant government guidance	<u>Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015</u>
Police in England	
Relevant government guidance	<u>Accounts and Audit (England) Regulations 2015</u> (see also the statutory guidance <u>Financial Management Code of Practice for the Police Forces of England and Wales</u> (FMCP) (Home Office, 2018))
Police in Wales	
Relevant government guidance	<u>Accounts and Audit Regulations (Wales) 2014</u> and the <u>Accounts and Audit (Wales) (Amendment) Regulations 2018</u> (see also the <u>FMCP</u>)

Financial reporting deadlines

Amendments affecting the timetables for financial and governance reporting have been introduced to allow for difficulties caused by the COVID-19 pandemic, and in England, difficulties with local audit. Committee members are advised to check the latest positions.

Suggested terms of reference – local authority

INTRODUCTION

This appendix contains suggested terms of reference for local authorities.

In developing the terms of reference for an organisation, care should be taken to ensure that the specific regulations appropriate for the authority are taken into account. Appendix A sets out these requirements. Additional functions should be included where required.

Where the terms of reference refer to internal audit, regard should be had for how the internal audit charter has allocated responsibilities to the committee. The audit committee's terms of reference and the audit charter should align.

SUGGESTED TERMS OF REFERENCE – LOCAL AUTHORITIES

Governance

The terms of reference should set out the committee's position in the governance structure of the authority.

Statement of purpose

The committee's purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk and control gives greater confidence to all those charged with governance [or *insert appropriate governing body*] that those arrangements are effective.

The committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.

Governance, risk and control

- To review the council's corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of governance.
- To monitor the effective development and operation of risk management in the council.
- To monitor progress in addressing risk-related issues reported to the committee.
- To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

- To consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA's **Financial Management Code**.
- To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- To review the assessment of fraud risks and potential harm to the council from fraud and corruption.
- To monitor the counter fraud strategy, actions and resources.
- To review the governance and assurance arrangements for significant partnerships or collaborations.

Financial and governance reporting

Governance reporting

- To review the AGS prior to approval and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion.
- To consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives.

Financial reporting

- To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.
- To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
- To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Arrangements for audit and assurance

To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.

External audit

- To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the authority's auditor panel as appropriate.
- To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
- To consider specific reports as agreed with the external auditor.
- To comment on the scope and depth of external audit work and to ensure it gives value for money.
- To consider additional commissions of work from external audit.

- To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.
- To provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with the committee.

Internal audit

- To approve the internal audit charter.
- To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- To approve significant interim changes to the risk-based internal audit plan and resource requirements.
- To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- To consider any impairments to the independence or objectivity of the head of internal audit arising from additional roles or responsibilities outside of internal auditing and to approve and periodically review safeguards to limit such impairments.
- To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
 - updates on the work of internal audit, including key findings, issues of concern and action in hand as a result of internal audit work
 - regular reports on the results of the QAIP
 - reports on instances where the internal audit function does not conform to the PSIAS and LGAN, considering whether the non-conformance is significant enough that it must be included in the AGS.
- To consider the head of internal audit's annual report, including:
 - the statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement (these will indicate the reliability of the conclusions of internal audit)
 - the opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control, together with the summary of the work supporting the opinion (these will assist the committee in reviewing the AGS).
- To consider summaries of specific internal audit reports as requested.
- To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
- To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every five years.
- To consider a report on the effectiveness of internal audit to support the AGS where required to do so by the accounts and audit regulations (see Appendix A).

- To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

Accountability arrangements

- To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
- To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.
- To publish an annual report on the work of the committee, including a conclusion on the compliance with the **CIPFA Position Statement**.

Suggested terms of reference – police

INTRODUCTION

This appendix contains suggested terms of reference for the audit committee of the PCC and chief constable. The police audit committee must ensure that its terms of reference are in accordance with the FMCP (Home Office, 2018) and remain an advisory body.

In developing the terms of reference for an organisation, care should be taken to ensure that the specific regulations appropriate for the authority are taken into account. Appendix A sets out these requirements. Additional functions should be included where required.

Where the terms of reference refer to internal audit, regard should be had for how the internal audit charter has allocated responsibilities to the committee. The audit committee's terms of reference and the audit charter should align.

SUGGESTED TERMS OF REFERENCE – AUDIT COMMITTEE OF THE PCC AND CHIEF CONSTABLE

Governance

The terms of reference should set out the committee's position as an advisory committee to support the PCC and chief constable.

Statement of purpose

The committee's purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role in ensuring there is sufficient assurance over governance risk and control gives greater confidence to the PCC and chief constable that those arrangements are effective.

The committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.

Governance, risk and control

- To review the council's corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of governance.
- To monitor the effective development and operation of risk management in the OPCC and force.

- To monitor progress in addressing risk-related issues reported to the committee.
- To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- To consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA's **Financial Management Code**.
- To consider the OPCC's and force's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- To review the assessment of fraud risks and potential harm to the OPCC and force from fraud and corruption.
- To monitor the counter fraud strategy, actions and resources.
- To review the governance and assurance arrangements for significant partnerships or collaborations.

Financial and governance reporting

Governance reporting

- To review the AGS prior to approval by the PCC and chief constable and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion.
- To consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the OPCC's and force's objectives.

Financial reporting

- To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.
- To review the annual statements of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
- To consider the external auditor's reports to the PCC and the chief constable on issues arising from the audit of the accounts.

Arrangements for audit and assurance

To consider the OPCC's and force's framework of assurance and ensure that it adequately addresses their risks and priorities.

External audit

- To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the auditor panel as appropriate.
- To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
- To consider specific reports as agreed with the external auditor.

- To comment on the scope and depth of external audit work and to ensure it gives value for money.
- To advise on commissions of additional work from external audit.
- To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.
- To provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with the committee.

Internal audit

- To recommend for approval the internal audit charter.
- To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- To review the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- To consider significant interim changes to the risk-based internal audit plan and resource requirements.
- To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- To consider any impairments to the independence or objectivity of the head of internal audit arising from additional roles or responsibilities outside of internal auditing and to recommend and periodically review safeguards to limit such impairments.
- To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
 - updates on the work of internal audit, including key findings, issues of concern and action in hand as a result of internal audit work
 - regular reports on the results of the QAIP
 - reports on instances where the internal audit function does not conform to the PSIAS and LGAN, considering whether the non-conformance is significant enough that it must be included in the AGS.
- To consider the head of internal audit's annual report, including:
 - the statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement (these will indicate the reliability of the conclusions of internal audit)
 - the opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control, together with the summary of the work supporting the opinion (these will assist the committee in reviewing the AGS).
- To consider summaries of specific internal audit reports as requested.
- To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the OPCC or force, or where there are concerns about progress with the implementation of agreed actions.

- To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every five years.
- To consider a report on the effectiveness of internal audit to support the AGS where required to do so by the accounts and audit regulations (see Appendix A).
- To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

Accountability arrangements

- To report to the PCC and chief constable on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
- To report to the PCC and chief constable on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.
- To publish an annual report on the work of the committee, including a conclusion on the compliance with the CIPFA Position Statement.

Audit committee members – knowledge and skills framework

CORE AREAS OF KNOWLEDGE

Knowledge area	Details of core knowledge required	How the audit committee member is able to apply the knowledge
Organisational knowledge	<ul style="list-style-type: none"> An overview of the authority's governance structures and decision-making processes. Knowledge of the organisational objectives and major functions of the authority. 	<ul style="list-style-type: none"> This knowledge will be core to most of the audit committee's activities, including the AGS review, internal and external audit reports and risk registers.
Audit committee role and functions	<ul style="list-style-type: none"> An understanding of the audit committee's role and place within the governance structures. Familiarity with the committee's terms of reference and accountability arrangements. Knowledge of the purpose and role of the audit committee. 	<ul style="list-style-type: none"> This knowledge will enable the audit committee to prioritise its work to ensure it discharges its responsibilities under its terms of reference and to avoid overlapping the work of others. It will help the committee undertake a self-assessment and prepare its annual report.
Governance	<ul style="list-style-type: none"> Knowledge of the seven principles as outlined in <u>Delivering Good Governance in Local Government: Framework</u> (CIPFA/Solace, 2016). The requirements of the AGS. How the principles of governance are implemented locally as set out in the local code of governance. 	<ul style="list-style-type: none"> The committee will review the local code of governance and consider how governance arrangements align to the principles in the Framework. The committee will plan the assurances it is to receive to adequately support the AGS. The committee will review the AGS and consider how the authority is meeting the principles of good governance. The committee will receive audit reports and information on risks relating to governance.

Knowledge area	Details of core knowledge required	How the audit committee member is able to apply the knowledge
Internal audit	<ul style="list-style-type: none"> • An awareness of the key principles of the PSIAS and the LGAN. • Knowledge of the arrangements for delivery of the internal audit service in the authority and the charter. • How the role of the head of internal audit is fulfilled. • Details of the most recent external assessment and level of conformance with the standards. • Internal audit's strategy, plan and most recent annual opinion. 	<ul style="list-style-type: none"> • The audit committee has oversight of the internal audit function and will monitor its adherence to professional internal audit standards. • The audit committee will review the assurances from internal audit work and will review the risk-based audit plan. • The committee will also receive the annual report, including an opinion and information on conformance with professional standards. • In relying on the work of internal audit, the committee will need to be confident that professional standards are being followed. • The audit committee chair is likely to be interviewed as part of the external quality assessment, and the committee will receive the outcome of the assessment and action plan.
Financial management and financial reporting	<ul style="list-style-type: none"> • Awareness of the financial statements that a local authority must produce and the principles it must follow to produce them. • An understanding of good financial management practice as set out in the CIPFA <u>Financial Management Code</u> (FM Code) and the level of compliance with it. • Knowledge of how the organisation meets the requirements of the role of the CFO as required by <u>The Role of the Chief Financial Officer in Local Government</u> (CIPFA, 2016) and <u>The Role of CFOs in Policing</u> (2021). • An overview of the principal financial risks the authority faces. 	<ul style="list-style-type: none"> • Reviewing the financial statements prior to publication, asking questions. • Receiving the external audit report and opinion on the financial audit. • Reviewing both external and internal audit recommendations relating to financial management and controls. • The audit committee should consider compliance with the FM Code and the role of the CFO and how this is met when reviewing the AGS.
External audit	<ul style="list-style-type: none"> • Knowledge of the role and functions of the external auditor and who currently undertakes this role. • Knowledge of the key reports and assurances that external audit will provide. • Familiarity with the auditor's most recent plan and the opinion reports. • Knowledge about arrangements for the appointment of auditors and quality management undertaken. 	<ul style="list-style-type: none"> • The audit committee will meet with the external auditor regularly and receive their reports and opinions. • Monitoring external audit recommendations and maximising the benefit from the audit process. • The audit committee should monitor the relationship between the external auditor and the authority and support the delivery of an effective service.

Knowledge area	Details of core knowledge required	How the audit committee member is able to apply the knowledge
Risk management	<ul style="list-style-type: none"> • Understanding of the principles of risk management, including how it supports good governance and decision making. • Knowledge of the risk management policy and strategy of the organisation. • Understanding of risk governance arrangements, including the role of members and of the audit committee. • Knowledge of the current risk maturity of the organisation and any key areas of improvement. 	<ul style="list-style-type: none"> • In reviewing the AGS, the committee will consider the robustness of the authority's risk management arrangements. • Awareness of the major risks the authority faces is necessary to support the review of several audit committee agenda items, including the risk-based internal audit plan, external audit plans and the explanatory foreword of the accounts. Typically, risk registers will be used to inform the committee. • The committee should also review reports and action plans to develop the application of risk management practice.
Counter fraud	<ul style="list-style-type: none"> • An understanding of the main areas of fraud and corruption risk that the organisation is exposed to. • Knowledge of the principles of good fraud risk management practice in accordance with the <u>Code of Practice on Managing the Risk of Fraud and Corruption</u> (CIPFA, 2014). • Knowledge of the organisation's arrangements for tackling fraud. 	<ul style="list-style-type: none"> • Knowledge of fraud risks and good fraud risk management practice will be helpful when the committee reviews the organisation's fraud strategy and receives reports on the effectiveness of that strategy. • An assessment of arrangements should support the AGS, and knowledge of good fraud risk management practice will support the audit committee member in reviewing that assessment.
Values of good governance	<ul style="list-style-type: none"> • Knowledge of the Seven Principles of Public Life. • Knowledge of the authority's key arrangements to uphold ethical standards for both members and staff (eg code of conduct). • Knowledge of the whistleblowing arrangements in the authority. 	<ul style="list-style-type: none"> • The audit committee member will draw on this knowledge when reviewing governance issues and the AGS. • Oversight of the effectiveness of whistleblowing will be considered as part of the AGS. The audit committee member should know to whom concerns should be reported.
Treasury management (only if it is within the terms of reference of the committee to provide scrutiny)	<ul style="list-style-type: none"> • <u>Effective Scrutiny of Treasury Management</u> is an assessment tool for reviewing the arrangements for undertaking scrutiny of treasury management. The key knowledge areas identified are: <ul style="list-style-type: none"> – regulatory requirements – treasury risks – the organisation's treasury management strategy – the organisation's policies and procedures in relation to treasury management. <p>See also <u>Treasure your assets</u> (Centre for Governance and Scrutiny, 2017).</p>	<ul style="list-style-type: none"> • Core knowledge on treasury management is essential for the committee undertaking the role of scrutiny.

SPECIALIST KNOWLEDGE THAT ADDS VALUE TO THE AUDIT COMMITTEE

More specialist knowledge will add value to the committee, helping to ensure the committee is able to achieve a greater depth of understanding. Including members with specialist knowledge means there is an additional resource to support other members. Specialist knowledge may be demonstrated by professional qualification and prior work experience.

When reviewing the overall knowledge of audit committee members or when planning the appointment of co-opted independent members, it is helpful to look for opportunities to include the following specialisms:

- Accountancy, with experience of financial reporting
- Internal auditing
- Risk management
- Governance and legal
- Expert service knowledge relevant for the organisation
- IT systems and security

CORE SKILLS

As well as technical knowledge, the following skills will enhance an audit committee member's aptitude to be on the committee.

Skills	Key elements	How the audit committee member is able to apply the skill
Strategic thinking and understanding of materiality	Able to focus on material issues and the overall position rather than being side tracked by detail.	When reviewing audit reports, findings will include areas of higher risk or materiality to the organisation but may also highlight more minor errors or control failures. The audit committee member will need to pitch their review at an appropriate level to avoid spending too much time on detail.
Questioning and constructive challenge	Able to frame questions that draw out relevant facts and explanations, challenging performance and seeking explanations while avoiding hostility or grandstanding.	The audit committee will review reports and recommendations to address weaknesses in internal control. The audit committee member will seek to understand the reasons for weaknesses and ensure a solution is found.
Focus on improvement	Ensuring there is a clear plan of action and allocation of responsibility.	The audit committee's outcome will be to secure improvements to the governance, risk management or control of the organisation, including clearly defined actions and responsibilities. Where errors or control failures have occurred, the audit committee should seek assurances that appropriate action has been taken.
Able to balance practicality against theory	Able to understand the practical implications of recommendations to understand how they might work in practice.	The audit committee should seek assurances that planned actions are practical and realistic.
Clear communication skills and focus on the needs of users	Support the use of plain English in communications, avoiding jargon, acronyms, etc.	The audit committee will seek to ensure that external documents such as the AGS and the narrative report in the accounts are well written for a non-expert audience.
Objectivity	Evaluate information based on evidence presented, avoiding bias or subjectivity.	The audit committee will receive assurance reports and review risk registers. There may be differences of opinion about the significance of risk and the appropriate control responses, and the committee member will need to weigh up differing views.
Meeting management skills	Chair the meetings effectively: summarise issues raised, ensure all participants can contribute, and focus on the outcome and actions from the meeting.	These skills are essential for the audit committee chair to help ensure that meetings stay on track and address the items on the agenda. The skills are desirable for all other members.

Problem-solving difficulties with the audit committee

It is not uncommon for audit committees to face difficulties or barriers in fulfilling their potential effectiveness. Some of these may be common issues that audit committees in any sector may face; others may be unique to the local authority or police setting. The following assessment may be of value in helping audit committee members or those supporting the committee to recognise and address the challenges.

Areas of difficulty	Possible causes	Possible improvement options
Lack of experience and continuity of knowledge among audit committee members.	<ul style="list-style-type: none"> Where turnover of membership is very frequent, it will be difficult for the committee to build up experience. 	<ul style="list-style-type: none"> Enhanced level of support and training to members will be required. To enhance continuity, the authority should consider recruitment of independent members.
Audit committee members do not feel confident in their knowledge of particular areas.	<ul style="list-style-type: none"> Lack of training and support. 	<ul style="list-style-type: none"> Enhanced level of support and training to members.
Independent members lack knowledge of the organisation and lack connections with key managers.	<ul style="list-style-type: none"> Poor induction. Limited opportunities to engage with the organisation outside of formal meetings. 	<ul style="list-style-type: none"> Improve induction. Identify appropriate meetings, briefings or other opportunities that independent members could attend to help develop better understanding.
Poor management of audit committee meetings means that work is unfocused or fails to reach a clear conclusion.	<ul style="list-style-type: none"> Lack of experience or skill in managing meetings by the chair. Committee members are unsure about their role. Poor support from the committee secretary. 	<ul style="list-style-type: none"> Training and support. Develop a mentoring/coaching programme. Chair seeks feedback from meeting participants. Consider skills and experience in the selection of the chair. Provide training and guidance to committee members on their role. Improve committee support.
The audit committee spends too much time on minor details rather than underlying arrangements of governance, risk and control.	<ul style="list-style-type: none"> Agenda management fails to prioritise key areas. The chair does not intervene to keep the focus at an appropriate level. 	<ul style="list-style-type: none"> Review the process of agenda development. Review the terms of reference and provide training. The chair seeks feedback from meeting participants. Provide the chair with committee management training.

Areas of difficulty	Possible causes	Possible improvement options
The committee lacks focus, and members struggle to gain an overall understanding of their remit.	<ul style="list-style-type: none"> • Committee members have a range of objectives rather than focusing on governance, risk, control and audit matters. • The committee is too large or lacks continuity because of regular attendance by substitutes. • Infrequent attendance by senior officers. 	<ul style="list-style-type: none"> • Training and emphasis on the non-political and strategic focus of the committee. • Reform of the committee structure to reduce membership and remove use of substitutes.
Senior officers do not understand the work of the committee and are not sighted on its output.	<ul style="list-style-type: none"> • The audit committee fails to engage with other committees in the authority. • Attendance is often limited to the CFO and the head of internal audit. 	<ul style="list-style-type: none"> • Expand attendance at audit committee meetings – for example, invite heads of service when major risks or control issues are being discussed – and share the CIPFA guidance (FAQs) more widely.
Elected representatives not directly involved with the committee have little understanding of its work and do not see its output.	<ul style="list-style-type: none"> • Committee recommendations are not directed to appropriate member bodies. • Reporting arrangements are not effective. • Wider induction arrangements do not cover the audit committee. 	<ul style="list-style-type: none"> • Invite newly elected members to attend audit committee meetings. • Review reporting and accountability arrangements. • Prepare an annual report that sets out how the committee has fulfilled its responsibilities. • Share the CIPFA guidance (FAQs).
Recommendations made by the audit committee are not actioned.	<ul style="list-style-type: none"> • A poor relationship between the committee and the executive or senior officers. • The audit committee's recommendations are not adequately aligned to organisational objectives. 	<ul style="list-style-type: none"> • A senior officer provides internal facilitation to support improved relationships. • Improve knowledge and skills among audit committee members. • Ensure better engagement with appropriate managers or the executive at an earlier stage.
The audit committee fails to make recommendations or follow up on issues of concern.	<ul style="list-style-type: none"> • A weak or inexperienced chair. • Members are inexperienced or do not fully understand their role. • Poor briefing arrangements prior to meetings. • Committee reports fail to adequately identify the action required by the committee. 	<ul style="list-style-type: none"> • Provide guidance and support. • Improve briefing to the chair prior to the meeting. • Ensure reports contain clear recommendations.
The audit committee strays beyond its terms of reference – for example, undertaking a scrutiny role.	<ul style="list-style-type: none"> • The terms of reference do not adequately scope the work of the committee. • Misunderstanding about the role of the committee. • Inadequate guidance from the committee secretary to the chair on its role. 	<ul style="list-style-type: none"> • Review the terms of reference and provide training and guidance.

Areas of difficulty	Possible causes	Possible improvement options
Political points of view interfere with the work of the audit committee.	<ul style="list-style-type: none"> • A lack of understanding about the role of the committee. • Difficulty separating the work of the committee from the wider politics of authority. 	<ul style="list-style-type: none"> • Seek feedback from those interacting with the committee or external assessment. • Provide support or training for the chair. • Consider the role of independent members.
A breakdown in the relationship between committee members and the executive, PCC or chief constable/deputy chief constable, or with senior management.	<ul style="list-style-type: none"> • A lack of understanding about the role of the committee. • Differing perceptions on the value of the committee • Personality clashes. 	<ul style="list-style-type: none"> • Review the terms of reference and provide training and guidance. • A senior officer provides internal facilitation to support improved relationships. • Seek an external assessment or facilitation. • Change the chair or membership if the constitution or opportunity arises.

Self-assessment of good practice

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

A regular self-assessment should be used to support the planning of the audit committee work programme and training plans. It will also inform the annual report.

Good practice questions	Does not comply					Partially complies and extent of improvement needed*				Fully complies
	Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement					
Weighting of answers	0	1	2	3	5					

Audit committee purpose and governance

1	Does the authority have a dedicated audit committee that is not combined with other functions (eg standards, ethics, scrutiny)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
2	Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3	Has the committee maintained its advisory role by not taking on any decision-making powers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5	Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6	Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7	Does the governing body hold the audit committee to account for its performance at least annually?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

* Where the committee does not fully comply with an element, three options are available to allow distinctions between aspects that require significant improvement and those requiring minor changes.

Good practice questions	Does not comply	Partially complies and extent of improvement needed			Fully complies
	Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
Weighting of answers	0	1	2	3	5
8 Does the committee publish an annual report in accordance with the 2022 guidance, including:					
<ul style="list-style-type: none"> compliance with the CIPFA Position Statement 2022 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> results of the annual evaluation, development work undertaken and planned improvements 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> how it has fulfilled its terms of reference and the key issues escalated in the year? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Functions of the committee					
9 Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?					
Governance arrangements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Risk management arrangements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internal control arrangements, including:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> financial management value for money ethics and standards counter fraud and corruption 					
Annual governance statement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial reporting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assurance framework	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internal audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
External audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Over the last year, has adequate consideration been given to all core areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Has the committee met privately with the external auditors and head of internal audit in the last year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Good practice questions	Does not comply	Partially complies and extent of improvement needed			Fully complies
	Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
Weighting of answers	0	1	2	3	5

Membership and support

13 Has the committee been established in accordance with the 2022 guidance as follows?					
<ul style="list-style-type: none"> Separation from executive 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> A size that is not unwieldy and avoids use of substitutes 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14 Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15 Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16 Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17 Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18 Is adequate secretariat and administrative support provided to the committee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19 Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Effectiveness of the committee

20 Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21 Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22 Are meetings effective with a good level of discussion and engagement from all the members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23 Has the committee maintained a non-political approach to discussions throughout?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Good practice questions	Does not comply	Partially complies and extent of improvement needed			Fully complies
	Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
Weighting of answers	0	1	2	3	5
24 Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25 Does the committee make recommendations for the improvement of governance, risk and control arrangements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26 Do audit committee recommendations have traction with those in leadership roles?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27 Has the committee evaluated whether and how it is adding value to the organisation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28 Does the committee have an action plan to improve any areas of weakness?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29 Has this assessment been undertaken collaboratively with the audit committee members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subtotal score	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total score					
Maximum possible score					200**

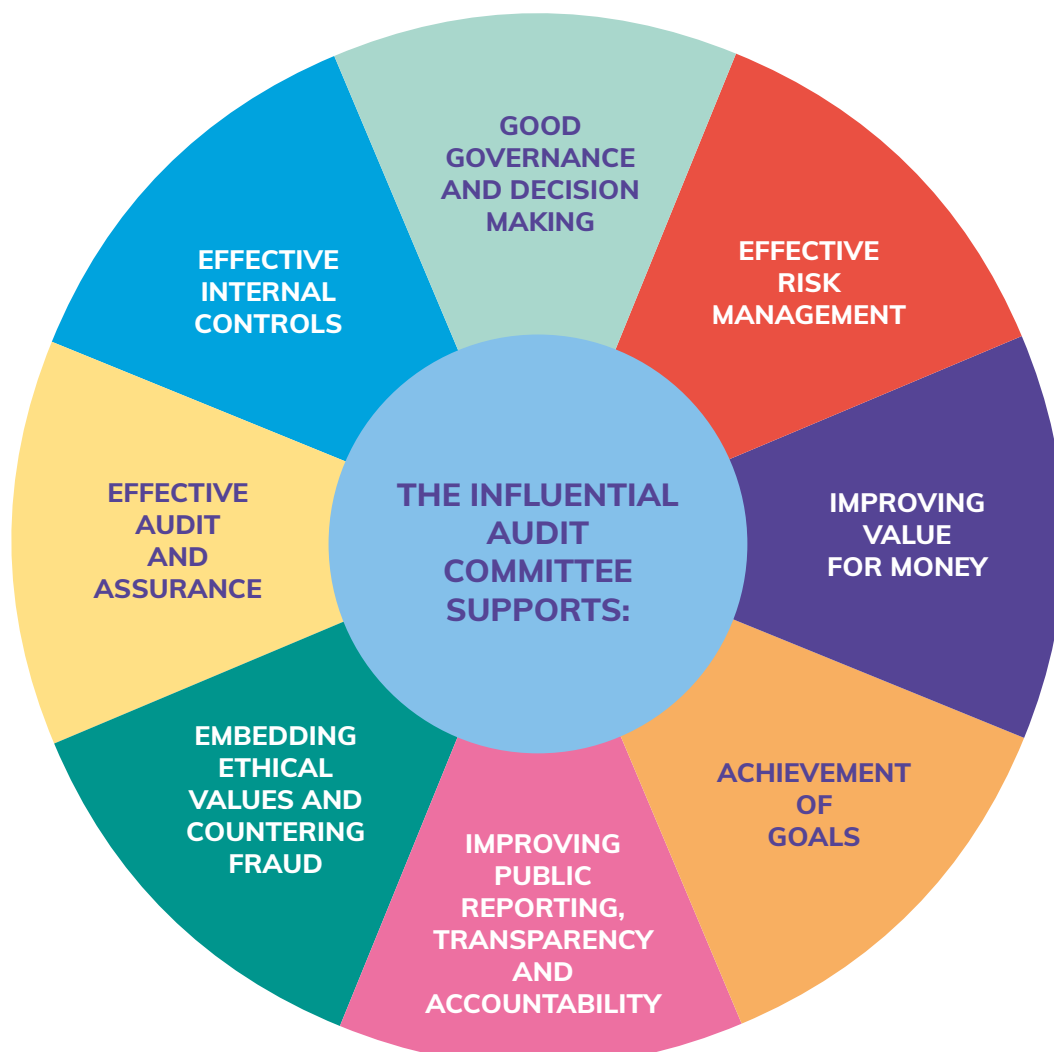
** 40 questions/sub-questions multiplied by five.

Evaluating the impact and effectiveness of the audit committee

An audit committee's effectiveness should be judged by the contribution it makes to and the beneficial impact it has on the authority's business. Since it is primarily an advisory body, it can be more difficult to identify how the audit committee has made a difference. Evidence of effectiveness will usually be characterised as 'influence', 'persuasion' and 'support'.

The improvement tool below can be used to support a review of effectiveness. It identifies the broad areas where an effective audit committee will have impact.

Figure 1: The influential audit committee



The table includes examples of what the audit committee might do to have impact in each of these areas.

The third area includes key indicators that might be expected to be in place if arrangements are in fact effective. These indicators are not directly within the control of the audit committee, as it is an advisory body. They do provide an indication that the authority has put in place adequate and effective arrangements, which is the purpose of the committee.

Use the tool for discussion and evaluation of the strengths and weakness of the committee, identifying areas for improvement.

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses and proposed actions
<p>Promoting the principles of good governance and their application to decision making.</p>	<ul style="list-style-type: none"> • Supporting the development of a local code of governance. • Providing a robust review of the AGS and the assurances underpinning it. • Supporting reviews/audits of governance arrangements. • Participating in self-assessments of governance arrangements. • Working with partner audit committees to review governance arrangements in partnerships. 	<ul style="list-style-type: none"> • Elected members, the leadership team and senior managers all share a good understanding of governance, including the key principles and local arrangements. • Local arrangements for governance have been clearly set out in an up-to-date local code. • The authority's scrutiny arrangements are forward looking and constructive. • Appropriate governance arrangements established for all collaborations and arm's-length arrangements. • The head of internal audit's annual opinion on governance is satisfactory (or similar wording). 	
<p>Contributing to the development of an effective control environment.</p>	<ul style="list-style-type: none"> • Encouraging ownership of the internal control framework by appropriate managers. • Actively monitoring the implementation of recommendations from auditors. • Raising significant concerns over controls with appropriate senior managers. 	<ul style="list-style-type: none"> • The head of internal audit's annual opinion over internal control is that arrangements are satisfactory. • Assessments against control frameworks such as CIPFA's FM Code have been completed and a high level of compliance identified. • Control frameworks are in place and operating effectively for key control areas – for example, information security or procurement. 	

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses and proposed actions
Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.	<ul style="list-style-type: none"> Reviewing risk management arrangements and their effectiveness, eg risk management maturity or benchmarking. Monitoring improvements to risk management. Reviewing accountability of risk owners for major/ strategic risks. 	<ul style="list-style-type: none"> A robust process for managing risk is evidenced by independent assurance from internal audit or external review. 	
Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.	<ul style="list-style-type: none"> Reviewing the adequacy of the leadership team's assurance framework. Specifying the committee's assurance needs, identifying gaps or overlaps in assurance. Seeking to streamline assurance gathering and reporting. Reviewing the effectiveness of assurance providers, eg internal audit, risk management, external audit. 	<ul style="list-style-type: none"> The authority's leadership team have defined an appropriate framework of assurance, including core arrangements, major service areas and collaborations and external bodies. 	
Supporting effective external audit, with a focus on high quality and timely audit work.	<ul style="list-style-type: none"> Reviewing and supporting external audit arrangements with focus on independence and quality. Providing good engagement on external audit plans and reports. Supporting the implementation of audit recommendations. 	<ul style="list-style-type: none"> The quality of liaison between external audit and the authority is satisfactory. The auditors deliver in accordance with their audit plan and any amendments are well explained. An audit of high quality is delivered. 	
Supporting the quality of the internal audit activity, in particular underpinning its organisational independence.	<ul style="list-style-type: none"> Reviewing the audit charter and functional reporting arrangements. Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements. Actively supporting the quality assurance and improvement programme of internal audit. 	<ul style="list-style-type: none"> Internal audit that is in conformance with PSIAS and LGAN (as evidenced by the most recent external assessment and an annual self-assessment). The head of internal audit and the organisation operate in accordance with the principles of the CIPFA <u>Statement on the Role of the Head of Internal Audit</u> (2019). 	

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses and proposed actions
<p>Aiding the achievement of the authority's goals and objectives by helping to ensure appropriate governance, risk, control and assurance arrangements.</p>	<ul style="list-style-type: none"> • Reviewing how the governance arrangements support the achievement of sustainable outcomes. • Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place. • Reviewing the effectiveness of performance management arrangements. 	<ul style="list-style-type: none"> • Inspection reports indicate that arrangements are appropriate to support the achievement of service objectives. • The authority's arrangements to review and assess performance are satisfactory. 	
<p>Supporting the development of robust arrangements for ensuring value for money.</p>	<ul style="list-style-type: none"> • Ensuring that assurance on value-for-money arrangements is included in the assurances received by the audit committee. • Considering how performance in value for money is evaluated as part of the AGS. • Following up issues raised by external audit in their value-for-money work. 	<ul style="list-style-type: none"> • External audit's assessments of arrangements to support best value are satisfactory. 	
<p>Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.</p>	<ul style="list-style-type: none"> • Reviewing arrangements against the standards set out in the <i>Code of Practice on Managing the Risk of Fraud and Corruption</i> (CIPFA, 2014). • Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks. • Assessing the effectiveness of ethical governance arrangements for both staff and governors. 	<ul style="list-style-type: none"> • Good ethical standards are maintained by both elected representatives and officers. This is evidenced by robust assurance over culture, ethics and counter fraud arrangements. 	

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses and proposed actions
Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability.	<ul style="list-style-type: none"> Working with key members/ the PCC and chief constable to improve their understanding of the AGS and their contribution to it. Improving how the authority discharges its responsibilities for public reporting – for example, better targeting the audience and use of plain English. Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encourages greater transparency. Publishing an annual report from the committee. 	<ul style="list-style-type: none"> The authority meets the statutory deadlines for financial reporting with accounts for audit of an appropriate quality. The external auditor completed the audit of the financial statements with minimal adjustments and an unqualified opinion. The authority has published its financial statements and AGS in accordance with statutory guidelines. The AGS is underpinned by a robust evaluation and is an accurate assessment of the adequacy of governance arrangements. 	

OVERALL QUESTIONS TO CONSIDER

- 1 Does the committee proactively seek assurance over the key indicators?
- 2 How proactive is the committee in responding to aspects of governance, risk, control and audit that need change or improvement?
- 3 Are recommendations from the committee taken seriously by those responsible for taking action?

REPORTING RESULTS

The outcome of the review can be used to inform the committee's annual report.

77 Mansell Street, London E1 8AN
+44 (0)20 7543 5600

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10/2022

Agenda Item 6

DECISION-MAKER:	GOVERNANCE COMMITTEE
SUBJECT:	Pay Policy – Changes to Discretionary Severance and Pensions Payment Policy
DATE OF DECISION:	22 April 2024
REPORT OF:	Executive Director Enabling Services

<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director Enabling Services	
	Name:	Mel Creighton	Tel: 023 80833528
	E-mail	mel.creighton@southampton.gov.uk	
Author:	Title	Acting Head of HR and OD	
	Name:	Chris Bishop	Tel: 023 80832087
	E-mail	christopher.bishop@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY
None

BRIEF SUMMARY

The Council is required under the Localism Act 2011 to prepare and publish a Pay Policy Statement annually. The 2024-2025 statement was agreed by Council on 20 March 2024. Linked to this is the Severance & Pensions Payments: Discretionary Powers Policy and this report asks Governance Committee to consider changes to these discretions.

RECOMMENDATIONS:

(i)	To approve revisions to the Severance & Pensions Payments: Discretionary Powers Policy, including the Council adopting statutory redundancy payment levels for Compulsory Redundancy (CR) and Voluntary Redundancy (VR).
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REASONS FOR REPORT RECOMMENDATIONS

1.	In light of the council's financial situation, these changes will improve the affordability of transformation and will not have a detriment to the lowest graded employees.
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ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2.	The current CR and VR rates are retained or reduce CR to statutory redundancy rates and VR to the current CR rates. These options are not recommended because they are unaffordable.
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DETAIL (Including consultation carried out)

3.	It is proposed that the council adopts statutory redundancy payment levels for CR and VR. The latter is currently 1.25 x CR. Council redundancy rates already match statutory redundancy pay rates in terms of being based on the same employee's age and length of employment, and length of service being capped at 20 years. The key difference is that statutory weekly pay is capped at £643, with the maximum amount of statutory redundancy pay being £19,290.
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These changes would result in the council being aligned with other local authorities. It is a more appropriate use of public money, and ensures we continue to meet our statutory responsibility to employees going forward. It will also improve the affordability of the transformation required and will not impact the lowest graded employees.

4. The redundancy rates are specified in the Council Severance & Pensions Payments: Discretionary Powers Policy. Whilst changing these, the following amendments to the policy are also recommended to improve affordability in future:

- As we will no longer be paying above the statutory maximum, to remove allowing employees to use any redundancy payment in excess of the statutory amount to be used to buy additional pension.
- To remove the discretion to grant extra annual pension of up to £7,579 to individuals whose employment was terminated on the grounds of redundancy or business efficiency. We haven't used this discretion, and it would cost us more money to do so.

The proposed changes to the Severance & Pensions Payments: Discretionary Powers Policy are in sections 4, 6 and 7.1 of Appendix 1.

5. We have consulted the unions, who were concerned about the impact on lower paid employees. The table below demonstrates those in lower grades would be unaffected by this for CR, as shown in the 'Saving between Statutory and CR' column. This is also true for part time employees (who are predominantly female), which reduces the impact of the changes in terms of gender.

Grade	Average Statutory Redundancy Amount	Average Current CR	Average Current VR	Saving between Statutory and CR	Saving between Statutory and VR	Saving between CR and VR
GR02	£3,003	£3,003	£3,753	£0	£751	£751
GR03	£3,616	£3,616	£4,520	£0	£904	£904
GR04	£2,590	£2,590	£3,237	£0	£647	£647
GR05	£5,533	£5,533	£6,917	£0	£1,383	£1,383
GR06	£6,099	£6,099	£7,624	£0	£1,525	£1,525
GR07	£8,137	£8,192	£10,239	£55	£2,103	£2,048
GR08	£9,397	£9,987	£12,484	£590	£3,087	£2,497
GR09	£8,591	£10,111	£12,639	£1,520	£4,048	£2,528
GR10	£10,456	£13,765	£17,206	£3,309	£6,750	£3,441
GR11	£9,432	£13,892	£17,366	£4,461	£7,934	£3,473
GR12	£11,316	£18,948	£23,685	£7,633	£12,370	£4,737
GR13	£11,967	£21,826	£27,283	£9,859	£15,316	£5,457
C05	£14,628	£29,316	£36,645	£14,688	£22,017	£7,329
C04	£12,860	£25,772	£32,215	£12,912	£19,355	£6,443
C03	£8,129	£16,282	£20,353	£8,153	£12,224	£4,071

C02.3	£8,038	£16,108	£20,135	£8,070	£12,097	£4,027
C02.1	£13,182	£26,417	£33,021	£13,235	£19,839	£6,604
C01.2	£10,288	£20,618	£25,772	£10,330	£15,484	£5,154

The unions do recognise that savings are required and agree this is one of the less impactful changes that could be made and are in agreement to reopening the voluntary redundancy scheme during a restructure. This may reduce the impact on some employees of the selection processes and uncertainty.

RESOURCE IMPLICATIONS

Capital/Revenue

6. These changes will reduce the financial impact when employees are made redundant. Based on our employee's average redundancy costs, the below illustrates what could be saved per person.

Statutory Redundancy Amount	Average Current CR	Average Current VR	Saving between Statutory and CR	Saving between Statutory and VR	Saving between CR and VR
£6,601	£7,751	£9,689	£1,150	£3,088	£1,938

The one-off savings from the actual reduced costs of redundancy payments will depend on how many people are made redundant and who they are, in terms of grade, salary, length of service and age.

Property/Other

7. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

8. Local Government Act 1972 and Localism Act 2011

Other Legal Implications:

9. None

RISK MANAGEMENT IMPLICATIONS

10. Union resistance to these changes was anticipated, however, they appreciate that savings are required and these are more palatable than other options to them.
- Employees will not like this change as those that are made redundant will receive smaller payments, which for those in the higher grades could be halved from around £38k to about £19k. The alternative could be more redundancies and/or changes that affect more people negatively, though. Reinstating the option of VR during restructures will give some people the option to ask to leave if they want to go and save them from the stress of selection processes. When communicating the changes, we would explain this.

POLICY FRAMEWORK IMPLICATIONS	
11.	The only policy implications are the changes to the Severance & Pensions Payments: Discretionary Powers Policy itself.

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Severance & Pensions Payments: Discretionary Powers Policy
2.	Equality and Safety Impact Assessment

Documents In Members' Rooms

1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	Yes
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
Other Background Documents	
Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None

Southampton City Council

Severance & Pensions Payments: Discretionary Powers Policy

Severance and Pension Payments: Discretionary Powers Policy			
Version	V3	Feed back:	SD Legal and Governance
		Approved by:	Full Council as part of Pay Policy
Date last amended	February 2024	Approval date	Pay Policy April 2024
Lead officer	Chris Bishop	Review date	February 2025
Contact	Christopher.bishop@southampton.gov.uk		

Severance & Pension Payments: Discretionary Powers Policy

1. Purpose

1.1 To set out the council's policy on each of the mandatory discretions available under the Regulations* and confirm the position on relevant optional discretions.

1.2 The policy explains the context of discretions, whether or not they will be applied and the circumstances and criteria for applying them in relation to existing staff (members) and ex-staff (deferred members).

* The 2014 Scheme Regulations – regulation 60 of the Local Government Pension Scheme (LGPS) Regulations 2013 and paragraph 2(2) of Schedule 2 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, the 2008 Scheme Regulations – regulation 66 of the LGPS (Administration) Regulations, and LGPS Regulations 1997 – regulation 106.

2. Scope

2.1 The council will approach the application of any discretions in a fair and consistent manner, in line with the regulations, equality legislation and the specific provisions and criteria of the policies and procedures relating to pensions, organisational change, redundancy and retirement.

2.2 This policy is applicable to council staff and staff in schools where the council is the scheme employer for LGPS purposes.

2.3 The policy covers discretionary arrangements relating to early retirements that result from redundancy, flexible retirement, or those that are staff-led i.e. where the member of staff meets the scheme criteria to be able to choose to retire without employer consent.

2.4 Members of the LGPS are entitled to receive a pension at their Normal Pension Age (NPA), which will be equal to an employee's State Pension Age - a minimum of age 65.

2.5 Any retirement earlier than the NPA is an early retirement from the perspective of the pension scheme and may result in a reduction to pension benefits (actuarial reduction) and/or the requirement for the council to pay a scheme charge.

2.6 Except in certain defined cases, early retirement, discretionary payments, and pension enhancements are not available as a right. Any application for voluntary early retirement,

discretionary payment, or pension enhancement, will be considered in line with the discretions described in this policy. Whether it is in the interest of the council, including financial consequences, and the employee's personal circumstances, will be taken into account.

2.7 Scheme members who are made redundant and are 55 or over, with at least 2 years membership, are automatically entitled to early release of their pension, without reduction. The LGPS Regulations do not allow for the pension to be deferred in these circumstances.

2.8 The Council will be liable for scheme charges for early retirements arising from redundancy in all cases.

2.9 Scheme members who are under 55 when made redundant will have a deferred pension.

3. Roles and Responsibilities

3.1 In the formulation and review of this policy the Council:

- Is satisfied that the policy is workable, affordable and reasonable, having regard to the foreseeable costs;
- Has considered the potential for the application of its discretionary powers (unless properly limited) to lead to a loss of confidence in the public service.

3.2 The responsibility for payment of discretionary pension arrangements has been delegated to officers named in the Scheme of Delegation, with the exception of payments for Schools, which will continue to be decided by the Governance Committee.

Discretionary Powers – Severance

4. Redundancy Pay Calculations

4.1 A redundancy payment will be due to any member of staff with at least two years' continuous local government service at the date of a dismissal that fulfils the statutory definition of redundancy. Redundancy pay (including any severance pay) under £30,000 is not taxable.

Discretion: Whether to base redundancy payments on an actual weeks' pay where this exceeds the statutory weeks' pay limit.

4.2 The Council/school will calculate redundancy payments on the basis of actual weeks' pay, capped at the statutory week's pay limit of £643 (figure at 1 April 2023).

4.3 The council will calculate redundancy pay based on age, continuous local government service and actual weekly pay (capped at the statutory pay maximum using the following formula:

- (Age factor) x (number of complete years of continuous local government service - capped at 20 years) x (gross weekly salary capped at statutory pay maximum) = Redundancy Entitlement.

The age factor is calculated as follows:

- 0.5 for each full year of service where the employee's age was under 22;
- 1 for each full year of service where the employee's age was 22 or above, but under 41; and
- 1.5 for each full year of service where the employee's age was 41 or above.

4.4 Voluntary “redundancy” payments will be the same as for compulsory redundancy. Any pay in lieu of notice is taxable and will be funded by the employing service. All voluntary severance payments must be in line with the Council’s Scheme of Delegation. The Director of HR and OD will exercise the delegation after consulting the Council’s Voluntary Redundancy panel which comprises the Executive Director of Enabling Services, Director of Legal and Governance, and Director of HR and OD (or their nominated deputies). Employees who exit the Council this way will not be re-employed by the council within a two-year period.

4.5 Where a redundant employee commences subsequent local government employment (or employment with a body included in The Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999, as amended) within a month and a day of leaving the Council, there will be no entitlement to a redundancy payment. However, if an employee starts employment after a break of at least a month and a day, their continuous employment under the Modification Order will be broken and redundancy compensation is payable.

5. Compensations Payments

5.1 The 2006 Regulations allow employers to award lump sum compensation payments within certain parameters. A lump sum payment can only be granted where the employer is not making Additional Pension Contributions on behalf of a member of staff. Any redundancy payment must be offset against the lump sum compensation payment.

Discretion: Whether to award lump sum compensation of up to 104 weeks’ pay in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment.

5.2 The Council/school will calculate redundancy payments, in line with agreed policies applicable at the time, subject to such payments not exceeding the equivalent of 104 weeks' pay.

6. Use of Redundancy Payment to Purchase Additional Pension

6.1 The LGPS Regulations allow redundancy payments in excess of the statutory amount (e.g. where actual weekly pay is higher than the statutory maximum figure used for the calculation) to be used to buy additional pension where the employer permits this.

Discretion: Whether to allow employees to use any redundancy payment in excess of the statutory amount to be used to buy additional pension.

6.2 The Council/school will not allow any redundancy payment in excess of the statutory amount to be used to buy additional pension.

7. Discretionary Powers - Pensions

The following discretions apply to members who were actively paying into the scheme as at 1 April 2014 onwards

Discretion: Whether, at the full cost to the Scheme employer, to grant extra annual pension of up to £7,579 (figure at 1 April 2023) to an active member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency [regulation 31 of the LGPS Regulations 2013].

7.1 The Council/school will not exercise its discretion to enable the purchase of additional pension where individuals have taken early retirement due to redundancy or efficiency (up to £7,579 per annum as at 1st April 2023).

Discretion: Whether, how much, and in what circumstances to contribute to a Shared Cost APC scheme.

Where an active scheme member has decided to make Additional Pension Contributions (APCs) to purchase extra pension benefits up to £7,579 per annum (figure as at 1 April 2023), the employer can resolve to **voluntarily** contribute towards the cost of this too.

Note: This does not include instances where the employee is paying for **lost** pension via an APC where the election was made in the first 30 days (or longer if the employer allows) – in this circumstance the employer **must** pay two-thirds of the cost of such purchase.

7.2 The Council/school will not exercise its discretion to contribute towards APC.

Discretion: Whether to allow flexible retirement for staff aged 55 or over who, with the agreement of the Scheme employer, reduce their working hours or grade [regulation 30(6) of the LGPS Regulations 2013] and, if so, as part of the agreement to allow flexible retirement:

- whether, in addition to the benefits the member has built up prior to 1 April 2008 (which the member must draw), to allow the member to choose to draw
- all, part or none of the pension benefits they built up after 31 March 2008 and before 1 April 2014, and / or
- all, part or none of the pension benefits they built up after 31 March 2014
- whether to waive, in whole or in part, any actuarial reduction which would otherwise be applied to the benefits taken on flexible retirement before Normal Pension Age (NPA) [regulation 3(5) of the LGPS (Transitional Provisions,

Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up whilst still continuing in employment. This is provided the employer agrees to the member either reducing their hours or moving to a position on a lower grade.

In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives the reduction either fully or in part or a member has protected rights.

If the Council allows members to retire under flexible retirement, and they meet the 85 year rule between the ages of 55 and 60, there may be a cost to the employer as there is no option to switch the 85 year rule off in this instance.

7.3 The Council will consider requests for Flexible Retirement from employees aged 55 and over with at least 2 years scheme membership, who wish to take a "step down" in responsibility or in working hours, and access their accrued pension benefits, including application for the release of benefits accrued after 31 March 2008. Applications will be considered (but will be subject to employer approval) on the merits of each case and the needs of the business and will include:

- all the pension benefits they built up after 31 March 2008 and before 1 April 2014, and / or
- all of the pension benefits they built up after 31 March 2014

7.4 These will be subject to actuarial reduction unless the Council exercises its discretion to waive the reduction. The Council may incur a scheme charge in some cases for permitting Flexible Retirement.

Discretion: Whether to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.

Active members are now able to voluntarily retire between ages 55 and 60. If they were a member of the LGPS on 30 September 2006 then some of their benefits could be protected from reductions applied to early payment under the 85 year rule. This rule only applies automatically to members voluntarily retiring from age 60 but the employer has the discretion to “switch it on” for voluntary retirements between age 55 and 60.

This discretion does not apply to flexible retirement (see [Regulation 30\(6\)](#)) whereby the 85 year rule is always switched on.

Where the employer does not choose to “switch on” the rule, then benefits built up would be subject to a reduction in accordance with actuarial guidance issued by the Secretary of State regardless of whether a member meets the rule or not.

If the employer does agree to “switch on” the 85 year rule, the employer will have to meet the cost of any strain on fund resulting from the payment of benefits before age 60 i.e. where the member has already met the 85 year rule or will meet it before age 60.

7.5 The Council/school will not exercise its discretion to “switch on the 85 year rule” for those who meet the criteria and retire between ages 55 and 60. Any member wishing to retire may see a reduction in their pension benefits.

Discretion: Whether to waive, in whole or in part, any actuarial reductions on benefits which a member voluntarily draws before normal pension age (other than on the grounds of flexible retirement).

Employers can agree to waive any actuarial reductions due in the case of employees retiring any time after age 55.

Employers should also note that the strain cost of any such retirements would need to be met by the employer and paid into the Pension Fund at the appropriate time.

Members joined before 1 October 2006 and who reached 60 before 1 April 2016 – Group 1

- To waive on compassionate grounds, any actuarial reductions applied to benefits built up before 1 April 2016

- To waive on any grounds, actuarial reductions applied to benefits built up after 1 April 2016

Members joined before 1 October 2006 and who reach age 60 between 1 April 2016 and 31 March 2020 and also meet their critical retirement age before 1 April 2020 (date member meets the 85 year rule)– Group 2

- To waive on compassionate grounds, any actuarial reductions applied to benefits built up before 1 April 2020
- To waive on any grounds, actuarial reductions applied to benefits built up after 1 April 2020

Members joined before 1 October 2006 and who reach age 60 after 1 April 2016 but before 31 March 2020 and don't meet their critical retirement age before 1 April 2020 (date member meets the 85 year rule) – Group 3

- To waive on compassionate grounds, any actuarial reductions applied to benefits built up before 1 April 2014
- To waive on any grounds, actuarial reductions applied to benefits built up after 1 April 2014

Members joined after 1 October 2006 – Group 4

- To waive on compassionate grounds, any actuarial reductions applied to benefits built up before 1 April 2014
- To waive on any grounds, actuarial reductions applied to benefits built up after 1 April 2014

7.6 The Council/school will consider requests for early retirement from deferred members over the age of 55 on compassionate grounds where medical evidence is provided that the individual has to provide continuous care for a sick partner or dependant and/or where it is in the Council's interests to do so, and having regard to the Pension Fund Charge for paying benefits early being affordable in each case.

7.7 The Council/school will not waive any of the actuarial reduction applicable to an employee who retires voluntarily between ages 55 and Normal Pension Age. The Council/school will not consent to ex-staff taking deferred benefits early unless there is no cost to the employer.

The following discretions apply to members who left the scheme between 1 April 2008 and before 1 April 2014

Discretion: Whether to “switch on” the 85 year rule for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60 or upon the voluntary early payment of a suspended tier 3 ill health pension?

A member with a deferred benefit who left the scheme voluntarily between 1 April 2008 – 31 March 2014 and who has subsequently become a deferred pensioner may now claim their benefits from age 55 without their employers consent. However, these benefits will be reduced for early payment.

Where a member has reached the 85 year rule at the point of retirement, an employer can consent to switching on the 85 year rule. Any ‘strain’ to the Fund will be payable immediately by the Scheme employer.

7.8 The Council/school will not exercise its discretion to “switch on the 85 year rule” for those who meet the criteria and retire between ages 55 and 60. Any member wishing to retire may see a reduction in their pension benefits.

Discretion: Whether to waive reductions which may occur on deferred benefits claimed between ages 55-60 or suspended tier 3 ill health for leavers between 1 April 2008 and 31 March 2014.

A member with a deferred benefit who left the scheme voluntarily between 1 April 2008 – 31 March 2014 or was awarded a Tier 3 ill health pension under the 2007 Regulations and who has subsequently become a deferred pensioner may now claim their benefits from age 55 without their employers consent. However, these benefits will be reduced for early payment.

An employer can consent to waiving any reductions, on compassionate grounds, which may be applied to deferred benefits or suspended tier 3 ill health pension paid early.

7.9 Early payment of deferred pension benefits following suspension of tier three ill health pensions, will be granted provided if it is in the Council's interest to do so, and having regard to the Pension Fund Charge for paying benefits early being affordable in each case.

7.10 The Council/school may consider waiving actuarial reductions for deferred members on compassionate grounds where the member can provide medical evidence that they are providing continuous care for a sick partner or dependent.

The following discretions apply to members who left the scheme between 1 April 1998 and before 1 April 2008

Discretion: Whether, as the 85 year rule does not automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their deferred benefits (on or after 14 May 2018) on or after age 55 and before age 60, to switch the 85 year rule back on in full for such members.

Deferred members who left the scheme after 1 April 1998 are now able to voluntarily retire between ages 55 and 60. If they were a member of the LGPS on 30 September 2006 then some of their benefits could be protected from reductions applied to early payment under the 85 year rule. This rule only applies automatically to members voluntarily retiring from age 60 but the ceding employer has the discretion to “switch it on” for voluntary retirements between age 55 and 60.

Where the employer does not choose to “switch on” the rule, then benefits built up would be subject to reduction in accordance with actuarial guidance issued by the Secretary of State regardless of whether a member meets the rule or not.

If the employer does agree to “switch on” the 85 year rule, the employer will have to meet the cost of any strain on fund resulting from the payment of benefits before age 60 i.e. where the member has already met the 85 year rule or will meet it before age 60.

7.11 The Council/school will not exercise its discretion to “switch on the 85 year rule” for those who meet the criteria and retire between ages 55 and 60. Any member wishing to retire may see a reduction in their pension benefits.

Discretion: Whether to grant application for early payment of deferred benefits on or after age 50 and before age 55.

A member with a deferred benefit who left the scheme between 1 April 1998 – 31 March 2008 can claim their benefits from age 50 with their employer’s consent.

However, these benefits may be reduced for early payment and/or be subject to an unauthorised payment charge under the Finance Act 2004.

7.12 The Council/school will consider requests for early retirement from deferred members between the ages 50-55.

7.13 The Council/school will not waive any of the actuarial reduction applicable to an employee who retires voluntarily between the ages of 50-55. The Council/school will not consent to ex-staff taking deferred benefits early unless there is no cost to the employer.

Discretion: Whether to waive any actuarial reduction on compassionate grounds which would normally be applied to benefits which are paid before age 65.

Employers can agree to waive any actuarial reductions on compassionate grounds due in the case of employees who ceased active membership between 1 April 1998 and 31 March 2008.

Employers should note that the strain cost of any such retirements would need to be met by the employer and paid into the Pension Fund at the appropriate time.

7.14 The Council/school may consider waiving actuarial reductions for deferred members on compassionate grounds where the member can provide medical evidence that they are providing continuous care for a sick partner or dependent.

The following discretions apply to members who ceased active membership before 1 April 1998

Discretion: Whether to grant early payment of a deferred benefit on compassionate grounds, on or after age 50 and before NRD.

An employer can grant application for early payment of deferred benefits on or after age 50 on compassionate grounds.

However, these benefits may be reduced for early payment and/or be subject to an unauthorised payment charge under the Finance Act 2004

7.15 The Council/school will consider requests for early retirement from deferred members between on or after age 50 and before NRD on compassionate grounds where medical evidence is provided demonstrating that the individual needs themselves or has to provide continuous care for a sick partner or dependant and/or where it is in the Council's interest to do so, and having regard to the Pension Fund Charge for paying benefits early being affordable in each case.

Discretion: Whether to extend the 12 month option period for a member to elect to join deferred benefits to their current employment/membership.

The election to keep separate pension benefits must be made within 12 months of becoming an active member, who must be active at the date of election.

An employer may allow a period longer than 12 months.

7.16 Where a new member of staff of the Council has a deferred pension from a previous period of local government employment, it will normally be joined to the new LGPS pension unless the member of staff opts to keep them separate.

7.17 The Council/school will not exercise the discretion to allow a longer period than 12 months.

Discretion: Whether to extend the normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS

Where an active member requests to transfer previous pension rights into the LGPS, the member must make a request within in 12 months of becoming an active member.

An employer may allow a longer period than 12 months.

7.18 The Council/School will only accept an election for transfer of pension rights from an external pension provider into the LGPS if this election is made within 12 months of the member joining the LGPS. Any transfer will be subject to agreement by Hampshire County Council, as the administering authority.

Discretion: - whether to, how much and in what circumstances to contribute to a shared-cost Additional Voluntary Contribution (SCAVC) arrangement.

7.19 The Council will contribute to a SCAVC arrangement in return for the employee's agreement to reduce their salary by an amount equivalent to the contribution. In addition, the employee agrees to pay £1 per month into the AVC fund as their contribution to the shared cost AVC arrangement. This contribution will be deducted from the employee's gross salary.

7.20 The Council will ensure that the employee has sufficient pay after any AVC reductions to meet any lawful deductions from pay. Should the employee's earnings fall below the national Living Wage or Lower Earnings Limit they will be unable to participate.

7.21 The employee needs to note that they may become subject to a tax charge if they make pension savings which exceed the 'Annual Allowance' in any tax year.



Equality and Safety Impact Assessment

The **Public Sector Equality Duty** (Section 149 of the Equality Act) requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people carrying out their activities.

The Equality Duty supports good decision making – it encourages public bodies to be more efficient and effective by understanding how different people will be affected by their activities, so that their policies and services are appropriate and accessible to all and meet different people’s needs. The Council’s Equality and Safety Impact Assessment (ESIA) includes an assessment of the community safety impact assessment to comply with Section 17 of the Crime and Disorder Act and will enable the Council to better understand the potential impact of proposals and consider mitigating action.

Name or Brief Description of Proposal	Severance & Pensions Payments: Discretionary Powers Policy changes
Brief Service Profile (including number of customers)	
The HR & OD service support our workforce of 3,700 colleagues to whom the Severance & Pensions Payments: Discretionary Powers Policy applies.	
Summary of Impact and Issues	
The purpose of the Governance Committee report is to approve changes to the Severance & Pensions Payments: Discretionary Powers Policy. The proposals include SCC adopting statutory redundancy payment levels for Compulsory Redundancy (CR), and have Voluntary Redundancy (VR) payment levels the same as for CR.	
Potential Positive Impacts	
Reinstating the option of VR during restructures will give some people the option to ask to leave if they want to go and save them from the stress of selection processes.	
Responsible Service Manager	Chris Bishop
Date	08/4/2024
Approved by Senior Manager	Chris Bishop
Date	01/3/2024

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	Older colleagues typically have longer service, and therefore larger redundancy packages, meaning they could have a bigger reduction in their redundancy package.	If they are over 55 and in the Local Government Pension Scheme they would be eligible for early retirement, with no reduction in their pension payments that normally occur with early retirement.
Disability	No impact	
Gender Reassignment	No impact	
Marriage and Civil Partnership	No impact	
Pregnancy and Maternity	No impact	
Race	No impact	
Religion or Belief	No impact	
Sex	Part time employees (who are predominantly female) are likely to be less affected.	
Sexual Orientation	No impact	
Community Safety	No impact	
Poverty	In the current cost of living crisis some colleagues may be struggling financially. Therefore, colleagues are likely to want the highest possible redundancy package to cope with rising costs.	Ensure colleagues are aware of wellbeing champions and mental health first aiders, as well as being supported via their line manager, colleagues, and HR&OD team.
Health & Wellbeing	In the current cost of living crisis some colleagues may be struggling financially. Therefore, colleagues are likely to want the highest possible redundancy package to cope with rising costs.	Ensure colleagues are aware of wellbeing champions and mental health first aiders, as well as being supported via their line manager, colleagues, and HR&OD team.

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Other Significant Impacts	Those in lower grades would be unaffected by this for CR.	

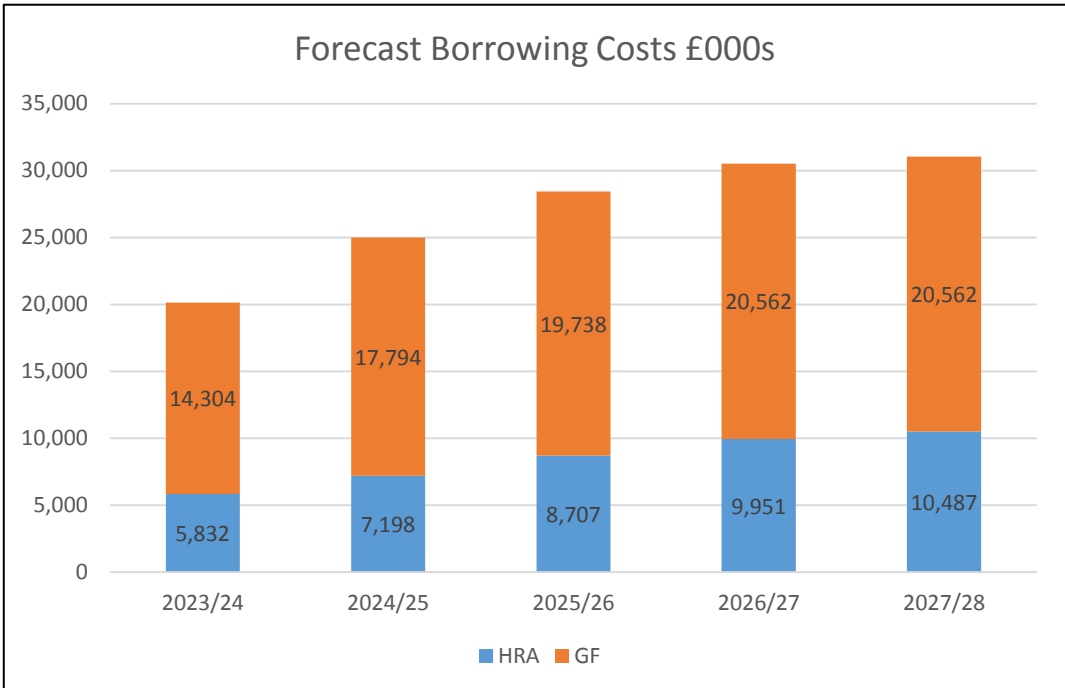
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Agenda Item 7

DECISION-MAKER:		GOVERNANCE COMMITTEE			
SUBJECT:		TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL LIMITS 2024/25 TO 2026/27			
DATE OF DECISION:		22 APRIL 2024			
REPORT OF:		EXECUTIVE DIRECTOR ENABLING SERVICES AND S151 OFFICER			
<u>CONTACT DETAILS</u>					
Executive Director	Title:	Executive Director Enabling Services and S151 Officer	Tel:	023 8083 3528	
	Name:	Mel Creighton			
	E-mail:	Mel.Creighton@southampton.gov.uk			
Author	Title:	Capital & Treasury Manager			
	Name:	Maddy Modha	Tel:	023 8083 3574	
	E-mail:	Maddy.modha@southampton.gov.uk			
STATEMENT OF CONFIDENTIALITY					
NOT APPLICABLE					
BRIEF SUMMARY					
<p>With overall annual expenditure more than £600M and an extensive capital programme, the Council is required to actively manage its cash-flows daily. The requirement to invest or to borrow monies to finance capital programmes, and to cover daily operational needs is an integral part of daily cash and investment portfolio management.</p> <p>This report explains the context within which the Council’s treasury management activity operates and sets out a proposed strategy for the coming year in relation to the Council’s cash flow, investment and borrowing, management of the associated risks, including the loss of invested funds and the revenue effect of changing interest rates.</p> <p>Investment limits within this report have been increased to allow for a possible change in strategy.</p>					
GOVERNANCE COMMITTEE					
It is recommended that Governance Committee:					
	(i)	Approve the Council’s Treasury Management (TM) Strategy and Indicators for 2024/25 to 2027/28, as detailed in Appendix 1 (Treasury Management Strategy 2024-25).			
	(ii)	Note the Executive Director for Enabling Services will report any amendments and in year revisions to the TM Strategy as part of quarterly financial and performance monitoring.			
	(iii)	Endorse the proposal to continue to explore an alternative Treasury Strategy to generate additional income that can support local services, whilst maintaining a prudent approach.			
REASONS FOR REPORT RECOMMENDATIONS					
1.	To comply with Part 1 of the Local Government Act 2003, and the established TM procedures that have been adopted by the Council, each year the Council must				

	set borrowing limits and approve the Treasury Management Strategy, as detailed in Appendix 1.
2.	This report only covers treasury investments. Investments held for service purposes or for commercial profit were considered in a separate report to Full Council on 6 March 2024.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
3.	Alternative options for borrowing would depend on decisions taken on the review of the capital update report taken at Full Council on 6 March 2024.
DETAIL (Including consultation carried out)	
	CONSULTATION
4.	The proposed capital programme report on which this report is based has been subject to separate consultation processes.
	BACKGROUND
5.	Since 2012, the Council has pursued a strategy of internal borrowing – minimising external borrowing by running down its own investment balances and only borrowing short term to cover cash flow requirements. This has both reduced the credit risk exposure and saved money on net interest costs. When opportunities arise long term borrowing is considered in conjunction with our advisors, Arlingclose.
6.	CIPFA published a revised Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes on 20th December 2021. These define treasury management investments as investments that arise from the organisation’s cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use during business.
7.	The Treasury Strategy considers the impact of the Council’s proposed revenue budget and capital programme, reported to Council on 6 March 2024, on the balance sheet position, the treasury prudential indicators and the current and projected treasury position. The economic background and outlook for interest rates (Annex 2 to Appendix 1) has also been considered. There is no longer a requirement to include indicators relating to Prudence, Affordability & Sustainability, as they are now reported in the Capital Strategy.
8.	The Council acknowledges that effective TM will provide support towards the achievement of its business and service objectives. It is committed to achieving value for money, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management. To assist the Council in carrying out its TM function, it has appointed TM Advisors (Arlingclose), who advise on strategy and provide market information to aid decision making. However, it should be noted that the decisions are taken independently by the Executive Director of Corporate Services, considering this advice and other internal and external factors.
9.	Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority’s objective when investing money is to strike an appropriate balance between risk

	and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
10.	Under the IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.
11.	<p>The core elements of the 2024/25 Treasury strategy are:</p> <ul style="list-style-type: none"> • To constantly review longer term forecasts and to lock into longer and term rates through a variety of instruments as appropriate during the year, to provide a balanced portfolio against interest rate risk. • To secure the best rates for borrowing and investments consistent with maintaining flexibility and liquidity within the portfolio. • To invest surplus funds prudently, the Council's priorities being: <ul style="list-style-type: none"> - Security of invested capital - Liquidity of invested capital - An optimum yield which is commensurate with security and liquidity. • To approve borrowing limits that provide for debt restructuring opportunities and to pursue debt restructuring where appropriate and within the Council's risk boundaries.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
12.	The revenue and capital implications are considered as part of ongoing monitoring which is reported to Cabinet each quarter and as part of the budget setting process.
13.	<p>The forecast for borrowing costs in 2024/25 is £25.19M, of which £7.20M relates to the HRA. This is made up of interest on borrowing of £15.11M (based on an average debt portfolio of £385.90M at an average interest rate of 3.51% plus MRP and other costs of £10.08M. This is expected to rise to £33.05M (£10.49M HRA) by 2027/28 to accommodate the capital programme, utilisation of reserves and refinancing of borrowing.</p> <p>New long-term loans taken over the period of the strategy will be borrowed at an average rate of 4.95%. based on our advisors' forecast rates.</p>

	<p style="text-align: center;">Forecast Borrowing Costs £000s</p>  <table border="1" data-bbox="331 152 1401 837"> <thead> <tr> <th>Year</th> <th>HRA (£000s)</th> <th>GF (£000s)</th> </tr> </thead> <tbody> <tr> <td>2023/24</td> <td>5,832</td> <td>14,304</td> </tr> <tr> <td>2024/25</td> <td>7,198</td> <td>17,794</td> </tr> <tr> <td>2025/26</td> <td>8,707</td> <td>19,738</td> </tr> <tr> <td>2026/27</td> <td>9,951</td> <td>20,562</td> </tr> <tr> <td>2027/28</td> <td>10,487</td> <td>20,562</td> </tr> </tbody> </table>	Year	HRA (£000s)	GF (£000s)	2023/24	5,832	14,304	2024/25	7,198	17,794	2025/26	8,707	19,738	2026/27	9,951	20,562	2027/28	10,487	20,562
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2027/28	10,487	20,562																	
14.	<p>Investment income for 2024/25 is forecast at £2.10M based on an average portfolio of £48M at an average of 4.36%. If actual levels of investments and borrowing, and/or interest rates differ from that forecast, performance against budget will be correspondently different.</p>																		
15.	<p>An application has been made to Government seeking Exceptional Financial Support (EFS) to help balance the budget for 2024/25 and provide for other costs and potential liabilities. The Government has now confirmed that it is minded to support the council by providing an EFS facility. A Ministerial Statement on 29 February has confirmed the this for Southampton City Council, and for several other local authorities.</p>																		
16.	<p>The EFS is in the form of a ‘Capitalisation Direction’. Capitalisation is how the government permits local authorities to treat revenue costs as capital expenditure. It is a relaxation of the rules that require revenue costs to be met from revenue resources only and that councils should not “borrow” to fund revenue expenditure. Obviously, a local authority does not have to borrow to fund the capitalised expenditure as it can legitimately use capital receipts to do so. EFS is only available in 2024/25 to give the council time to develop further savings and transformation plans to reduce the structural budget deficits in future years.</p>																		
17.	<p>The EFS is that the council can use up to £121.58M of capital resources to fund revenue expenditure and other potential liabilities. The Council is not obliged to use the full value of the EFS, and this should be seen as a facility to use rather than permission to spend. EFS is not additional funding, and it must be repaid either through capital receipts or borrowing. The use of the EFS facility should therefore be kept to the minimum necessary. If the capitalisation direction is utilised, then a budget will be added to the capital programme in due course.</p>																		

18.	Any new borrowing taken under this arrangement does not qualify for the PWLB certainty rate and incurs a premium of 1%, so any borrowing taken will be 1.2% above the certainty rate, an additional £0.12M interest for each £10M taken. Current forecast for the 20-year PWLB maturity borrowing is around 5%, so including the additional 1.2%, additional revenue interest costs will be £0.62M for every £10M borrowing taken. This will impact on the figures in table 10 and the limit for the GF would need to increase above the current 11%.
<u>Property/Other</u>	
19.	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
20.	Local Authority borrowing is regulated by Part 1, of the Local Government Act 2003, which introduced the new Prudential Capital Finance System.
21.	From 1 April 2004, investments are dealt with, not in secondary legislation, but through guidance. Similarly, there is guidance on prudent investment practice, issued by the Secretary of State under Section 15(1) (a) of the 2003 Act. A local authority has the power to invest for "any purpose relevant to its functions under any enactment or for the purposes of the prudent management of its financial affairs". The reference to the "prudent management of its financial affairs" is included to cover investments, which are not directly linked to identifiable statutory functions but are simply made during treasury management. This also allows the temporary investment of funds borrowed for the purpose of expenditure in the reasonably near future; however, the speculative procedure of borrowing purely to invest and make a return remains unlawful.
<u>Other Legal Implications:</u>	
22.	None
POLICY FRAMEWORK IMPLICATIONS	
23.	This report has been prepared having regard with the CIPFA Code of Practice on Treasury Management.
KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Treasury Management Strategy 2024-25
Annex 1	Treasury Management Policy Statement
Annex 2	Economic and Interest Outlook
Annex 3	Existing Investment & Debt Portfolio Position and Projections
Annex 4	Projected Movement on Capital Financing Requirement
2.	Treasury Management Practices
3.	Glossary of Treasury Terms

Equality Impact Assessment		
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.		No
Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.		No
Other Background Documents		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
1.	None	

Southampton City Council

TREASURY MANAGEMENT STRATEGY

2024/25

Contents

Section 1 Introduction

- 1.1 Background
- 1.2 External Context
- 1.3 Local Context
- 1.4 Liability Benchmark

Section 2 Borrowing Strategy

- 2.1 Objectives
- 2.2 Strategy
- 2.3 Sources of Borrowing
- 2.4 Short term & Variable Rates
- 2.5 Debt Rescheduling

Section 3 Treasury Investment Strategy

- 3.1 Objectives
- 3.2 Negative Interest Rates
- 3.3 Strategy
- 3.4 Business Model
- 3.5 Approved Counterparties
- 3.6 Investment Institutions
- 3.7 Risk Assessment and Credit Rating
- 3.8 Security of investments
- 3.9 Investment Limits
- 3.10 Liquidity Management

Section 4 Treasury Management Indicators

- 4.1 Background
- 4.2 Security
- 4.3 Liquidity
- 4.4 Interest rate exposures
- 4.5 Maturity structure of borrowing
- 4.6 Principal sums invested for periods longer than a year

Section 5 Related Matters

- 5.1 Monitoring, Reporting and Financial Implications
- 5.2 Financial Derivatives
- 5.3 Markets in Financial Instruments Directive
- 5.4 Housing Revenue Account
- 5.5 Other Options Considered

ANNEX 1	Treasury Management Policy
ANNEX 2	Economic and Interest Outlook
ANNEX 3	Existing Investments Debt Portfolio Position and Projections
ANNEX 4	Projected Movement on Capital Financing Requirement

	SECTION 1 - INTRODUCTION
1.1	BACKGROUND
1.1.1	Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's <i>Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code)</i> which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
1.1.2	Overall responsibility for treasury management (TM) remains with the Council. No TM activity is without risk; the effective identification and management of risk are integral to the Council's treasury management objectives. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. Our current policy is shown in Annex 1 (Treasury Management Policy Statement).
1.1.3	Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.
1.2	EXTERNAL CONTEXT
1.2.1	Annex 2 summarises the economic outlook and events in the context of which the Council operated its treasury function during 2023/24 and forecast movement in interest rates.
1.2.2	For setting the budget, it has been assumed that new investments for 2024/25 will be short-term and at an average rate of 4.40% and new long-term loans taken over the period of the strategy will be borrowed at an average rate of 4.95%.
1.3	LOCAL CONTEXT
1.3.1	On 31 December 2023 the Council held £361M of debt (£308M borrowing plus £53M other long-term liabilities) and £52M investments which is set out in further detail in Annex 3 (Existing Investment & Debt Portfolio Position and Projections).
1.3.2	The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), which is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. The CFR is reduced by the application of resources such as capital receipts, grants, or revenue funds.
1.3.3	While usable reserves and working capital (balance sheet resources) are the underlying resources available for investment.
1.3.4	The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. Table 1 shows an increasing CFR due to the impact of the capital programme and a decreasing working balance surplus and will therefore need to borrow up to £243.7M over the next five years. Annex 4 shows projected CFR movement between years.

1.3.5	<p>Table 1: Balance Sheet Summary and Forecast</p> <table border="1"> <thead> <tr> <th></th> <th>31-Mar-23 Actual</th> <th>31-Mar-24 Forecast</th> <th>31-Mar-24 Forecast Movement in year</th> <th>31-Mar-25 Forecast</th> <th>31-Mar-26 Forecast</th> <th>31-Mar-27 Forecast</th> <th>31-Mar-28 Forecast</th> </tr> <tr> <th></th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> </tr> </thead> <tbody> <tr> <td>1 General Fund CFR</td> <td>342.57</td> <td>350.62</td> <td>8.05</td> <td>355.88</td> <td>363.38</td> <td>384.59</td> <td>375.57</td> </tr> <tr> <td>2 Housing CFR</td> <td>174.88</td> <td>189.85</td> <td>14.97</td> <td>219.90</td> <td>255.90</td> <td>268.70</td> <td>280.64</td> </tr> <tr> <td>3 Total CFR</td> <td>517.45</td> <td>540.47</td> <td>23.02</td> <td>575.78</td> <td>619.28</td> <td>653.29</td> <td>656.21</td> </tr> <tr> <td>4 Less Other Debt Liabilities*</td> <td>(57.11)</td> <td>(53.45)</td> <td>3.66</td> <td>(49.12)</td> <td>(45.27)</td> <td>(41.69)</td> <td>(37.57)</td> </tr> <tr> <td>5 Loans CFR</td> <td>460.34</td> <td>487.02</td> <td>26.68</td> <td>526.66</td> <td>574.01</td> <td>611.60</td> <td>618.64</td> </tr> <tr> <td>6 Less External Borrowing**</td> <td>(303.20)</td> <td>(312.60)</td> <td>(9.40)</td> <td>(282.00)</td> <td>(271.40)</td> <td>(260.80)</td> <td>(250.20)</td> </tr> <tr> <td>7 Internal (over) Borrowing</td> <td>157.14</td> <td>174.42</td> <td>17.28</td> <td>244.66</td> <td>302.61</td> <td>350.80</td> <td>368.44</td> </tr> <tr> <td>8 Balance sheet Resources</td> <td>(157.14)</td> <td>(117.71)</td> <td>39.43</td> <td>(118.59)</td> <td>(119.96)</td> <td>(124.70)</td> <td>(124.70)</td> </tr> <tr> <td>9 New Borrowing or (Investments)</td> <td>0.00</td> <td>56.71</td> <td>56.71</td> <td>126.07</td> <td>182.65</td> <td>226.10</td> <td>243.74</td> </tr> </tbody> </table> <p>* finance leases, PFI liabilities and transferred debt which form part of the Council's total debt ** shows only loans to which the Council is committed and excludes optional refinancing</p>		31-Mar-23 Actual	31-Mar-24 Forecast	31-Mar-24 Forecast Movement in year	31-Mar-25 Forecast	31-Mar-26 Forecast	31-Mar-27 Forecast	31-Mar-28 Forecast		£M	£M	£M	£M	£M	£M	£M	1 General Fund CFR	342.57	350.62	8.05	355.88	363.38	384.59	375.57	2 Housing CFR	174.88	189.85	14.97	219.90	255.90	268.70	280.64	3 Total CFR	517.45	540.47	23.02	575.78	619.28	653.29	656.21	4 Less Other Debt Liabilities*	(57.11)	(53.45)	3.66	(49.12)	(45.27)	(41.69)	(37.57)	5 Loans CFR	460.34	487.02	26.68	526.66	574.01	611.60	618.64	6 Less External Borrowing**	(303.20)	(312.60)	(9.40)	(282.00)	(271.40)	(260.80)	(250.20)	7 Internal (over) Borrowing	157.14	174.42	17.28	244.66	302.61	350.80	368.44	8 Balance sheet Resources	(157.14)	(117.71)	39.43	(118.59)	(119.96)	(124.70)	(124.70)	9 New Borrowing or (Investments)	0.00	56.71	56.71	126.07	182.65	226.10	243.74
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1.3.6	<p>The rise in CFR is due to investment in the capital programme, summarised below are the major projects expected to be undertaken:</p> <ul style="list-style-type: none"> • School SEND Expansion Programme • Highways and Integrated Transport Programme • Outdoor Sports Centre • Restoring the City's Heritage assets • Improving Quality of Homes (HRA) • Energy Efficiency Investment in Homes (HRA) 																																																																																								
1.3.7	<p>CIPFA's <i>Prudential Code for Capital Finance in Local Authorities</i> recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during 2024/25, as our committed borrowing (row 6) is significantly below our loans CFR (row 5).</p>																																																																																								
1.4	<p><u>Liability Benchmark</u></p>																																																																																								
1.4.1	<p>To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as Table 1 above, but that cash and investment balances are kept to a minimum level of £20M at each year-end to maintain sufficient liquidity but to further minimise credit risk.</p>																																																																																								
1.4.2	<p>The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to</p>																																																																																								

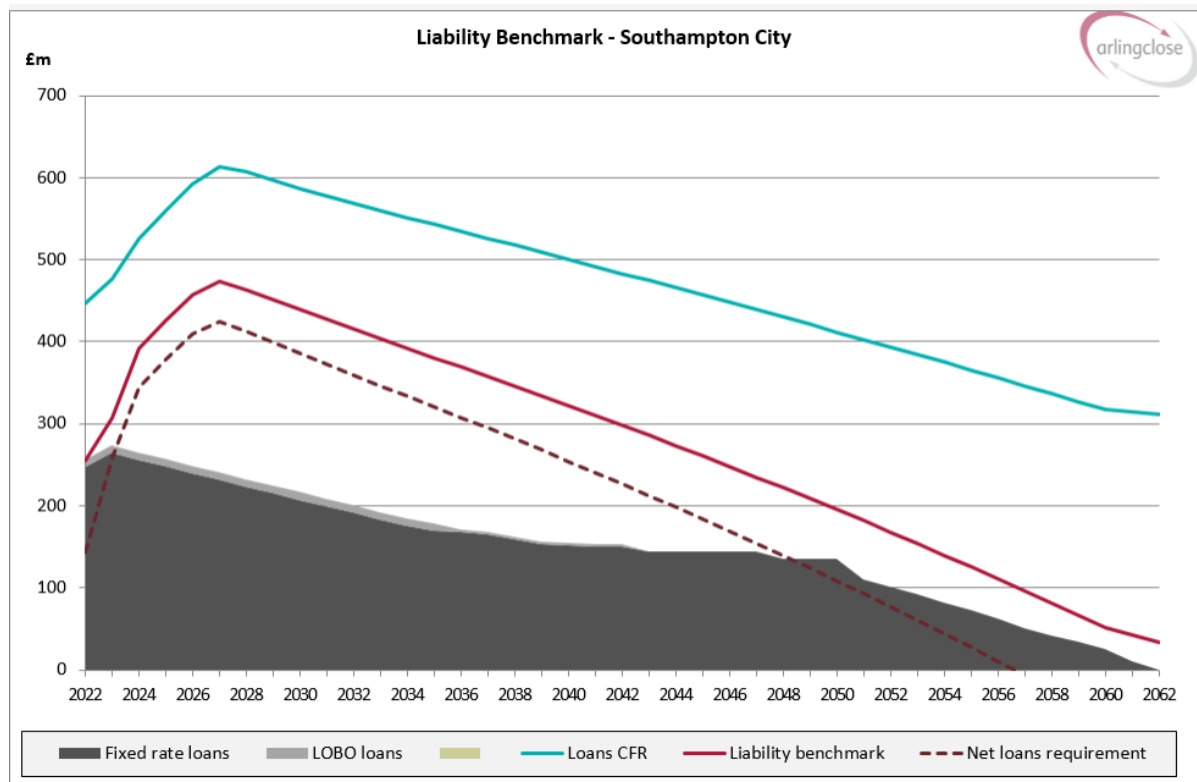
fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Table 2: Liability benchmark

	31/03/2023	31/03/2024	31/03/2024	31/03/2025	31/03/2026	31/03/2027	31/03/2028
	Actual	Forecast	Forecast Movement	Forecast	Forecast	Forecast	Forecast
	£M	£M	£M	£M	£M	£M	£M
Loans CFR	460.34	487.02	26.68	526.66	574.01	611.60	618.64
Less Usable Reserves	(157.14)	(165.71)	(8.57)	(166.59)	(167.96)	(172.70)	(172.70)
Plus Minimum Investments		48.00	48.00	48.00	48.00	48.00	48.00
Liability Benchmark	303.20	369.31	66.11	408.07	454.05	486.90	493.94
Less Committed External Borrowing	(303.20)	(312.60)	(9.40)	(282.00)	(271.40)	(260.80)	(250.20)
Minimum Borrowing Need	0.00	56.71	56.71	126.07	182.65	226.10	243.74

1.4.3 Following on from the medium-term forecasts in table 2 above, the long-term liability benchmark assumes minimum revenue provision based on the life of the asset and income, expenditure and reserves all increasing by inflation. This is shown in the chart below together with the maturity profile of the Authority’s existing borrowing.

1.4.4



1.4.5 This demonstrates that even with lower investment balances that there is still an underlying need for the council to borrow during 2024/25 as our actual committed debt at £313M will be below the benchmark of £369M.

	SECTION 2 - BORROWING STRATEGY
2.0	<p>The Council currently holds £307M of loans, an increase of £4M since the 31 March 2023 which was taken to fund the capital programme and replace maturing debt, this reflects the Council's policy of only borrowing when cash flows dictate or unless a particular good opportunity arises or to protect itself against an expected material increase in PWLB rates. The balance sheet forecast in Table 1 above shows the total loans CFR is expected to increase by £27M in 2023/24 and by a further £40M in 2024/25 bringing our estimated loans CFR to £527M.</p> <p>Table 2 shows committed borrowing at the end of 2023/24 is £313M, an increase of £9M from the actual position on 31 March 2023, this net increase reflects maturities in year of £11M and new borrowing of £20M. If the forecast capital programme is achieved and reserves fall as predicted, then further borrowing of up to £126M will be required by 31 March 2025.</p>
2.1	<u>Objectives</u>
2.1.1	The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.
2.2	<u>Strategy</u>
2.2.1	Given the significant cuts to public expenditure and, in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short-term interest rates are currently at a 15-year high but are expected to fall in the coming years and it is therefore likely to be more cost effective over the medium-term to either use internal resources, or to borrow short-term instead.
2.2.2	By doing so, the Council can reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2023/24 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
2.2.3	If it was cost effective the Council could also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing.
2.2.4	Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. In addition, the Council may borrow further short-term loans to cover unexpected cash flow shortages.

2.2.5	<p>Alongside, treasury advisors Arlingclose, the current debt pooling arrangements will be reviewed to ensure that both the General Fund (GF) and Housing Revenue Account (HRA) funds are still achieving best value.</p> <p>The concept of pooling loans was devised to deal with the HRA Subsidy Reform exercise that took place in March 2012. Before then all loans were consolidated, and the notional interest cost was split between the HRA and GF through the Item 8 Debit and Credit mechanism.</p> <p>Guidance was issued by CIPFA at the time of the transfer and the latest version of this Guidance is contained within the Treasury Management Code Guidance Notes 2018.</p> <p>The section on “Loan Rescheduling After Settlement Date” where it states that “it may at times be mutually beneficial to move existing loans from the HRA to the General Fund portfolio or vice versa, recognising an appropriate ‘internal’ premium or discount, has not been reviewed since the arrangement was implemented.</p>
2.3	<p><u>Sources of Borrowing</u></p>
2.3.1	<p>The approved sources of long-term and short-term borrowing are:</p> <ul style="list-style-type: none"> • HM Treasury’s PWLB lending facility (formerly the Public Works Loan Board) • UK Infrastructure Bank Ltd • any institution approved for investments (see below) • any other bank or building society authorised to operate in the UK • any other UK public sector body • UK public and private sector pension funds (except HCC Pension Fund) • capital market bond investors • retail investors via a regulated peer-to-peer platform • UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
2.3.2	<p>In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:</p> <ul style="list-style-type: none"> • leasing • hire purchase • Private Finance Initiative • sale and leaseback • similar asset based finance
2.3.3	<p>The Council has previously raised most of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions, and local authorities, and will investigate the possibility of issuing bonds and similar instruments, to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code.</p> <p>PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield (except for refinancing of existing debt; including internal financing) the Authority intends to avoid this activity, and therefore retain its access to PWLB. Regeneration aims for investment remain acceptable, but all capital plans will be scrutinised by Government and will require the S151 officer to state they contain no ‘invest for yield’ proposals relying on borrowing.</p>

2.3.4	<u>Lender's Option Borrower's Option Loans (LOBOs)</u>
2.3.5	The Council holds £4M of LOBO loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. All these LOBOS have options during 2023/24 and one loan of £5M was called and repaid. With interest rates having risen recently, there is now a good chance that lenders will exercise their options for the remaining loans. The Council will take the option to repay LOBO loans at no cost if it can do so to reduce refinancing risk in later years.
2.4	<u>Short Term and Variable Rates</u>
2.4.1	Short term loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators. Financial derivatives may be used to manage this interest rate risk but in line with the CIPFA code, the Council would seek and consider external advice before entering into any agreement to ensure that it fully understands the implications.
2.5	<u>Debt Rescheduling</u>
2.5.1	The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.
SECTION 3 – TREASURY INVESTMENT STRATEGY	
3.0	The Council invests its money for three broad purposes: <ul style="list-style-type: none"> • it has surplus cash because of its day-to-day activities (known as treasury management investments), • to support local public services by lending to or buying shares in other organisations (service investments), and • to earn investment income (known as commercial investments where this is the main purpose).
3.1	<u>Objectives</u>
3.1.1	The CIPFA Code require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. Whilst a return is sought, the aim of Treasury activity is not primarily commercial in nature, it reflects addressing the cashflow needs of the council and the need for prudence and risk minimisation with public cash holdings. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, to maintain the spending power

	<p>of the sum invested, however it should be noted that a lower rate is an acceptable offset for higher credit and less risk, for example a covered bond.</p> <p>The Authority also aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.</p>																	
3.2	<u>Strategy</u>																	
3.2.1	<p>As we have an increasing borrowing requirement our overall treasury strategy is to minimise both external borrowing and investments and to only borrow to the level of its net borrowing requirement. The reasons for this are to reduce credit risk, take pressure off the Council's lending list and to avoid the cost of carry existing in the current interest rate environment.</p> <p>For longer term investments the Council aims to continue to diversify into more secure and/or higher yielding asset classes during 2024/25.</p> <p>Most cash used for cash flow purposes is invested in money market funds, DMADF or with other Local Authorities.</p>																	
3.3	<u>ESG Policy</u>																	
3.3.1	<p>Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.</p>																	
3.4	<u>Business Model</u>																	
3.4.1	<p>Under the new IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.</p>																	
3.5	<u>Approved Counterparties</u>																	
3.5.1	<p>The Council may invest its surplus funds with any of the following counterparty types, subject to the cash limits (per counterparty) and time limits detailed below. This is the absolute limit, and the working limit will be monitored against actual cash flows and movement on reserves together with advice from our financial advisors and will be adjusted each quarter as necessary in agreement with the CFO.</p>																	
3.5.2	<p><u>Table 3: Approved Investment counterparties and Limits</u></p> <table border="1"> <thead> <tr> <th rowspan="2">Sector</th> <th colspan="2">Time limit</th> <th rowspan="2">Counterparty limit</th> <th rowspan="2">Sector limit</th> </tr> <tr> <th>Previous</th> <th>New (capped)</th> </tr> </thead> <tbody> <tr> <td>The UK Government</td> <td>50 years</td> <td>3 years</td> <td>Unlimited</td> <td>n/a</td> </tr> <tr> <td>Local authorities & other government entities</td> <td>25 years</td> <td>3 years</td> <td>£10M</td> <td>Unlimited</td> </tr> </tbody> </table>	Sector	Time limit		Counterparty limit	Sector limit	Previous	New (capped)	The UK Government	50 years	3 years	Unlimited	n/a	Local authorities & other government entities	25 years	3 years	£10M	Unlimited
Sector	Time limit		Counterparty limit	Sector limit														
	Previous	New (capped)																
The UK Government	50 years	3 years	Unlimited	n/a														
Local authorities & other government entities	25 years	3 years	£10M	Unlimited														

	Secured investments *	5 years	3 years	£10M	Unlimited
	Banks (unsecured) *	13 months	13 months	£5M	Unlimited
	Building societies (unsecured) *	13 months	13 months	£5M	10%
	Registered providers (unsecured) *	5 years	3 years	£10M	25%
	Money market funds *	n/a	n/a	£10M per fund and no more than 0.50% of any investments fund in total for non-government funds	Unlimited
	Strategic pooled funds	n/a	n/a	£30M	50%
	Real estate investment trusts	n/a	n/a	£20M	25%
	Other investments *	5 years	3 years	£1M	5%

**This is the absolute limit, and the working limit will be monitored against actual cash flows and movement on reserves together with advice from our financial advisors and will be adjusted each quarter as necessary in agreement with the CFO.*

Given the Council's forecast need to borrow in 2024/25 the time limits have been updated to no longer than 3 years. Table 3 must be read in conjunction with the notes below.

3.6	<u>Investment Institutions</u>
3.6.1	<p>Minimum Credit Rating: Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be considered.</p> <p>For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £1M per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.</p>
3.6.2	<p>Banks and Building Societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.</p>
3.6.3	<p>Secured Investments: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The</p>

	combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
3.6.4	Government: Loans, bonds, and bills issued or guaranteed by national governments, regional and local authorities, and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.
3.6.5	Corporates: Loans, bonds, and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made either following an external credit assessment or to a maximum of £1M per company as part of a diversified pool to spread the risk widely.
3.6.6	Registered Providers (unsecured): Loans and bonds issued by, guaranteed by, or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government, and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.
3.6.7	Money Market Funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over various providers to ensure access to cash.
3.6.8	Strategic Pooled Funds: Bond, equity, and property funds offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives are monitored regularly. The Council has been invested in the CCLA Local Authorities' Property Fund (CCLA LAPF) since 2014 (with tranches of investments made until 2017). The Council's intention was to act as a long-term, patient investor, and seek a good level of income (particularly compared to cash prior to Bank Rate increasing during 2022 and 2023), while the capital value of the Fund fluctuates over time depending on the value of the underlying assets. In the period 2014-2024 Bank Rate, a proxy for cash investment, has averaged 0.97% whilst our annualised total return from the Fund has been 3.05%, with annualised income of 3.87%. Considering the Council's changing circumstances, external environment and possible changes to accounting treatment, the Council will actively consider opportunities to exit the investment, in an orderly manner, over time. Commercial property market values look to be at a relative low point and the Council, as a long-term investor, does not wish to sell at the bottom of a market cycle. Doing so would crystallise an overall capital loss on its investment, so disinvestment will not be undertaken immediately. It is felt that a sensible strategy will be to sell in tranches

	<p>(up to £5m per tranche) into a rising market and it is expected that there will be better exit opportunities in the medium-to-long term as the rates on which property prices are valued fall back and economic activity improves. Property fund valuations often perform more strongly when UK Gilt yields fall, and indeed the 10yr UK Gilt has fallen from a peak of 4.75% on 17/08/2023 to a current 3.9%.</p> <p>The Fund has a minimum redemption period of 6 months and property/Fund pricing performance is reported monthly and typically operates on a lag, meaning the final sale price is not known in advance. Exit opportunities therefore need to be considered in the wider context of general Fund, sector, market and economic movements and trends. The Council will therefore monitor changes in the Fund's value and consider selling when it has observed the Fund's net asset value has stabilised and showing improvement, UK government bond yields reflect a more stable and lower interest rate environment and UK economic growth is widely expected to improve, though event risk remains.</p>
3.6.9	<p>Real estate investment trusts: Shares in companies that invest mainly in real estate and pay most of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.</p>
3.6.10	<p>Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.</p>
3.6.11	<p>Operational bank accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept to a minimum. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.</p>
3.6.12	<p>Given the stresses placed on the council's budget, all forms of investment will be carefully monitored during the year. The Chief Financial Officer (CFO), under delegated powers, will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators. Decisions taken on the core investment portfolio will be reported quarterly to Cabinet.</p>
3.7	<p><u>Risk Assessment and Credit Ratings</u></p>
3.7.1	<p>Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:</p> <ul style="list-style-type: none"> • no new investments will be made, • any existing investments that can be recalled or sold at no cost will be, and • full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

	Where a credit rating agency announces that a rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
3.8	<u>Other Information on the Security of Investments</u>
3.8.1	The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press and analysis and advice from the Authority’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.
3.9	<u>Reputational aspects</u>
3.9.1	The Authority is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be considered when making investment decisions.
3.9.2	When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested
3.10	<u>Investment Limits</u>
3.10.1	The Council’s revenue reserves and balances available to cover investment losses (excluding Schools, capital and HRA) are forecast to be £92M on 31st March 2023. In order that there is no immediate pressure on available reserves in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government and specified investments under advice, such as property funds) will be £10M. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries, and industry sectors in Table 4 below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country since the risk is diversified over many countries.

3.10.2	<p><u>Table 4 –Investment Limits</u></p> <table border="1" data-bbox="229 264 1410 551"> <thead> <tr> <th data-bbox="229 264 1018 331"></th> <th data-bbox="1018 264 1410 331">Cash limit</th> </tr> </thead> <tbody> <tr> <td data-bbox="229 331 1018 450">Any group of pooled funds under the same management</td> <td data-bbox="1018 331 1410 450">25% per manager unless under specific advice as taken with CCLA</td> </tr> <tr> <td data-bbox="229 450 1018 501">Negotiable instruments held in broker’s nominee account</td> <td data-bbox="1018 450 1410 501">£50M per broker</td> </tr> <tr> <td data-bbox="229 501 1018 551">Foreign countries</td> <td data-bbox="1018 501 1410 551">£10M per country</td> </tr> </tbody> </table>		Cash limit	Any group of pooled funds under the same management	25% per manager unless under specific advice as taken with CCLA	Negotiable instruments held in broker’s nominee account	£50M per broker	Foreign countries	£10M per country
	Cash limit								
Any group of pooled funds under the same management	25% per manager unless under specific advice as taken with CCLA								
Negotiable instruments held in broker’s nominee account	£50M per broker								
Foreign countries	£10M per country								
3.11	<u>Liquidity Management</u>								
3.11.1	<p>The Council undertakes high level cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council’s medium term financial plan and cash flow forecast.</p> <p>The Authority will spread its liquid cash over at least four providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.</p>								
SECTION 4 - TREASURY MANAGEMENT PRUDENTIAL INDICATORS									
4.0	The Council measures and manages its exposure to treasury management risks using the following indicators.								
4.1	<u>Background</u>								
4.1.1	The Authority typically receives its income (e.g. from taxes and grants) before it pays for its expenditure (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy.								
4.1.2	During the financial year the Council’s investment balances have ranged between £46M and £95M and are currently £52M. Borrowing has ranged between £295M and £313M and is currently £307M.								
4.2	<u>Security</u>								
4.2.1	<p>The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk. The average rating of our current portfolio is A+ which is above the target.</p> <table border="1" data-bbox="213 1856 1187 1962"> <thead> <tr> <th data-bbox="213 1856 962 1912"></th> <th data-bbox="962 1856 1187 1912">Target</th> </tr> </thead> <tbody> <tr> <td data-bbox="213 1912 962 1962">Portfolio average credit rating</td> <td data-bbox="962 1912 1187 1962">A</td> </tr> </tbody> </table>		Target	Portfolio average credit rating	A				
	Target								
Portfolio average credit rating	A								

4.3	<u>Liquidity</u>						
4.3.1	The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments and has set a £20M minimum threshold on cash available in instant access accounts, if balances were to fall below this limit, we would consider taking short term loans which are available without given prior notice and at competitive rates.						
4.4	<u>Interest Rate Exposure</u>						
4.4.1	This indicator is set to control the Council's exposure to interest rate risk. The upper limits are based on the one-year revenue impact of a 1% rise or fall in interest rates for existing variable rates on long term loans and assumed short term borrowing, offset by variable investments. The cost of an extra 1% per £1M is £10,000. We do not currently have any variable rate borrowing and any increase in short-term borrowing rates should be offset by an increase in short term investment income.						
4.4.2	<p>The liability benchmark (Table 2) has identified our borrowing need as, up to £242M by 2027/28 which could equate to an additional £10M in borrowing costs over 2022/23 actual.</p> <p>Outstanding borrowing for current year plus borrowing need for 2024/25 has been used to set indicator below (£65M+£69M).</p> <p>The limits are set at:</p> <table border="1"> <thead> <tr> <th>Interest rate risk indicator</th> <th>£M</th> </tr> </thead> <tbody> <tr> <td>Upper limit on one-year revenue impact of a 1% rise in interest rates</td> <td>1.5</td> </tr> <tr> <td>Upper limit on one-year revenue impact of a 1% fall in interest rates</td> <td>0.5</td> </tr> </tbody> </table>	Interest rate risk indicator	£M	Upper limit on one-year revenue impact of a 1% rise in interest rates	1.5	Upper limit on one-year revenue impact of a 1% fall in interest rates	0.5
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Upper limit on one-year revenue impact of a 1% rise in interest rates	1.5						
Upper limit on one-year revenue impact of a 1% fall in interest rates	0.5						
4.4.3	The main risk to the authority comes through the continued use of internal borrowing in place of fixed term long term debt. A 1% increase over the forecast rate would equate to £10,000 for each £1M borrowed, plus a possible ongoing impact on an increase in the long-term rate.						
4.4.4	The Authority has more exposure to an increase in interest rates than a reduction as our debt portfolio is higher than our investments. A fall in interest rates of 1% would see investment income fall by about £0.47M but this would be offset by reduction in debt charges.						
4.5	<u>Maturity Structure of Borrowing</u>						
4.5.1	This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing as set below in Table 5.						

4.5.2	<p>Table 5 – Refinancing rate risk indicator</p> <table border="1" data-bbox="395 226 1241 645"> <thead> <tr> <th>Period</th> <th>Lower Limit %</th> <th>Upper Limit %</th> </tr> </thead> <tbody> <tr> <td>Under 12 Months</td> <td>0</td> <td>50</td> </tr> <tr> <td>12 months and within 24 months</td> <td>0</td> <td>50</td> </tr> <tr> <td>24 months and within 5 years</td> <td>0</td> <td>50</td> </tr> <tr> <td>5 years and within 10 years</td> <td>0</td> <td>55</td> </tr> <tr> <td>10 years and within 20 years</td> <td>0</td> <td>60</td> </tr> <tr> <td>20 years and within 30 years</td> <td>0</td> <td>65</td> </tr> <tr> <td>30 years and above</td> <td>0</td> <td>75</td> </tr> </tbody> </table> <p>CIPFA have recently recommended that the centre of the range is consistent with the liability benchmark. As shown in Table 5a the Council has complied with the indicator but will consider this recommendation when taking new debt.</p>	Period	Lower Limit %	Upper Limit %	Under 12 Months	0	50	12 months and within 24 months	0	50	24 months and within 5 years	0	50	5 years and within 10 years	0	55	10 years and within 20 years	0	60	20 years and within 30 years	0	65	30 years and above	0	75																																													
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4.5.3	<p>Time periods start on the first day of each financial year and the maturity date of borrowing is the earliest date on which the lender can demand repayment. Although all LOBOs are now in their call options, they are not expected to be called soon so are shown as uncertain, but as they only represent 3% of the total debt portfolio an early call would not pose a material risk in refinancing.</p>																																																																					
4.5.4	<p>Details of our current level of debt and maturity is shown in Table 5a below. This shows that all debt is within existing levels.</p>																																																																					
4.5.5	<p>Table 5a – Current Debt</p> <table border="1" data-bbox="215 1189 1406 1742"> <thead> <tr> <th>Analysis of Loans by Maturity</th> <th>Lower Limit</th> <th>Upper Limit</th> <th>Compliance with Limit</th> <th>Outstanding 31/12/2023</th> <th>% of Debt</th> </tr> </thead> <tbody> <tr> <td>Less than 1 Year</td> <td></td> <td>0</td> <td>50</td> <td>Yes</td> <td>7.12</td> <td>2</td> </tr> <tr> <td>Between 1 and 2 years</td> <td></td> <td>0</td> <td>50</td> <td>Yes</td> <td>13.12</td> <td>5</td> </tr> <tr> <td>Between 2 and 5 years</td> <td></td> <td>0</td> <td>50</td> <td>Yes</td> <td>30.35</td> <td>11</td> </tr> <tr> <td>Between 5 and 10 years</td> <td></td> <td>0</td> <td>55</td> <td>Yes</td> <td>50.58</td> <td>18</td> </tr> <tr> <td>Between 10 and 20 years</td> <td></td> <td>0</td> <td>60</td> <td>Yes</td> <td>32.37</td> <td>11</td> </tr> <tr> <td>Between 20 and 40 years</td> <td></td> <td>0</td> <td>60</td> <td>Yes</td> <td>149.85</td> <td>52</td> </tr> <tr> <td>Over 40</td> <td></td> <td>0</td> <td>75</td> <td>Yes</td> <td>0.00</td> <td>0</td> </tr> <tr> <td>Uncertain Date**</td> <td></td> <td>0</td> <td>5</td> <td>Yes</td> <td>4.00</td> <td>1</td> </tr> <tr> <td colspan="4"></td> <td></td> <td>287.39</td> <td>100</td> </tr> </tbody> </table>	Analysis of Loans by Maturity	Lower Limit	Upper Limit	Compliance with Limit	Outstanding 31/12/2023	% of Debt	Less than 1 Year		0	50	Yes	7.12	2	Between 1 and 2 years		0	50	Yes	13.12	5	Between 2 and 5 years		0	50	Yes	30.35	11	Between 5 and 10 years		0	55	Yes	50.58	18	Between 10 and 20 years		0	60	Yes	32.37	11	Between 20 and 40 years		0	60	Yes	149.85	52	Over 40		0	75	Yes	0.00	0	Uncertain Date**		0	5	Yes	4.00	1						287.39	100
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4.6	<p><u>Long-term treasury management investments</u></p>																																																																					
4.6.1	<p>The purpose of this indicator is to control the Council’s exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury investments are shown below.</p>																																																																					

4.6.2		Current £M	2024/25 £M	2025/26 £M	2026/27 £M	2027/28 £M	
	Limit on principal invested beyond year end	30	30	30	30	30	
4.6.3	Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.						
	SECTION 5 - RELATED MATTERS						
5.0	There are several related matters that the CIPFA Code requires the Council to include in its Treasury Management Strategy.						
5.1	<u>Monitoring, Reporting and Financial Implications</u>						
5.1.1	<p>The Chief Financial Officer will report to the Governance Committee on TM activity / performance as follows:</p> <ul style="list-style-type: none"> (a) Quarterly reporting of key prudential indicators as part of Budget Report monitoring. (b) A mid-year review against the strategy approved for the year (c) An outturn report on its treasury activity, no later than 30 September after the financial year end. 						
5.1.2	In addition, a quarterly update will be presented to Cabinet as part of Quarterly Revenue Financial Monitoring.						
5.1.3	Investment income for 2024/25 is forecast at £2.11M based on an average portfolio of £48M at an average of 4.40%.						
5.1.4	<p>The forecast for borrowing costs in 2024/25 is £25.19M, of which £7.20M relates to the HRA. This is made up of interest on borrowing of £15.11M (based on an average debt portfolio of £385.90M at an average interest rate of 3.51% plus MRP and other costs of £10.08M. This is expected to rise to £33.05M (£10.49M HRA) by 2027/28 to accommodate the capital programme, utilisation of reserves and refinancing of borrowing. However, this will be subject to movement as the need for further borrowing becomes more certain.</p> <p>New long-term loans taken over the period of the strategy will be borrowed at an average rate of 4.95%. based on our advisors' forecast rates.</p>						
5.2	<u>Policy on Use of Financial Derivatives</u>						
5.2.1	Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).						
5.2.2	The Council will only use standalone financial derivatives (such as swaps, forwards, futures, and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to.						

	Additional risks presented, such as credit exposure to derivative counterparties, will be considered when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
5.2.3	Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.
5.2.4	In line with the CIPFA code, the Council would seek and consider external advice before entering into any agreement to ensure that it fully understands the implications.
5.3	<u>Markets in Financial Instruments Directive</u>
5.3.1	The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers, and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.
5.4	<u>Housing Revenue Account Self-Financing and Limit on Indebtedness</u>
5.4.1	On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. Since then, new long-term loans borrowed are assigned to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account.
5.4.2	Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance. This balance will be measured, and interest transferred between the General Fund and HRA at an agreed rate. Housing Legislation does not allow impairment losses to be charged to the HRA and consequently any credit related losses on the Council's investments will be borne by the General Fund alone. It is therefore appropriate that the General Fund is compensated for bearing this risk, and all interest transferred to the HRA should be adjusted downwards. The rate will be based on 6-month Gilt Rate. The rate of return on comparable investments with the government is lower and often referred to as the risk-free rate.
5.4.3	Following the Chancellor's announcement in the 2018 Autumn Budget, restrictions relating to HRA borrowing have been lifted. This means that the previous HRA debt cap of £199.6m has been removed, and there is now the emphasis for councils to plan their new build strategy and financing at a local level. The process for identifying priorities and sites for new build developments is now taking place and is expected to form the basis of a new delivery strategy incorporating affordability and prudence. As part of the new build strategy relevant Prudential Indicators will be agreed.

5.4.4	The HRA Business Plan supports several council strategies, including the Medium-Term Financial Strategy, to ensure plans are affordable and budgets are aligned to the assumptions detailed in those strategies. The specific HRA Business Plan can be seen in the report being submitted to Council on 22 February 2023.		
5.4.5	The HRA by default will underwrite any programmes that are unable to self-fund		
5.5	OTHER OPTIONS CONSIDERED		
5.5.1	The MHCLG Guidance and the CIPFA Code do not prescribe a treasury management strategy for local authorities to adopt. The Chief Financial Officer, having consulted with relevant officers and members believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.		
5.5.2	Options	Impact on income and expenditure	Impact on risk management
	Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
	Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses will be smaller
	Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs will be more certain
	Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs will be less certain
	Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs will be less certain

	<u>TREASURY MANAGEMENT PRACTICES</u>
1.	<p>The Council has adopted and has implemented the key principles of the CIPFA (Chartered Institute of Public Finance and Accountancy) Treasury Management in the Public Services Code of Practice and Cross Sectoral Guidance Notes. This, together with the other arrangements detailed in the operational manual, are considered vital to the achievement of proper corporate governance in treasury management, and the responsible officer will monitor and, if necessary, report upon the effectiveness of these arrangements.</p>
	TMP 1 - RISK MANAGEMENT GENERAL STATEMENT
2.	<p>The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures covering all external investment.</p> <p>The Section 151 Officer will design, implement, and monitor all arrangements for the identification, management, and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP 6 Reporting requirements and management information arrangements.</p> <p>In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the operational manual.</p>
	<u>Credit and counterparty risk management</u>
3.	<p>The Council will ensure its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited or investments made and will limit its treasury management investment activities to the instruments, methods and techniques referred to in TMP4 <i>Approved instruments, methods, and techniques</i>.</p> <p>It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter other financing or derivative arrangements.</p> <p>The Authority's credit and counterparty policies set out its policy and practices relating to environmental, social and governance (ESG) investment considerations. This is a developing area, and it is not implied that the Authority's ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level.</p>
	<u>Liquidity risk management</u>
4.	<p>The Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft, or standby facilities to always enable it to have the level of funds available to it which are necessary for the achievement of its business/service objectives. The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.</p>
	<u>Interest rate risk management</u>
5.	<p>The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance</p>

	<p>with <i>TMP6 Reporting requirements and management information arrangements</i>. It will achieve this by the prudent use of its approved instruments, methods, and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be the subject to the consideration and, if required, approval of any policy or budgetary implications.</p> <p>The Council will ensure that any hedging tools such as derivatives are only used for the management of risk and the prudent management of financial affairs and that the policy for the use of derivatives is clearly detailed in the annual strategy.</p>
	<u>Exchange rate risk management</u>
6.	The Council will manage its exposure to fluctuations in exchange rates to minimise any detrimental impact on its budgeted income/expenditure levels.
	<u>Inflation risk management</u>
7.	The Council will keep under review the sensitivity of its treasury management assets and liabilities to inflation and will seek to manage the risk accordingly in the context of its wider exposure to inflation.
	<u>Refinancing risk management</u>
8.	The Council will ensure that its borrowing, private financing, and partnership arrangements are negotiated, structured, and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time. It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.
	<u>Legal and regulatory risk management</u>
9.	The Council will ensure that all its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1[1] credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, authority, and compliance in respect of the transactions they may affect with the organisation, particularly regarding duty of care and fees charged. The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, as far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Council.
	<u>Operational risk, including fraud, error, and corruption</u>
10.	The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption, or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.
	<u>Priced risk management</u>

11.	The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sum it invests and will accordingly seek to protect itself from the effects of such fluctuations.
TMP 2 - PERFORMANCE MEASUREMENT	
12.	The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement. Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's business or service objectives and performance will be measured against relevant benchmarks.
TMP 3 - DECISION-MAKING AND ANALYSIS	
13.	The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were considered at the time.
TMP 4 - APPROVED INSTRUMENTS, METHODS AND TECHNIQUES	
14.	The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in its annual Investments Strategy, and within the limits and parameters defined in TMP1 Risk management. The Council has reviewed its classification with financial institutions under MIFID II and will set out in its annual Investment Strategy those organisations with which it is registered as a professional client.
TMP 5 - ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS	
15.	The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is always a clarity of treasury management responsibilities. The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly regarding the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function. If it is intended, because of lack of resources or other circumstances, to depart from these principles, the Section 151 Officer will ensure that the reasons are properly reported in accordance with TMP6 Reporting requirements and management information arrangements, and the implications considered and evaluated. The Section 151 Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Section 151 Officer will also always ensure that those engaged in treasury management will follow the policies and procedures set out. The Section 151 Officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The delegations to the Section 151 Officer in respect of treasury management are set out in the Council's Financial Regulations and Scheme of Delegation for Financial Management. The Section

	151 Officer will fulfil all such responsibilities in accordance with the Council's policy statement and TMPs and the CIPFA Standard of Professional Practice on Treasury Management.
	TMP 6 - REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS
16.	<p>The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.</p> <p>The Chief Financial Officer will report to the Governance Committee on Treasury Management activity / performance as follows:</p> <ul style="list-style-type: none"> (a) A mid-year review against the strategy approved for the year. (b) An outturn report on its treasury activity, no later than 30 September after the financial year end. <p>In addition, a quarterly update will be presented to Cabinet as part of Quarterly Revenue Financial Monitoring</p> <p>The Council's Governance Committee has responsibility for the scrutiny of treasury management policies and practices.</p>
	TMP 7 - BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS
17.	<p>The Section 151 Officer will prepare, and full Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 Risk management, <i>TMP 2 Performance Measurement</i>, and <i>TMP 4 Approved instruments, methods, and techniques</i>. The Section 151 Officer will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with TMP 6 Reporting requirements and management information arrangements. The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.</p>
	TMP 8 - CASH AND CASH FLOW MANAGEMENT
18.	<p>Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Section 151 Officer and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Section 151 Officer will ensure that these are adequate for the purposes of monitoring compliance with <i>TMP1 Liquidity risk management</i>, and for the purpose of identifying future borrowing needs (using a liability benchmark where appropriate).</p>
	TMP 9 – MONEY LAUNDERING
19.	<p>The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will</p>

	maintain procedures for verifying and recording the identity of counterparties and reporting suspicions and will ensure that staff involved in this are trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the Council's Anti-Money Laundering Policy.
	TMP 10 - TRAINING AND QUALIFICATIONS
20.	The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge, and skills. The responsible officer will recommend and implement the necessary arrangements. The responsible officer will ensure that elected members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities. Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.
	TMP 11 - USE OF EXTERNAL SERVICE PROVIDERS
21.	The Council recognises that responsibility for treasury management decisions always remains with the Council. However, the Council recognises that there may be value in employing external providers of treasury management services, to acquire access to specialist skills and resources. When it employs such service providers, it will do so following a full evaluation of the costs and benefits and will also ensure that the terms of their appointment are properly agreed and documented and subjected to regular review. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Section 151 Officer.
	TMP 12 - CORPORATE GOVERNANCE
22.	The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity, and accountability. The Council has adopted and has implemented the key principles of the Treasury Management Code of Practice. This, together with the other governance practices, is considered vital to the achievement of proper corporate governance in treasury management. Section 151 Officer will monitor and, if necessary, report the effectiveness of these arrangements.

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GLOSSARY OF TREASURY TERMS

<p>Authorised Limit (Also known as the Affordable Limit):</p> <p>A statutory limit that sets the maximum level of external borrowing on a gross basis (i.e., not net of investments) for the Council. It is measured on a daily basis, against all external borrowing items on the Balance Sheet (i.e., long and short-term borrowing, overdrawn bank balances and long term liabilities).</p>
<p>Balances and Reserves:</p> <p>Accumulated sums that are maintained either earmarked for specific future costs or commitments or generally held to meet unforeseen or emergency expenditure.</p>
<p>Bail - in (Risk):</p> <p>Following the financial crisis of 2008 when governments in various jurisdictions injected billions of dollars into banks as part of bail-out packages, it was recognised that bondholders, who largely remained untouched through this period, should share the burden in future by making them forfeit part of their investment to "bail in" a bank before taxpayers are called upon.</p> <p>A bail-in takes place before a bankruptcy and under current proposals, regulators would have the power to impose losses on bondholders while leaving untouched other creditors of similar stature, such as derivatives counterparties. A corollary to this is that bondholders will require more interest if they are to risk losing money to a bail-in.</p>
<p>Bank Rate:</p> <p>The official interest rate set by the Bank of England's Monetary Policy Committee and what is generally termed at the "base rate". This rate is also referred to as the 'repo rate'.</p>
<p>Bond:</p> <p>A certificate of debt issued by a company, government, or other institution. The bond holder receives interest at a rate stated at the time of issue of the bond. The repayment date is also set at the onset but can be traded during its life, but this will affect the price of a bond which may vary during its life.</p>
<p>Capital Expenditure:</p> <p>Expenditure on the acquisition, creation or enhancement of capital assets.</p>
<p>Capital Financing Requirement (CFR):</p> <p>The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need.</p>
<p>CD's:</p> <p>Certificates of Deposits with banks and building societies</p>
<p>Capital Receipts:</p> <p>Money obtained on the sale of a capital asset.</p>

Constant Net Asset Value (CNAV)

These are Money Market Funds which maintain a stable price of £1 per share when investors redeem or purchase shares which mean that that any investment will not fluctuate in value.

Corporate Bonds:

Corporate bonds are bonds issued by companies. The term is often used to cover all bonds other than those issued by governments in their own currencies and includes issues by companies, supranational organisations and government agencies.

Cost of Carry:

The “cost of carry” is the difference between what is paid to borrow compared to the interest which could be earned. For example, if one takes out borrowing at 5% and invests the money at 1.5%, there is a cost of carry of 3.5%.

Counterparty List:

List of approved financial institutions with which the Council can place investments with.

Covered Bond:

Covered bonds are debt securities backed by cash flows from mortgages or public sector loans. They are similar in many ways to asset-backed securities created in securitisation, but covered bond assets remain on the issuer’s consolidated balance sheet (usually with an appropriate capital charge). The covered bonds continue as obligations of the issuer (often a bank); in essence, the investor has recourse against the issuer and the collateral, sometimes known as "dual recourse."

CPI:

Consumer Price Index – the UK’s main measure of inflation.

Credit Rating:

Formal opinion by a registered rating agency of a counterparty’s future ability to meet its financial liabilities; these are opinions only and not guarantees.

Diversify /diversified exposure:

The spreading of investments among different types of assets or between markets in order to reduce risk.

DMADF:

Debt Management Agency Deposit Facility is the lowest risk form of investment available to local authorities as it is operated by the Debt Management Office which is part of H.M. Treasury.

DLUHC:

The Department for Levelling Up, Housing and Communities (DLUHC), formerly the Ministry for Housing, Communities and Local Government (MHCLG), is the UK Government department for housing, communities, local government in England and the levelling up policy.

Federal Reserve:

The US central bank. (Often referred to as “the Fed”).

FTSE 100 Index:

The FTSE 100 Index is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalisation. It is one of the most widely used stock indices and is seen as a gauge of business prosperity for business regulated by UK

company law. The index is maintained by the FTSE Group, a subsidiary of the London Stock Exchange Group.

General Fund:

This includes most of the day-to-day spending and income.

Gilts:

Gilts are bonds issued by the UK Government. They take their name from 'gilt-edged': being issued by the UK government, they are deemed to be very secure as the investor expects to receive the full face value of the bond to be repaid on maturity.

Gross Domestic Product (GDP):

Gross Domestic Product measures the value of goods and services produced within a country. GDP is the most comprehensive overall measure of economic output and provides key insight as to the driving forces of the economy.

The G7:

The G7, is a group consisting of the finance ministers of seven industrialised nations: namely the US, UK, France, Germany, Italy, Canada and Japan. They are seven of the eight (China excluded) wealthiest nations on Earth, not by GDP but by global net wealth. The G7 represents more than the 66% of net global wealth (\$223 trillion), according to Credit Suisse Global Wealth Report September 2012.

IFRS:

International Financial Reporting Standards.

LIBID:

The London Interbank Bid Rate (LIBID) is the rate bid by banks on Eurocurrency deposits (i.e. the rate at which a bank is willing to borrow from other banks). It is "the opposite" of the LIBOR (an offered, hence "ask" rate, the rate at which a bank will lend). Whilst the British Bankers' Association set LIBOR rates, there is no correspondent official LIBID fixing.

LOBO:

Stands for Lender Option Borrower Option. The underlying loan facility is typically very long-term - for example 40 to 60 years - and the interest rate is fixed. However, in the LOBO facility the lender has the option to call on the facilities at pre-determined future dates. On these call dates, the lender can propose or impose a new fixed rate for the remaining term of the facility and the borrower has the 'option' to either accept the new imposed fixed rate or repay the loan facility. The upshot of this is that on the option exercise date, the lender could propose an extreme fixed rate, say 20 per cent, which would effectively force the repayment of the underlying facility. The borrower's so called 'option' is only the inalienable right to accept or refuse a new deal such as a fixed rate of 20 per cent.

Maturity:

The date when an investment or borrowing is repaid.

LUHC - Department for Levelling Up, Housing and Communities

Formally Ministry for Housing, Communities and Local Government (MHCLG) and the Department for Communities and Local Government (DCLG) which was created on 5 May 2006, replacing the Office of the Deputy Prime Minister (ODPM), with a remit to promote community cohesion and equality, as well as responsibility for housing, urban regeneration, planning and local government.

Maturity Structure / Profile:

A table or graph showing the amount (or percentage) of debt or investments maturing over a time period. The amount or percent maturing could be shown on a year-by-year or quarter-by quarter or month-by-month basis.

Minimum Revenue Provision (MRP):

An annual provision that the Council is statutorily required to set aside and charge to the Revenue Account for the repayment of debt associated with expenditure incurred on capital assets.

Ministry for Housing, Communities and Local Government (MHCLG):

The Department for Communities and Local Government (DCLG) was created on 5 May 2006, replacing the Office of the Deputy Prime Minister (ODPM), with a remit to promote community cohesion and equality, as well as responsibility for housing, urban regeneration, planning and local government.

On 8 January 2018, the government announced that the Department for Communities and Local Government will be renamed as the Ministry for Housing, Communities and Local Government (MHCLG).

On the 20 September 2021 this has subsequently been rebranded to Department for Levelling Up, Housing and Communities (LUHC)

Money Market Funds (MMF):

An open-end mutual fund which invests only in money markets. These funds invest in short term debt obligations such as short-dated government debt, certificates of deposit and commercial paper. The main goal is the preservation of principal, accompanied by modest dividends. The fund's net asset value remains constant (e.g. £1 per unit) but the interest rate does fluctuate. These are liquid investments, and therefore, are often used by financial institutions to store money that is not currently invested. Risk is extremely low due to the high rating of the MMFs; many have achieved AAA credit status from the rating agencies:

- **Constant net asset value (CNAV)** refers to funds which use amortised cost accounting to value all of their assets. They aim to maintain a net asset value (NAV), or value of a share of the fund, at €1/£1/\$1 and calculate their price to two decimal places known as "penny rounding". Most CNAV funds distribute income to investors on a regular basis (distributing share classes), though some may choose to accumulate the income, or add it on to the NAV (accumulating share classes). The NAV of accumulating CNAV funds will vary by the income received.
- **Variable net asset value (VNAV)** refers to funds which use mark-to-market accounting to value some of their assets. The NAV of these funds will vary by a slight amount, due to the changing value of the assets and, in the case of an accumulating fund, by the amount of income received.

This means that a fund with an unchanging NAV is, by definition, CNAV, but a fund with a NAV that varies may be accumulating CNAV or distributing or accumulating VNAV.

Non Specified Investment:

Investments which fall outside the CLG Guidance for **Specified investments** (below).

Operational Boundary:

This linked directly to the Council's estimates of the CFR and estimates of other day to day cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

Premiums and Discounts:

In the context of local authority borrowing,

- (a) the premium is the penalty arising when a loan is redeemed prior to its maturity date and
- (b) the discount is the gain arising when a loan is redeemed prior to its maturity date.

If on a £1 million loan, it is calculated that a £150,000 premium is payable on premature redemption, then the amount paid by the borrower to redeem the loan is £1,150,000 plus accrued interest. If on a £1 million loan, it is calculated* that a £50,000 discount receivable on premature redemption, then the amount paid by the borrower to redeem the loan is £950,000 plus accrued interest. PWLB premium/discount rates are calculated according to the length of time to maturity, current market rates (plus a margin), and the existing loan rate which then produces a premium/discount dependent on whether the discount rate is lower/higher than the coupon rate.

**The calculation of the total amount payable to redeem a loan borrowed from the Public Works Loans Board (PWLB) is the present value of the remaining payments of principal and interest due in respect of the loan being repaid prematurely, calculated on normal actuarial principles. More details are contained in the PWLB's lending arrangements circular.*

Property:

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both.

Prudential Code:

Developed by CIPFA and introduced on 01/4/2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice.

Prudential Indicators:

Indicators determined by the local authority to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is publicly accountable; they are not intended to be comparative performance indicators

Public Works Loans Board (PWLB):

This is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

Quantitative Easing (QE):

In relation to the UK, it is the process used by the Bank of England to directly increase the quantity of money in the economy. It *“does not involve printing more banknotes. Instead, the Bank buys assets from private sector institutions – that could be insurance companies, pension funds, banks or non-financial firms – and credits the seller’s bank account. So the seller has more money in their bank account, while their bank holds a corresponding claim against the Bank of England (known as reserves). The end result is more money out in the wider economy”*. Source: Bank of England.

Regularity Method - MRP:

As detailed under MRP, this is a charge to revenue to repay capital expenditure financed by borrowing. There are a number of options for a prudent provision and this is for debt prior to 2008 which is supported by the Government through the RSG system. Although regulation

<p>28 is revoked by regulation 4(1) of the 2008 Regulations, authorities are able to calculate MRP as if it were still in force.</p>
<p>Revenue Expenditure:</p> <p>Expenditure to meet the continuing cost of delivery of services including salaries and wages, the purchase of materials and capital financing charges.</p>
<p>RPI:</p> <p>Retail Prices Index is a monthly index demonstrating the movement in the cost of living as it tracks the prices of goods and services including mortgage interest and rent. Pensions and index-linked gilts are uprated using the RPI index.</p>
<p>Section 114 notices (S114):</p> <p>S114 are reports issued by the chief financial officer (or Section 151 officer) of a British public body to prevent certain types of expenditure. The notices take their name from Section 114 of the Local Government Finance Act 1988.</p> <p>The most common type of notice is made under Section 114(3) which restricts all spending except for that which funds statutory services. Despite the fact that local authorities in the United Kingdom cannot go bankrupt, issuing a Section 114 notice is often described in the media as a council effectively declaring bankruptcy. Most councils under a Section 114 notice will then pass a new budget to introduce cuts and reduce spending.</p>
<p>(Short) Term Deposits:</p> <p>Deposits of cash with terms attached relating to maturity and rate of return (Interest).</p>
<p>Specified Investments:</p> <p>Term used in the CLG Guidance and Welsh Assembly Guidance for Local Authority Investments. Investments that offer high security and high liquidity, in sterling and for no more than one year. UK government, local authorities and bodies that have a high credit rating.</p>
<p>Supported Borrowing:</p> <p>Borrowing for which the costs are supported by the government or third party.</p>
<p>Temporary Borrowing:</p> <p>Borrowing to cover peaks and troughs of cash flow, not to fund capital spending.</p>
<p>Treasury Management Code:</p> <p>CIPFA's Code of Practice for Treasury Management in the Public Services, initially brought in 2003, subsequently updated in 2009 and 2011.</p>
<p>Treasury Management Practices (TMP):</p> <p>Treasury Management Practices set out the manner in which the Council will seek to achieve its policies and objectives and prescribe how it will manage and control these activities.</p>
<p>Unsupported Borrowing:</p> <p>Borrowing which is self-financed by the local authority. This is also sometimes referred to as Prudential Borrowing.</p>
<p>Variable Net Asset Value (VNAV):</p> <p>Redemptions and investments in Money Market Funds (MMF's) are on the basis of the fund's Net Asset Value (NAV) per share. The NAV of any money market fund is the market value of the fund's assets minus its liabilities and is stated on a per share basis. The net value of the assets held by an</p>

MMF can fluctuate, and the market value of a share may not always be exactly the amount that has been invested.

Yield:

The measure of the return on an investment instrument.

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TREASURY MANAGEMENT POLICY STATEMENT

1. INTRODUCTION AND BACKGROUND

1.1. In accordance with CIPFA's Code of Practice for Treasury Management in the Public Services the Council has regard to the key recommendations when determining the current strategy.

1.2. Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management: -

- A treasury management policy statement, stating the policies, objectives, and approach to risk management of its treasury management activities.
- Suitable Treasury Management Practices (TMPs), setting out the way the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

1.3. The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to Governance Committee and for the execution and administration of treasury management decisions to the Chief Financial Officer, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

1.4. Governance Committee will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

1.5. The Council nominates Governance Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

2. POLICIES AND OBJECTIVES OF TREASURY MANAGEMENT ACTIVITIES

2.1. The Council defines its treasury management activities as:

"The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2.2. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury

management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

- 2.3. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.
- 2.4. The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.
- 2.5. The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yield earned on investments remain important but are secondary considerations.

The economic background and interest rate outlook provided by the Council's treasury advisor, Arlingclose Ltd is detailed below. The Council will reappraise its strategy from time to time and, if needs be, realign it with evolving market conditions and expectations for future interest rates.

Economic Background

The impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, will be major influences on the Authority's treasury management strategy for 2024/25. The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level for the rest of 2023. In December 2023, members of the BoE's Monetary Policy Committee voted 6-3 in favour of keeping Bank Rate at 5.25%. The three dissenters wanted to increase rates by another 0.25%.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged period of weak Gross Domestic Product (GDP) growth with the potential for a mild contraction due to ongoing weak economic activity. The outlook for CPI inflation was deemed to be highly uncertain, with upside risks to CPI falling to the 2% target coming from potential energy price increases, strong domestic wage growth and persistence in price-setting.

Office for National Statistics (ONS) figures showed CPI inflation was 3.9% in November 2023, down from a 4.6% rate in the previous month and, in line with the recent trend, lower than expected. The core CPI inflation rate declined to 5.1% from the previous month's 5.7%, again lower than predictions. Looking ahead, using the interest rate path implied by financial markets the BoE expects CPI inflation to continue falling slowly, but taking until early 2025 to reach the 2% target before dropping below target during the second half 2025 and into 2026.

ONS figures showed the UK economy contracted by 0.1% between July and September 2023. The BoE forecasts GDP will likely stagnate through 2024. The BoE forecasts that higher interest rates will constrain GDP growth, which will remain weak over the entire forecast horizon.

The labour market appears to be loosening, but only very slowly. The unemployment rate rose slightly to 4.2% between June and August 2023, from 4.0% in the previous 3-month period, but the lack of consistency in the data between the two periods made comparisons difficult. Earnings growth has remained strong but has showed some signs of easing; regular pay (excluding bonuses) was up 7.3% over the period and total pay (including bonuses) up 7.2%. Adjusted for inflation, regular pay was 1.4% and total pay 1.3%. Looking forward, the MPR showed the unemployment rate is expected to be around 4.25% in the second half of calendar 2023, but then rising steadily over the forecast horizon to around 5% in late 2025/early 2026.

Having increased its key interest rate to a target range of 5.25-5.50% in August 2023, the US Federal Reserve appears now to have concluded the hiking cycle. It is likely this level represents the peak in US rates following a more dovish meeting outcome in December 2023. US GDP grew at an annualised rate of 4.9% between July and September 2023, ahead of expectations for a 4.3% expansion and the 2.1% reading for Q2. But the impact from higher rates has started to feed into economic activity and growth will weaken in 2024. Annual CPI inflation was 3.1% in November.

Eurozone inflation has declined steadily since the start of 2023, falling to an annual rate of 2.4% in November 2023. Economic growth has been weak and GDP contracted by 0.1% in the three months to September 2023. In line with other central banks, the European Central Bank has increased rates, taking its deposit facility, fixed rate tender, and marginal lending rates to 3.75%, 4.25% and 4.50% respectively.

Credit outlook

Credit default swap (CDS) prices were volatile during 2023, spiking in March on the back of banking sector contagion concerns following the major events of Silicon Valley Bank becoming insolvent and

the takeover of Credit Suisse by UBS. After then falling back in Q2 of calendar 2023, in the second half of the year, higher interest rates and inflation, the ongoing war in Ukraine, and now the Middle East, have led to CDS prices increasing steadily.

On an annual basis, CDS price volatility has so far been lower in 2023 compared to 2022, but this year has seen more of a divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities once again.

Moody's revised its outlook on the UK sovereign to stable from negative to reflect its view of restored political predictability following the volatility after the 2022 mini-budget. Moody's also affirmed the Aa3 rating in recognition of the UK's economic resilience and strong institutional framework.

Following its rating action on the UK sovereign, Moody's revised the outlook on five UK banks to stable from negative and then followed this by the same action on five rated local authorities. However, within the same update the long-term ratings of those five local authorities were downgraded.

There remain competing tensions in the banking sector, on one side from higher interest rates boosting net income and profitability against another of a weakening economic outlook and likely recessions that increase the possibility of a deterioration in the quality of banks' assets.

However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast (February 2024)

Although UK inflation and wage growth remain elevated, the Authority's treasury management adviser Arlingclose forecasts that Bank Rate has peaked at 5.25%. The Bank of England's Monetary Policy Committee will start reducing rates in 2024 to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. Arlingclose sees rate cuts from Q3 2024 to a low of around 3% by late 2025.

Arlingclose expects long-term gilt yields to be broadly stable at current levels (amid continued volatility), following the decline in yields towards the end of 2023, which reflects the expected lower medium-term path for Bank Rate. Yields will remain relatively higher than in the past, due to quantitative tightening and significant bond supply. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate/yield of 4.40%, and that new long-term loans will be borrowed at an average rate of 4.95%.

The economic interest rate outlook provided by the Council's treasury advisor, Arlingclose Ltd, for February 2024 is detailed below and is based on the following Underlying Assumptions:

Underlying assumptions:

- key UK inflation and wage growth remain elevated but have eased over the past two months fuelling rate cuts expectations. Near-term rate cuts remain unlikely, although downside risks will increase as the UK economy likely slides into recession.
- The MPC's message remains unchanged as the Committee seeks to maintain tighter financial conditions. Monetary policy will remain tight as inflation is expected to moderate to target slowly, although some wage and inflation measures are below the Bank's last forecasts.

- Despite some deterioration in activity data, the UK economy remains resilient in the face of tighter monetary policy. Recent data has been soft but mixed; the more timely PMI figures suggest that the services sector is recovering from a weak Q3. Tighter policy will however bear down on domestic and external activity as interest rates bite.
- Employment demand is easing. Anecdotal evidence suggests slowing recruitment and pay growth, and we expect unemployment to rise further. As unemployment rises and interest rates remain high, consumer sentiment will deteriorate. Household and business spending will therefore be weak.
- Inflation will fall over the next 12 months. The path to the target will not be smooth, with higher energy prices and base effects interrupting the downtrend at times. The MPC's attention will remain on underlying inflation measures and wage data. We believe policy rates will remain at the peak for another 10 months, or until the MPC is comfortable the risk of further 'second-round' effects has diminished.
- Maintaining monetary policy in restrictive territory for so long, when the economy is already struggling, will require significant loosening in the future to boost activity.
- Global bond yields will remain volatile. Markets are currently running with expectations of near-term US rate cuts, fuelled somewhat unexpectedly by US policymakers themselves. Term premia and bond yields have experienced a marked decline. It would not be a surprise to see a reversal if data points do not support the narrative, but the current 10-year yield appears broadly reflective of a lower medium-term level for Bank Rate.
- There is a heightened risk of fiscal policy and/or geo-political events causing substantial volatility in yields.

	Current	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
Official Bank Rate													
Upside risk	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.00
Central Case	5.25	5.25	5.25	5.00	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00
Downside risk	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
3-month money market rate													
Upside risk	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.00
Central Case	5.40	5.40	5.30	5.15	4.80	4.30	4.10	3.80	3.50	3.25	3.15	3.10	3.10
Downside risk	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
5yr gilt yield													
Upside risk	0.00	0.75	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.96	3.75	3.70	3.65	3.60	3.50	3.40	3.30	3.30	3.30	3.30	3.35	3.40
Downside risk	0.00	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
10yr gilt yield													
Upside risk	0.00	0.75	0.85	0.85	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00	1.00
Central Case	3.97	3.80	3.80	3.80	3.75	3.70	3.65	3.65	3.65	3.65	3.65	3.70	3.75
Downside risk	0.00	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
20yr gilt yield													
Upside risk	0.00	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.50	4.40	4.30	4.25	4.25	4.20	4.20	4.20	4.20	4.20	4.20	4.25	4.25
Downside risk	0.00	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
50yr gilt yield													
Upside risk	0.00	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.19	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.95	3.95	3.95	3.95
Downside risk	0.00	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00

PWLB Standard Rate = Gilt yield + 1.00%

PWLB Certainty Rate = Gilt yield + 0.80%

PWLB HRA Rate = Gilt yield + 0.40%

UK Infrastructure Bank Rate = Gilt yield + 0.40%

Forecast:

- The MPC held Bank Rate at 5.25% in February.
- The MPC will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. We see rate cuts from Q3 2024 to a low of around 3% by late 2025.

- The Risks around Bank Rate are initially balanced before shifting to the downside due to on-going soft UK economic activity and the resulting dampening effects on inflation. Upside risks to inflation remain but the likelihood of further rises in Bank Rate are low.
- Long-term gilt yields have moved higher since the start of the year, largely due to stronger US data. Arlingclose's central case is for yields to be volatile around a relatively narrow range,

Agenda Item 7

Appendix 6

EXISTING INVESTMENT & DEBT PORTFOLIO POSITION AND PROJECTIONS

	31-Mar-23 Actual £M	31-Mar-23 Average Yield / Rate %	31-Dec-23 Actual £M	31-Dec-23 Average Yield / Rate %	31-Mar-24 Forecast £M	31-Mar-24 Forecast Average %
Long Term Borrowing						
Public Works Loan	289.19	3.52	283.39	3.45	343.30	3.01
LOBO Loans from Banks	9.00	4.86	4.00	4.86	4.00	4.85
	298.19	3.63	287.39	3.56	347.30	3.05
Short Term Borrowing						
Other Local Authorities	5.00	3.36	20.00	5.79	20.00	5.79
Total External Borrowing	303.19	2.96	307.39	2.96	367.30	3.15
Other Long Term Liabilities						
PFI Schemes	44.37	9.56	43.55	9.56	41.08	9.82
Deferred Debt Charges (HCC)	12.73	3.27	12.73	3.27	12.37	4.98
Total Gross External Debt	360.29	4.08	363.67	4.08	420.75	3.99
Investments:						
<i>Managed In-House</i>						
Government & Local Authority	(11.06)	4.05	0.00	0.00		
Cash (Instant access)	(15.49)	4.08	(23.75)	5.32	(20.00)	5.40
Cash (Notice Account)	0.00	0.00	0.00	0.00	0.00	0.00
Long Term Bonds	(1.01)	5.27	(1.03)	5.27	(1.00)	5.27
<i>Managed Externally</i>						
Pooled Funds (CCLA) & Shares	(27.00)	4.04	(27.00)	4.56	(27.00)	3.00
Total Investments	(54.56)	4.08	(51.78)	4.59	(48.00)	4.05
Net Debt	305.73		311.89		372.75	

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PROJECTED MOVEMENT ON CAPITAL FINANCING REQUIREMENT

Capital Financing Requirement	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28
	Actual £M	Forecast £M	Forecast £M	Forecast £M	Forecast £M	Forecast £M
Balance Brought forward	339.15	342.57	350.62	355.88	363.38	384.59
New Borrowing	14.53	20.40	19.13	21.69	34.97	6.41
MRP	(7.61)	(8.69)	(9.53)	(10.34)	(10.19)	(11.31)
Movement in Other Liabilities	(3.50)	(3.66)	(4.34)	(3.85)	(3.57)	(4.12)
Total General Fund Debt	342.57	350.62	355.88	363.38	384.59	375.57
HRA	174.88	189.85	219.90	255.89	268.69	280.63
Total CFR	517.45	540.47	575.78	619.27	653.28	656.20
Estimated Debt	360.29	420.75	457.12	499.25	520.14	521.22
Under / (Over) Borrowed	157.16	119.72	118.66	120.02	133.14	134.98

Capital Financing Requirement	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28
	Actual £M	Forecast £M	Forecast £M	Forecast £M	Forecast £M	Forecast £M
Balance Brought forward	339.15	342.57	350.62	355.88	363.38	384.59
New Capital Borrowing	14.53	20.40	19.13	21.69	34.97	6.41
MRP	(7.61)	(8.69)	(9.53)	(10.34)	(10.19)	(11.31)
Movement in Other Liabilities	(3.50)	(3.66)	(4.34)	(3.85)	(3.57)	(4.12)
Total General Fund Debt	342.57	350.62	355.88	363.38	384.59	375.57
HRA	174.88	189.85	219.90	255.89	268.69	280.63
Total CFR	517.45	540.47	575.78	619.27	653.28	656.20
Less Other Debt Liabilities*	(57.11)	(53.45)	(49.12)	(45.27)	(41.69)	(37.57)
Loans CFR	460.34	487.02	526.66	574.00	611.59	618.63

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Agenda Item 8

DECISION-MAKER:	GOVERNANCE COMMITTEE
SUBJECT:	Appointeeships Progress and Update Report
DATE OF DECISION:	22nd April 2024
REPORT OF:	INTERIM DIRECTOR OF FINANCE

<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director Corporate Services	
	Name:	Mel Creighton	Tel: 023 80833528
	E-mail:	mel.creighton@southampton.gov.uk	
Author:	Title	Head, Income and Expenditure	
	Name:	Vanessa Shahani	Tel: 023 80832599
	E-mail:	vanessa.shahani@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY
Not applicable
BRIEF SUMMARY
1. On 2 nd October 2023, Governance Committee considered the Internal Audit Progress Report. This included the Executive Summary of the ‘no assurance’ Appointeeship report which was issued as part of the previous 22/23 audit plan.
2. The Committee requested that “given the historical context of the audit and the significant resources issues that the Executive Director of Corporate Services and the Director of Customer Experience attend the December meeting to discuss this item in detail.”
3. The December meeting of the Governance Committee was cancelled. Internal Audit then commenced a re-audit of the appointeeship service which was not complete in time for February Governance Committee. This report has been prepared for today’s meeting which is the first available to consider the findings of the most recent audit.
4. Recent organisational structure changes mean the Income and Expenditure Service is no longer part of Customer Experience, and is now aligned to the Finance function. The interim Director of Finance will therefore report on this item.
5. The most recent audit reviewed progress against the improvement actions on the last “no assurance” audit. This progress review was carried out with minimal testing and was primarily based on information provided by the service. The review recognised the comprehensive action plan developed and being progressed by the service and concluded that if implemented correctly, this would reduce the council’s risk exposure to limited assurance.
6. Discussions have been on-going about the resourcing pressures in the service and approval has been obtained to progress to consultation about introducing charges for the service. If approved, income will be used to cover the costs of the service, including staff costs and to provide a case management system.
7. Exploratory market testing is being carried out to assess the costs of procuring and implementing a case management system.

8. Discussions about changing the threshold at which clients are referred to Hampshire County Council for deputyship will also take place at a meeting scheduled for 13 th May.	
9. Service improvements will be carried out as part of the Ambitious Futures transformation programme.	
10. A follow up audit is not expected until further progress has been made.	
RECOMMENDATIONS:	
For Governance Committee to note:	
	(i) the service improvements and reduced likely risk exposure following the recent audit
	(ii) intention to review financial thresholds at which clients are referred to Hampshire County Council for deputyship
	(iii) the plans to introduce charging, and invest in a case management system, with consequent positive impact on capacity and quality of service
	(iv) that a follow up audit is not expected until further progress has been made
REASONS FOR REPORT RECOMMENDATIONS	
1.	The previous internal audit assessed the Appointeeship Service as “no assurance” highlighting several risks. This report provides an update on progress and on plans to further improve the service.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	None
DETAIL (Including consultation carried out)	
3.	The responsibility for the council’s appointeeship function currently sits within the Income and Expenditure Service. In the past, this responsibility has been within Corporate Finance or Adult Social Care.
4.	If a person is incapable of managing their own finances due to a physical or mental health incapacity and cannot cope with claiming benefits, paying bills or managing money, they may need an appointee to provide help. An appointee may be required on a temporary or permanent basis.
5.	Appointeeship is a term used by the Department for Work and Pensions (DWP) when they authorise an organisation or an individual to take on the legal responsibilities of receiving and managing a person’s welfare benefit entitlements.
6.	An appointee is responsible for making and maintaining benefit claims including spending the benefit (which is paid directly to them) in the claimant’s best interests and telling the DWP about any changes which would affect the level of benefit they receive.
7.	An appointee has to be aged 18 plus, and can be a family member or trusted friend or a specialist organisation. The local council can also act as the appointee.
8.	Appointeeship gives the council permission to receive DWP benefits and pensions. It does not extend to the management of private income or assets such as savings or property.

9.	Before the City Council can assume responsibility for an individual's financial affairs, it must consider the support that can be provided by friends and family members, etc. where appropriate. Only where support is unavailable from other sources, will the City Council consider seeking appointeeship responsibilities.
10.	The appointeeship service is currently supporting about 300 clients. The majority of these have been assessed as lacking mental capacity to manage their own finances by social care professionals. This could be, for example, because of a learning disability, or physical disability (e.g. following a stroke) or dementia. They range in age from 18 upwards. There are also a small number of clients supported by the team for safeguarding reasons, for example with drug or alcohol dependency, which means they struggle to manage their finances and are open to financial abuse. Some live in residential care, some in the community.
11.	In supporting these clients, the appointeeship officers undertake a range of functions, including: <ul style="list-style-type: none"> • Collecting state benefits • Maximising benefit income • Making payments from these monies for care charges, personal allowances, and other bills; particularly where the individual continues to live in the community • Supporting individuals to save (although it does not allow the appointee to manage capital accrued)
12.	Where clients have significant assets and the client is deemed as lacking mental capacity to make financial decisions, a court order is required from the Court of Protection to appoint a nominated person to act as a Deputy on behalf of the client.
13.	A deputy is put in place by the Court of Protection and undertakes the responsibility for the management of all of a person's financial affairs if they become incapable of doing so themselves. This may include managing savings, pensions and all other sources of income or assets including property and valuables.
14.	Southampton City Council has a contract with Hampshire County Council to provide the deputyship service.
15.	An appointee has a much smaller level of legal authority over someone's finances than a deputy as it is simply restricted to their welfare benefit payments.
16.	A deputy is supervised and regulated by the Office of the Public Guardian (OPG) whilst appointees are regulated by the Department of Work and Pensions (DWP).
17.	The core team is 2.6 FTE and is currently supplemented by 0.5 FTE from the wider Accounts Payable team. The caseload per FTE is therefore just over 96 clients. There is no bespoke case management system in use. The Team currently uses Care Director, complemented with use of tools including Excel spreadsheets and accessing files in the shared drive.
18.	As a comparator, Portsmouth City Council, which runs a combined appointeeship and deputyship service, has a case management system and, on average, supports 50 clients per FTE.

19.	<p>Since the 2023 Internal Audit, the service has delivered on several improvement actions, both within the Audit and additional activities. The Head of Income and Expenditure has worked with the team to identify opportunities to review and streamline processes. Details are at Appendix 1 and include reducing manual effort by using Care Director where possible, writing a procedure on Motability cars, identifying and progressing training needs to increase multi skilling of team members and updating information on 'staff stuff' for care practitioners.</p>
20.	<p>Internal Audit carried out a review recently. At the time of writing this report, the outcome of this review is awaited. However, Internal Audit indicated that in recognition of the work performed as present they are likely to say:</p> <p>“Following a no assurance audit the service established a comprehensive action plan to address the significant control failings observed. This action plan assumed development of Care Director to enhance record keeping and automate some of the processes, however, this has been impacted by the providers withdrawal from the market. In addition, it was also flagged that an increase in resource would be needed to provide the service required for the current number of clients supported. No additional resource has been identified; in fact the level of resource has decreased further. Support from PCC was explored, yet this has also proved fruitless as they too do not have the capacity to assist. That aside a number of the agreed actions have been implemented, these are however more structure/ framework related and are too recent to have shown any significant improvement with individual case management. Individual cases have therefore not been retested at this stage by Internal Audit. If implemented correctly the risk exposure to the council would be reduced to limited assurance.”</p>
21.	<p>The statement above demonstrates the improvements delivered by the existing team while still coping with high client numbers. The reference to decreased resources in the statement above relates to a member of the team gaining promotion to another service in the council and a gap filling this vacancy.</p>
22.	<p>Local authorities are permitted to charge for appointeeship services. There is no specific guidance in respect of how the fees should be calculated. However there is an overriding principle of charging in a proportionate and reasonable manner.</p>
23.	<p>Introducing fees was previously considered but not progressed due to the vulnerable nature of the client group and their level of income. Procurement activity for a case management system had commenced, but was ceased due to the essential spend regime.</p>
24.	<p>Portsmouth City Council has been approached to see if they could provide support with operational pressures. Unfortunately, they currently lack capacity to provide support at this moment in time.</p>
25.	<p>The pressures on staffing have led to a review of previous decisions about introducing charging and procuring a case management system.</p>
26.	<p>Introducing charging will require consultation and the legal advice is that this should be for a period of 12 weeks. The resource required to do this is currently being sized. Proposals will be brought forward for approval in due course, following the appropriate governance route. Due to the nature of the</p>

	client group, it is likely that not all will be able to participate in consultation. So in addition to involving clients, advocacy and other appropriate organisations (e.g. caring organisations) and appropriate representatives (e.g. care homes) will also be involved.
27.	In order to deliver a high-quality service for our appointeeship clients, it is no longer possible to continue to provide the service free of charge. However, it is recognised that appointeeship clients will be in receipt of state benefits and little other income, therefore the Council will seek to keep these fees as low as possible. Any income derived from charging will be used to cover the costs of the service
28.	Procurement activity to identify possible providers and costs of a case management system has recommenced.
29.	In addition there are plans to explore the financial threshold at which clients are referred to Hampshire County Council. The current threshold is £23,000 and the proposal would be to explore referring clients whose balances reach £16,000. This could reduce client numbers and therefore pressures on the service. Although client numbers vary, as an indicator at the end of March there were 55 clients whose balances fell between £16,000 and £23,000. An internal meeting is scheduled for 13 th May to discuss this further.
30.	Another option to reduce client numbers would be to explore whether appointees currently residing in care homes could be supported by their care home provider, rather than Southampton City Council. Advice has been sought from the DWP – who advises this should be a last resort – and from Legal Services – who advises that a risk assessment should be carried out, to assess the risk of conflict of interest and potential for financial abuse. This was recent advice, and the risk assessment has yet to be carried out.
31.	Progressing further improvements will be part of transformation activity supported by the Income and Expenditure Service as part of “business as usual” change as appropriate. A follow up audit is not expected until further progress has been made.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
32.	The financial implications of this report are linked to introducing charges with the aim of investing in the service to increase staffing and introduce a case management system. This will be based on the business needs of the service and be proportionate to the client base supported. It will also consider systems used by other local authorities including Portsmouth City Council.
33.	As procurement activity has only recently recommenced, costs of systems are not yet available.
34.	Short term resource will be required to carry out the consultation to introduce charging. A proposal has been developed and discussions are on-going about the timing of the consultation.
35.	The level of staffing required in the future will be determined by the type of case management system procured, the level of increased automation it delivers and the outcome of discussions about the referral point to Hampshire County Council. The costs therefore cannot be sized at this point and will form part of the planned options appraisal to introduce charging.

<u>Property/Other</u>	
36.	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
37.	Regulation 33 of the Social Security (Claims and Payments) Regulations 1987, SI 1987/1968 provides that an appointment can be made where 'a person is, or is alleged to be, entitled to benefit, whether or not a claim for benefit has been made by him or on his behalf; and that person is unable for the time being to act; and no deputy has been appointed by the Court of Protection with power to claim or, as the case may be, receive benefit on his behalf'
38.	Under section 1 of the Localism Act 2011 (LA 2011), English local authorities have the power to do anything that individuals generally of full capacity may do. The Competence Power in LA 2011 enables authorities to charge on a cost recovery basis for new services where there is no pre-existing statutory authority.
<u>Other Legal Implications:</u>	
39.	There is no statutory duty to be an Appointee but there are duties under the Care Act that are relevant e.g. promotion of well-being, duty to prevent needs arising and escalating.
40.	The capital limit at which clients should be referred to Hampshire County Council for deputyship is £16,000, not the £23,000 threshold currently being used.
41.	An Equality and Safety Impact Assessment will need to be developed to support the proposals to introduce charging.
RISK MANAGEMENT IMPLICATIONS	
42.	The recent review of the service by Internal Audit has recognised the improvements being delivered, which "if implemented correctly will reduce the risk exposure of the council to limited assurance".
43.	The intention is to build on this foundation to address the historic issues of resourcing levels and manual processes by consulting to introduce charging, exploring procurement of a case management system and reviewing the referral point to Hampshire County Council. These actions will further reduce the council's risk exposure.
POLICY FRAMEWORK IMPLICATIONS	
44.	Procurement activity will be carried out in line with the council's Contract Procedure Rules, Financial Procedure Rules and Officer Scheme of Delegation.
45.	Continuing to deliver service improvements aligns with Southampton City Council's Corporate Plan – 2022 – 2030 – a successful, sustainable organisation.

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	All

<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Improvement Action Tracker
Documents In Members' Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
Other Background Documents	
Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None

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Agenda Item 8

Appendix 1

Item	Action
Assistance from PCC	Contact Portsmouth City Council to see if they can provide any assistance to the team
Deputyship	Review current deputyship contract with HCC
Fees and Charges	Produce a consultation plan
Social Worker Training	Create a training plan for Social Workers
Social Worker Training	Re-introduce Appointeeship induction for new Social Workers
Social Worker Training	Review and update Appointeeship information on Staff Staff
Social Worker Training	Need FAQ's on Care Director on how to save and label documents correctly so they can be found by everyone
Social Worker Training	Create flow charts of some of the processes to help social workers to use the correct form
Not enough info or incorrect info provided by Social Worker making it difficult for the team to identify the client	Team to trial adding a note to the top of their emails asking for client initials and CD number on all correspondence from Social Workers
Not enough info or incorrect info provided by Social Worker making it difficult for the team to identify the client	Add a note to the top of the Emergency and Extra Money request forms asking for the full client name and CD number be given on the form
Detailed figures	Provide a baseline now
Detailed figures	Provide a weekly updates to Mel
Getting post to Social Workers	Investigate if can deliver items to key points in Civic Centre rather than waiting for the SW to collect?

Contacting DWP	Where possible write to the DWP rather than phone
PIP review forms	Team to add the financial information to the form before sending it to the SW or Care Manager
Restrict times when AllPay and Emergency Money Requests can be collected from the Civic Reception	Team to add collection times to their emails
Is there a free 'post it' function in Teams	Need to find out if there is a function in TEAMS to use 'virtual' post-it notes
Annual Leave	All team members need to take annual leave but need to liaise with each other to try and ensure only one person is off at any one time.
Team Training	Team to agree who needs what training and create a rota
Review new Appointeeship applications	Reduce time spent on new applications by having a set time each week to consider them.
Review Deceased Clients and Deputyship referrals	Continue to review these clients on a Wednesday
Case Management System	Explore Business World functionality to see if it can be used as an Appointeeship case management system

Responsible person	Action by date	Current status of Action (RAG)
Vanessa Shahani, Head, Income and Expenditure & Mel Creighton Executive Director Corporate Services		
Vanessa Shahani, Head, Income and Expenditure & Paul Paskins, Head of Supplier Management		
Vanessa Shahani, Head of Income & Expenditure		
	TBC	
All	TBC	
Sandra Zebedee, Senior Project Officer	31/01/24	
TBC	TBC	
All	By 29/02/24	
All	Complete	
Sandra Zebedee, Senior Project Officer	Complete	
Vanessa Shahani, Head of Income & Expenditure	Complete	
Vanessa Shahani, Head of Income & Expenditure	Ongoing	
	31/03/24	

All	Ongoing	
All	From 24/11/23	
All	Complete & ongoing	
Sandra Zebedee, Senior Project Officer	Complete	
All	From 17/11/23	
All	From 17/11/23	
Kathryn Strange, Accounts Payable Officer & Saranjit Karir, Accounts Payable Technician	From 17/11/23	
Kathryn Strange, Accounts Payable Officer & Saranjit Karir, Accounts Payable Technician	Ongoing	
All	New action on 07/02/24	

Comments
Meeting 4th March, Portsmouth confirmed no capacity currently to take on additional clients.
Reviewed with Hayley Holden, Procurement Business Partner. Next steps dependent on end to end review.
Previously drafted at high level. Dependent on transformation resource to take forward.
To be discussed further with the team when capacity allows
To be discussed further with the team when capacity allows
11/01/24 New page published live on Staff Stuff
There are already some guidance pages on Staff Stuff in relation to Care Director, maybe this info can be added to these. Need to clarify contact to progress. 01/04/24 we need to review priority of this action due to CD being discontinued at some point
Started
Sometimes SW only provides clients initials on correspondence which makes it hard for the team to ID the client so they need the CD number. However the SW also needs to provide the correct CD number. The team will monitor the impact of adding this info and it will be reviewed again if/when necessary
The team will monitor the impact of adding this info and it will be reviewed again if/when necessary
Yet to start

<p>In place, working well as DWP responding by letter, saving officer time on the phone. Can take up to 40 minutes per phone call and DWP will not discuss more than one client each time.</p>
<p>It is hoped by the team doing this the forms will be returned quicker. The current process is to send the blank forms to social care colleagues for them to complete their information and then the team completes the financial information.</p>
<p>The team will also include a note that photo ID is required in order to make the collection.</p>
<p>Function located in TEAMS and will used as appropriate with the team going forwards</p>
<p>In place and ongoing.</p>
<p>The team are now all getting up to speed with the daily tasks. Agreed as a priority.</p>
<p>Booked out Tuesdays between 2pm and 4pm. Will advise colleagues in Social Care.</p>
<p>A report on all clients with over £23k has been run and a total of 26 will now be referred to their Care Managers with a view to them being referred to Deputyship.</p>
<p>Initial conversations held. Felt that not an option as not a client case management system. Instead exploring options for an appointeeship case management system.</p>

Agenda Item 9

DECISION-MAKER:	GOVERNANCE COMMITTEE
SUBJECT:	HOUSING VOIDS UPDATE
DATE OF DECISION:	22 nd APRIL 2024
REPORT OF:	COUNCILLOR FRAMPTON CABINET MEMBER FOR HOUSING

<u>CONTACT DETAILS</u>			
Executive Director:	Title	Executive Director: Resident Services	
	Name:	Debbie Ward	Tel: 023 8083 3000
	E-mail:	Debbie.ward@southampton.gov.uk	
Author:	Title:	Director of Housing	
	Name:	Jamie Brenchley	Tel: 023 8083 3687
	E-mail:	Jamie.brenchley@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

None

BRIEF SUMMARY

An internal audit review of Southampton City Council's housing void process and procedures was completed on the 5th June 2023 as part of Southampton City Council's 2022/23 Audit Plan. Due to the length of time our properties remain void, limited assurance was provided.

A progress report was presented to Governance Committee on 13th November 2023. This set out the plans to address the areas of limited assurance in the audit report. The plans were noted and a further progress report required as significant progress was not being demonstrated from the implementation of the plan.

This report sets out the progress being made in the number of voids and the actions to address all the areas given limited assurance.

RECOMMENDATIONS:

	(i)	To note the progress being made to improve housing Void performance and require a further report on progress in July 2024
	(ii)	To accept and endorse the Voids Action Plan

REASONS FOR REPORT RECOMMENDATIONS

1.	To inform the Governance Committee of the current performance on voids in the council's housing stock and the progress being made to reduce the number of voids following implementation of the action plan.
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2.	To inform the Governance Committee of the progress on the plan to improve and reduce the number of voids held by the council
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
3.	None
DETAIL (Including consultation carried out)	
4.	A "Void" in housing terms is when a property is unoccupied for a period of time. For Housing Authorities, the aim is to keep voids to a minimum thus maximising the income generated from occupied properties.
5.	The internal audit identified a clear framework, sufficient procedures, and checklists for complete management trails. However, the length of time properties were vacant, not available to relet and therefore not collecting rent, was identified as having a significant impact on the Housing Revenue Account and limited assurance given.
6.	<p>Work has progressed on the action plan and is showing impact although it is too early to quantify an overall reduction in the immediate number of voids. The number of voids at the end of Q3 2023/24 was 412 properties and at the end of Q4 2023/24 there were 416 void properties.</p> <p>To support the work a detailed piece of work has been completed by consultants, LEAN. They have supported the team to complete a full review of the Voids process and have developed a detailed plan which includes challenging targets to continue to improve the performance of the voids, improve the average time to have property ready to relet, improve the overall stock condition and minimise the loss of rent income.</p> <p>The report provides positive updates on the void reduction efforts, even though the overall number hasn't significantly decreased yet. The action plan is showing positive impact, although the full effect on void reduction is not yet quantifiable.</p> <p>The number of voids is stabilising and the early indication is that we are starting to see voids reducing as they peaked in January 2024 at 446 and reduced to 416 at the end of March 24.</p> <p>The focus is on long-term improvements and we are unlikely to see trends reduce until later in the new 2024.</p>
7.	At the end of Q4 the total void to let time had increased. A routine void is now taking a further 30 days on average to complete and properties requiring major works is taking 45 days longer compared to 6 months earlier. This is the trend we would expect to see long term voids are being tackled and brought back into use. The actions being implemented will take time to embed and are being subject to significant management action.
Table 1. Void to let performance	

		All voids regardless of property type	Void to let target	Void to let actual at Year End 22/23	Void to let actual as at End Q3 23/24	Void to let actual as at End Q3 23/24
		Routine	29 days	94 days	130 days	133 days
		Major works	106 days	225 days	270 days	278 days
8.	The audit identified four key actions to address the limited assurance and drive forward improvements. The actions and progress made is set in detail in Appendix 1 and the supporting action plan developed with LEAN is attached at Appendix 2					
RESOURCE IMPLICATIONS						
<u>Capital/Revenue</u>						
9.	Impact on the HRA set out in the report. Any void property will not have rent paid and delays in reletting have a direct impact on the income of the HRA.					
<u>Property/Other</u>						
10.	None					
LEGAL IMPLICATIONS						
<u>Statutory power to undertake proposals in the report:</u>						
11.	Local Government At 1972 and all other enabling legislation					
<u>Other Legal Implications:</u>						
12.	None					
RISK MANAGEMENT IMPLICATIONS						
13.	None, save for the impact on HRA rental income targets					
POLICY FRAMEWORK IMPLICATIONS						
14.	None					
KEY DECISION?			No			
<u>SUPPORTING DOCUMENTATION</u>						
Appendices						
1.	Void project plan					
2.	LEAN project plan					
Documents In Members' Rooms						
1.	None					
Equality Impact Assessment						

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
Other Background Documents Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

Appendix 1.

VOID ACTION PLAN (Updated 31/3/2024)

Action	Lead Officer	By When	RAG	Progress
1. Explore 'invest to save' opportunities to increase capacity	Housing Operations Service Manager	Jan 2024. Further resources agreed 1 st April 2024.		<ul style="list-style-type: none"> • Housing Operations have been working with Procurement to secure sub-contractors. This has not yet identified any suitable contractor(s) who have capacity or sufficient expertise to deliver alongside the council. This continues to be explored. • We have reprofiled some of our existing resources for 12 months to help reduce the backlog. This was approved by cabinet in October and was implemented in Jan 2024. • Approval of the HRA budget for 24/25 means we are now also in a position to recruit additional trades to further supplement and support this work. Recruitment will be started in April 2024.
2. A review will be undertaken of the operational processes and systems in place to identify	Housing Operations	December 2023.		<ul style="list-style-type: none"> • A LEAN consultant was secured through a competitive procurement process in November 2023. They have

<p>improvements required and enabling assurance to be provided on the delivery model. This will also consider ways to reduce the void period between the maintenance handover date and void relet.</p>	<p>Service Manager</p>	<p>Implementation phase now in progress.</p>		<p>been undertaking the following scope of work: reviewing all void processes as a whole (key in to key out). This has already informed a number of improvements and will continue to refine the way we do our business and the structure we need to deliver best value for those we serve.</p> <ul style="list-style-type: none"> • Please see appendix 2 for further details of planned work and targets.
<p>3. Increase proactive property/tenancy inspections to reduce the number of void properties with increased maintenance costs caused by tenant misuse and neglect.</p>	<p>District Housing Managers</p>	<p>By December 2023. Implementation phase now in progress.</p>		<ul style="list-style-type: none"> • Housing Management re-design has been completed with new working practices and targets set for 24/25. • Progress not yet quantifiable. Improvements are expected to be evident from Q1 24/25.
<p>4. Capital Estates will continue proactive planned maintenance programme prioritised to target areas of greatest repair need to help 'improve the quality of homes'.</p>	<p>Head of Corporate Estate and Assets</p>	<p>Dynamic Enhanced programme of delivery will begin June 2024.</p>		<ul style="list-style-type: none"> • HRA Capital programme reprofiled and agreed at full council in Feb 2024. • Procurement of a primary delivery partner being progressed for June 2024

Number of voids

412 (31/12/23)	416 (End of Feb)	320	240	160	80
Transfer Projects Team Lean Review Discuss with trades Transfer Policy updated Leaving standard improved Focus on numbers	Reduce voids by 4 per week Establish routines Reduce major delays Right people in place Start training	increase rate of reduction Lock in the routines Reduce minor delays Improve efficiency	Maintain reduction Routines are a way of life Reduce delays Improve efficiency Examine Total Mobile	Maintain reduction Routines are a way of life Reduce delays Improve efficiency Spec to Total Mobile	

Voids Action plan for 24-25

Activity	What	Done	April	May	June	July	Aug	Sept	oct	Nov	Dec	Jan	Feb	March
Purpose, direction setting and culture	To re- let properties sustainably,in shortest possible time. Devolve responsibility to the people who do the work	Has been set in the launch phase	Work with managers to set standards of role modelling. Reinforce these leadership managemnt practices			Managers will start to display the right style			Managers will deploy the style to their teams			Everyone can show how their work contributes to the "Purpose " of letting properties sustainably in the shortest possible time		
Introduce lean thinking and concepts	Real time problem solving - where the work is done	Started in project phase	Reinforce with training on problem solving tools and techniques			The reporting will demonstrate this is being done			Evidence of problems being identified and solves as they arise			Reporting shows fewer, smaller problems are arising		
Process improvement	Identify obstacles to "flow"	Identified major delays and time wastes - within voids team and other SCC teams	Workshops within voids and other teams. Start with Pest Control and Green team in April			Measures will show performance gaps and what is being done to close them			Measures will show that the end to end process is flowing more smoothly					
			Estate Area Estate Managers will review every void every week with the Voids co-ordinators.			Process measures will demonstrate higher levels of control			Voids coordinators are demonstrating control over every property					
Identified lack of "routines " - focused on process and numbers	Daily and weekly information is used to identify and solve problems	Designed the visual measures	Enable automatic production of data.Workshops to embed the routines and get visual measures up on the wall			The information visible in the workplace and the reporting will demonstrate this.			Daily and weekly catch ups and meetings are a way of life and are really valued by the participants. Team work and cooperation are at high levels					
Identified there are not enough people to enable the processes to work correctly	Start with Inspections ,planning and voids managers. Trades efficiency will be improved with better planning	Correct level of inspectors and voids co-ordinators is in budget for 24-25	Establish " Standardised work" to make the best ue of everyones time. Accelerate recruitment of the right people. Look within SCC. Inspectors and planners at right level			Develop the model to calculate the ideal trades profile. Develop pre void inspections to determine amount of work coming in - in hours per trade.			Specify the trades resources required. Re- shape the teams to match this - within budget 24-25 . Make plans to release Project team back to their role					
		Budget set for 24-25	Recruit trades to fill immediate pinch points - decorating			Recruit trades to fill immediate pinch points identified by measures			Recuit trades that are required to continue improving performance					

Page 585

Appendix 2
Agenda Item 9

		Transfer staff from Contracts team	Integrate staff transferred from Contracts team to work in the same way as current team to enable flexibility	Train everyone in doing the work " in the one best way". Process documentation and SOPs	Measure , manage and improve. Start preparing to return to Project role	
		in the budget 24-25		Establish trade resources required based on " lean process" , good planning and good service from other teams	Recruit, train and deploy according to needs	
Identify avoidable work	Explore ways of automating the processes	Visited Epping Forest to see how they implemented Total Mobile			Explore ways of automating the processes	Develop detailed specification to explore benefits/ possibilities
	Internal Transfers - high level and high cost	Designed and Launched " Transfer Ready" programme to help tenants get ready for low cost transfers. Top 200 aspiring transferers have been contacted to arrange property inspections	Follow up first 200 and establish a rolling programme	Implement rolling programme of managing aspiring transferers to enable them to be able to succeed with their transfer according to SCC policy		
	Lack of robust management of outgoing tenant and follow up to recharges	Designed a process to manage this	Implement the process and manage it	Manage and improve the process		
	Lack of routine property inspections		Design a process, specify resources required and make plans to start in Q2		Start inspecting according to plan	
	Lack of capital programme means increased work at void stage	Capital programme in place for 24-25	Recruit staff for capital programme and enable them to work on voids	Make best use of the capital programme to accelerate void reduction		
Identified lack of flexibility and succession planning	District Estates Maintenance Manager – Voids retired at short notice - nobody ready to step in	No acceptable candidates from recruitment. Interim support from other senior manager and other staff will step up and be trained	Assess capability of those who step up. Develop an approach to succession planning	Identify and develop key staff for hierarchical scession and cross functional flexibility.		

DECISION-MAKER:	GOVERNANCE COMMITTEE
SUBJECT:	ANNUAL INTERNAL AUDIT PLAN 2024-25 INTERNAL AUDIT & COUNTER FRAUD CHARTER & CODE OF ETHICS 2024-25
DATE OF DECISION:	22nd APRIL 2024
REPORT OF:	CHIEF INTERNAL AUDITOR

<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director Enabling Services	
	Name:	Mel Creighton	Tel: 023 8083 3528
	E-mail	Mel.Creighton@southampton.gov.uk	
Author:	Title	CHIEF INTERNAL AUDITOR	
	Name:	Elizabeth Goodwin	Tel: 023 8083 4616
	E-mail	Elizabeth.Goodwin@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY
N/A
BRIEF SUMMARY
<p>On 1st April 2013 the 'Public Sector Internal Audit Standards' (PSIAS) were formally adopted in respect of Local Government across the UK. The PSIAS apply to all internal service providers, whether in-house, shared services or outsourced.</p> <p>The purpose of the PSIAS are to:</p> <ul style="list-style-type: none"> • Define the nature of internal auditing within the UK public sector. • Set basic principles for carrying out internal audit in the public sector. • Establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations. • Establish the basis for the evaluation of internal audit performance and to drive improvement planning. <p>Conformance to the standards must be reported by the Chief Internal Auditor in the annual audit report as part of the opinion on the internal control framework. The requirements of the Standard are covered in the attached Internal Audit & Counter Fraud Charter & Code of Ethics, Appendix 2.</p> <p>Further to this, on an annual basis, the Chief Internal Auditor is required to produce an Annual Plan that translates into a schedule of audit assignments. The plan defines the areas and potential scope inclusion and must provide a sufficient review of the Authority's functions in order to form an annual opinion on the effectiveness of the control framework. The plan must be proportionate to the risk exposure and appropriately aligned to the strategic objectives of the Council.</p>

The planned level of audit work is reduced compared to previous years particularly in relation to follow up work when ensuring adequate mitigation of risk exposure is in place. This is due to reduced resources within Internal Audit & Counter Fraud as part of this year's agreed budget savings. Service areas and Executive Directors will be required to monitor and report their own progress implementing action plans within each directorate, although Internal Audit will lightly track progress and if needed realign work accordingly.

RECOMMENDATIONS:

	(i)	That the Governance Committee approves the provisional Annual Internal Audit Plan for 2024-25 as attached.
	(ii)	That the Governance Committee notes the Internal Audit & Counter Fraud Charter & Code of Ethics as attached.

REASONS FOR REPORT RECOMMENDATIONS

1.	In accordance with internal audit practices and protocol, the Governance Committee is required to approve, but not direct the annual audit plan for Internal Audit & Counter Fraud.
2.	In accordance with the Public Sector Internal Audit Standards the Chief Internal Auditor is required to periodically review the internal audit charter and present it to the Governance Committee for approval.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

	None
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DETAIL (Including consultation carried out)

	The provisional Internal Audit Plan for 2024-25 has been presented to Management Board and discussed with Senior Officers.
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RESOURCE IMPLICATIONS

Capital/Revenue

	None
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Property/Other

	None
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LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

	The Accounts and Audit (England) Regulations 2015 state 'a relevant body must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Auditing Standards.
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Other Legal Implications:

	None
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RISK MANAGEMENT IMPLICATIONS

	Failure to maintain an effective internal audit functions would result in a failure of the organisation meeting its statutory responsibilities in relation to the Annual Governance Statement and Annual Audit Opinion.
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POLICY FRAMEWORK IMPLICATIONS	
	None

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Annual Internal Audit Plan 2024-25
2.	Internal Audit & Counter Fraud Charter & Code of Ethics 2024-25

Documents In Members' Rooms

1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
Other Background Documents	
Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	
2.	

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SOUTHAMPTON
CITY COUNCIL

2024/25 Internal Audit Plan

Elizabeth Goodwin, Chief Internal Auditor

Executive Summary

This document sets out Internal Audit's programme of work for 2024/25, following appropriate engagement across the authority including but not limited to, CEO, Executive Directors, Directors, Heads of Service and the previous Chair of Governance Committee.

The Plan is informed by:

- Legal/ government requirements, specifically including grant sign offs by Internal Audit.
- Outcomes of prior Internal Audit reviews, for example 2023/24 higher risk exceptions will be considered for followed up during 2024/25, along with any outstanding 'open or in progress' actions from follow up reviews performed during 2023/24.
- Consultation with the Council's senior management and member as noted above.
- Risk assessment methodology and adequate coverage of activities across the authority in order to inform the annual opinion on the effectiveness of the control environment.

The planned level of audit work is reduced compared to previous years particularly in relation to follow up work when ensuring adequate mitigation of risk exposure is in place. This is due to reduced resources within Internal Audit & Counter Fraud as part of this year's agreed budget savings. Service areas and Executive Directors will be required to monitor and report their own progress implementing action plans within each directorate, although Internal Audit will lightly track progress and if needed realign work accordingly.

Primarily the Plan is risk based, although a number of fundamental areas, for example key financial processes such as Payroll, Accounts Payable and Receivable are reviewed every year due to the inherent risk exposures and transaction levels. A significant focus for any review included would be financial sustainability given ongoing budgetary pressures.

Detail regarding the standards applicable to Internal Audit are set out in the Public Sector Internal Audit Standards:

<http://www.cipfa.org/policy-and-guidance/standards/public-sector-internal-audit-standards>

Proposed Audits

Children & Learning				
Audits	Audit Type	Provisional Scope	Strategic Risks	Corporate Objectives
Unregulated Placement	Full	Scope to include a review of key controls.	1,5,6	1,3,12
Independent Family Safeguarding	Full	Scope to include a review of new arrangements.	1,5,6	1,3,12
Childcare Savings	Full	Scope to include a review of key compliance controls.	1,5,6	10,12
Childrens Homes	Full	Project implementation and set up - operational controls.	1,5,6	1,3,6,12
SEND including Out of City	Full	Scope to include a review of key financial & procurement controls.	1,5,6	2,12
Cantell School	Full	Scope to include a review of key operational controls.	1,5	2,12
Valentine School	Full	Scope to include a review of key operational controls.	1,5	2,12
Compass	Full	Scope to include a review of key operational controls.	1,5	2,12
Direct contact and levels of Supervision	Full	Scope to include a review of key controls.	1,5	1,12
Direct Payments Childrens	Follow-up	Follow up required on raised exceptions.	1,5,6	1,3,12
Supporting Families Grant	Grant	Grant verification required.	-	-
Children & Learning - Enabling Services				
Childcare Payments/ Special Guardianship Allowance	Follow-up	Follow up required on raised exceptions.	1,6	10,12



Community Wellbeing				
Audits	Type	Provisional Scope	Strategic Risks	Corporate Objectives
Joint Funding	Full	Scope to include a review of key controls and unitary process comparison.	1,4	10,11,12
Care Act Eligibility	Full	Scope to include a review of key controls.	1,4	1,3,9,10,11,12
Continuing Healthcare	Full	Scope to include a review of key controls and unitary process comparison.	1,4	3,9,10,11,12
Stronger Communities	Full	Scope to include a review of provision of anti-social behaviour arrangements.	1,4	all
Local Health Resilience Planning	Full	Scope to include a review of key controls and capacity.	1,2,4,7	all
Community Wellbeing - Enabling Services				
Multiply Grant	Grant	Grant verification required.	-	-

Enabling Services				
Audits	Type	Provisional Scope	Strategic Risks	Corporate Objectives
Annual Gov Statement	Full	Scope to include a review of assertions and evidence.	all	all
Expenses Travel & Subsistence	Full	Scope to include a review of key controls.	1	7,8,9,10,12
Payroll	Full	Scope to include a review of key controls.	1,8	7,8,9,10,12
Accounts Receivable	Full	Scope to include a review of key controls.	1	7,8,9,10,12
Accounts Payable	Full	Scope to include a review of key controls.	all	7,8,9,10,12
IT Application & Operating Systems	Full	Scope to include a review of key IT controls.	1,3,8	7,8,9,10,12
Data Management	Full	Scope to include a review of key controls.	1,3,8	7,8,9,10,12
Business Continuity Planning	Full	Scope to include a review of key controls across the authority.	1,3	all
PUSH	Full	Annual accounts verification.	-	-
Purchasing Cards	Full	Scope to include a review of key controls.	1	7,8,9,10,12
Key Controls (Financial)	Full	Scope to include on-site testing & unannounced visits.	all	all
Appointeeships	Follow-up	Follow up required on raised exceptions.	1,4	1,3,7,9,10,12
Budgetary Control Savings Proposals	Follow-up	Follow up required on raised exceptions.	all	all
Housing Rents and Debt	Follow-up	Follow up required on raised exceptions.	1	1,10,12
IDEA - Data Analytics	Analytics	Including duplicate payment	all	all
Self-serve agreed action tracker	Consultancy	Implementation of tracker.	all	all
Corporate Reporting & Attendance	Consultancy	Attendance at relevant directorate & committees etc.	all	all
National Fraud Initiative (NFI) & Counter Fraud	Consultancy	Mandatory NFI - data matching. Anti-money laundering	all	all

Growth & Prosperity				
Audits	Type	Provisional Scope	Strategic Risks	Corporate Objectives
Capital Projects/ Programme	Full	Project review.	all	all
Valuation Property Plant & Equipment (Tec forge)	Full	Scope to include a review of key valuation controls linked to insurance provision.	1	12
Water Quality	Full	Scope to include a review of key controls.	1,2,7	1,3,10,12
Asbestos	Follow-up	Follow up required on raised exceptions.	1,2,7	1,3,10,12
Transforming Cities Fund	Grant	Grant verification required.	-	-
Electric Charging Points Contract	Grant	Grant verification required.	-	-
Local Authority Bus Subsidy	Grant	Grant verification required.	-	-
Local Transport Capital Block funding	Grant	Grant verification required.	-	-
Growth & Prosperity – Residential Services				
Stock Condition	Follow-up	Follow up required on raised exceptions.	1,7,9	1,12, 13

Residential Services				
Audits	Type	Provisional Scope	Strategic Risks	Corporate Objectives
Housing Depot (Responsive repairs)	Full	Scope to include a review of key controls.	1,4,5,7	1,7,8,9,12
Housing Depot (Total)	Full	Scope to include a review of feeder system key controls.	1,4,5,7	1,7,8,9,12
Temporary Accommodation	Full	Scope to include a review of key controls.	1,4,5	1,3,6,12
Prevention (Rough sleeping)	Full	Scope to include a review of prevention arrangements.	1,4,5	1,3,6,12
Parking PCN & Enforcement	Full	Scope to include a review of key controls.	1	9,12
Waste Operations (including trade environmental services review)	Follow-up	Follow up required on raised exceptions.	1,7	3,10,12
Voids	Follow-up	Follow up required on raised exceptions.	1,4,5	1,7,8,9,12
Housing Rents and Debt	Follow-up	Follow up required on raised exceptions.	1	1,10,12
Disabled Facilities Grant	Grant	Grant verification required.	-	-

Strategy & Change				
Audits	Type	Provisional Scope	Strategic Risks	Corporate Objectives
Transformational Plan	Consultancy	Audit plan requires alignment to transformation work schedule.	-	-

Strategic Risks (as of 31st March 2024)

Ref	Risk
1	Failure to have robust and agreed plans to address the in year and ongoing significant budget pressures in a sustainable way.
2	Major incident or service disruption (including serious health protection threats) leading to delivery failure that significantly impairs or prevents the Council's ability to deliver key services and/or statutory functions
3	Cyber security incident or disruption leading to delivery failure that significantly impairs or prevents the Council's ability to delivery key services and/ or statutory functions.
4	Failure to design and implement an effective new delivery model for Adult Social Care which results in improved outcomes for residents within available resources in a sustainable way.
5	Failure to safeguard children resulting in a preventable incident.
6	Failure to ensure an effective and sustainable children's social care system.
7	Failure to meet our health and safety responsibilities.
8	Failure to ensure the City Council's information is held and protected in line with Information Governance policies and procedures.
9	Contractor refuses to accept/recognise its contractual and, or financial obligations in respect of the required fire protection compliance work in certain high rise residential blocks.
10	Failure to ensure delivery of statutory air quality standards.
11	Failure to grow the local economy and attract investment into the city.
12	The council could receive and be liable to pay a potentially significant number of equal pay claims arising from a working practice that has been identified within a service area.
13	Decent Homes - wording to be added



Corporate Plan - Strategic Objectives

Ref	Strategic Objectives
1.	<p>Safe and stable home environments</p> <p>A safe place to call home should be a fundamental right for everyone. Home, in whatever form that takes, gives stability and a sense of belonging. It is here we make memories, and it helps us to build a strong foundation for our lives. We will focus on helping individuals to remain in a safe home, by providing quality housing across the city, and access to support when needed.</p>
2.	<p>Accessible education and skills pathways</p> <p>From early years and throughout life, accessing good quality education and developing useful skills provides strong foundations from which people can build. We are committed to working with partners and businesses across the city to enable more Southampton residents to have the opportunity for higher-skilled, higher-paid jobs. We will support access to education, training, and advice throughout people’s lives.</p>
3.	<p>Healthy and active residents</p> <p>Physical and mental health and well-being are key for a good quality of life and a thriving city. They impact people’s life chances, education, and employment opportunities. We will work to protect and promote the physical and mental health and wellbeing of everyone who lives, works, and learns in Southampton.</p>
4.	<p>Sustained infrastructure investment</p> <p>We will continue work to ensure that Southampton benefits from funding opportunities on a continuous basis. Building better sustainable infrastructure, with safer, more affordable, and accessible modes of travel options around Southampton will support our communities and businesses to grow. This will enable economic, environmental, and social benefits and offer opportunities for all.</p>
5.	<p>Growth that benefits local people</p> <p>Everyone benefits most when there is growth and opportunity that local people can tap in to. Whether that’s local business, more job opportunities or investment in the city that attracts visitors to our events, shopping and attractions.</p>
6.	<p>Welcoming and supporting communities</p> <p>Our focus is on working with communities to creating a welcoming environment for all people from all backgrounds. We will continue to celebrate and embrace Southampton as a culturally rich and diverse city. The successful delivery of the internally focused outcomes in this plan are rooted in the culture of our organisation. We are transforming the way we deliver services to ensure we are an efficient, well-run organisation with clear and sustainable goals.</p>

7. Strong centralised enabling support services

Continuing our drive for productivity and efficiency, we are evolving the way we work, and the way we set up work to improve our services, maximise skills and capacity, and build a stable, efficient, and innovative organisation.

8. Positive organisational culture

A positive, open culture supports people to feel inspired, connected and empowered. We want to develop an ambitious, forward-thinking, and optimistic organisation. Having the right people working in the right way and understanding and embedding our values will help us create an enabling council that supports a city of opportunity.

9. Increased self-serve

Where practical we are working to make sure people can easily access useful information and digital council services. We are continuing to develop systems and approaches to enable residents, employees and partners to help themselves. With new digital and data strategies we are working to ensure we have systems that work for everyone.

10. Good governance

Fast paced, robust decisions and actions are supported by good governance. Promoting accountability, transparency, and efficiency in our decision-making will build trust and stability across the organisation and city.

11. Consistent good practice

We are dedicated to upholding ethical, fair, and transparent practices, understanding what we need to do and embedding good practice throughout the organisation. This will build trust, deliver better and more consistent services, reduce cost and risk, and promote long-term stability.

12. Balanced budget

We are committed to achieving long-term financial sustainability for the council. This is so we can invest purposefully into the city and help it to grow to its full potential.

Introduction

1. On 1st April 2013 the 'Public Sector Internal Audit Standards' (PSIAS) were formally adopted in respect of Local Government across the UK. The PSIAS replace the CIPFA Code of Practice for Internal Auditors in Local Government in the UK and encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF).
2. The PSIAS apply to all internal service providers, whether in-house, shared services or outsourced. The requirements of the Standards are covered in this Internal Audit & Charter & Code of Ethics. The Standards have been revised from 1 April 2016 to incorporate the mission of Internal Audit and Core Principles for the Professional Practice of Internal Auditing.

Authority

3. The Accounts and Audit Regulations 2015 Section 5, define the requirement for an internal audit function within Local Government stating that:
'A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'

Responsibility

4. The responsibility for maintaining an adequate and effective internal audit function within Southampton City Council lies with the Executive Director of Enabling Services and S151 Officer.
5. For the Council, the internal audit function is provided in collaboration with Portsmouth City Council ('PCC') with the service being delivered under the direction and control of a shared Chief Internal Auditor (the Chief Internal Auditor for PCC).
6. The Chief Internal Auditor is responsible for effectively managing the internal audit activity in accordance with the '*Definition of Internal Auditing*', the '*Code of Ethics*' and '*the Standards*'.

Definitions

7. In accordance with the PSIAS the definition of Internal auditing is.

'Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'.

Southampton City Council
Internal Audit Charter & Code of Ethics
April 2024



8. Internal Audit is not an extension or a substitute for good management although it can advise management on risk and control issues. It is the duty of management to operate adequate systems of internal control and risk management.
9. The Internal Audit section will consider the adequacy and effectiveness of the internal control framework detailed below which aid in supporting the Authority's vision.
 - Achievement of organisation's strategic objectives.
 - Reliability and integrity of financial and operational information.
 - Effectiveness and efficiency of operations and programmes.
 - Safeguarding of assets; and
 - Compliance with laws, regulations and rules, policies, procedures and contracts.
10. In accordance with the PSIAS the definition of 'the board' and 'senior management' are.
11. *The Board* – the governance group charged with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting. At the Council this shall mean the Governance Committee.
12. *Senior Management* – those responsible for the leadership and direction of the Council. At the Council this means the Management Board, Chief Executive and Executive Directors, of the council.

Purpose and scope

13. The Internal Audit section at Southampton City Council will provide an Annual Internal Audit Opinion based on an objective assessment of the Authority's framework of governance, risk management and control. It will also provide advice and consultancy services at the specific request of the Authority, with the aim of improving governance, risk management and control whilst contributing to the overall Annual Opinion.
14. The Annual Internal Audit Opinion must incorporate.
 - The Opinion.
 - A summary of the work that supports the Opinion; and
 - A statement on conformance with PSIAS and the results of the quality assurance and improvement programme.
15. The Internal Audit section will not be restricted to the audit of financial systems and controls but will cover all operational and management controls. There are therefore no scope limitations, in that all of the Authority's activities fall within the remit of the Internal Audit section; however, consideration will always be given to the

competency, qualification and experience of those auditors tasked with carrying out the individual assignments. For example, Internal Audit will not make judgements or evaluations on care or academic assessments; equally it is not in the section's remit to give an opinion on the appropriateness of policy decisions.

16. Consultancy activities (i.e., advice, facilitation, counsel and training) the nature and scope of which will be agreed with the client and are intended to add value and improve the Council's governance, risk management and control processes without the Internal Audit section assuming responsibility.
17. Special reviews may be conducted at the request of Members, the Chief Executive and the Executive Director of Enabling Services and s151 Officer. The Internal Audit section may also conduct investigations as requested by the Investigation Steering Panel - ISP (consisting of the Monitoring Officer, Executive Director of Enabling Services and s151 Officer and the Chief Internal Auditor (or deputy), provided such reviews (special or investigation) do not compromise its objectivity or independence.
18. The impact on the Audit Plan must be assessed and, if necessary, the Plan reprioritised by the Chief Internal Auditor. Any significant changes must be reported to the Executive Director of Enabling Services and s151 Officer as well as the Members of the Governance Committee (the Board) in their next reporting cycle.
19. Fraud prevention and detection is the responsibility of managers. However, if Internal Audit detects any suspected irregularities during the course of their activities, they will report them to ISP. The Chief Internal Auditor may review the system for control weaknesses, but any investigation will be under the direction of ISP.

Organisational Independence

20. The Internal Audit section has operational responsibilities for the auditing of Direct Payments (Adults). It may at times provide advice on control implementation and risk mitigation where relevant and throughout the design and implementation stages of new systems. All other areas of organisational independence are maintained.
21. The Chief Internal Auditor will be free from interference (although have due regard for the Authority's key objectives and risks and consult with Members and Officers charged with governance) when setting the priorities of the annual audit plan, for example, in determining the scope and objectives of work to be carried out and in performing the work and communicating the results of each audit assignment. There must be no compromise on the ability of Internal Audit to provide an independent assurance on the control framework.

22. Internal Audit is supported by the Authority and its independence is seen as key to providing Southampton City Council with an effective service.
23. The Internal Audit section will have free and unfettered access to the Senior Management, defined as, Executive Director of Enabling Services and s151 Officer, Chief Executive, Monitoring Officer, Executive Directors and Service Directors. In addition, the Internal Audit section will have free and unfettered access to the Leader of the Council and the Chair of the Governance Committee.

Responsibilities of Individual officers

Chief Internal Auditor

24. The Chief Internal Auditor must ensure that:
 - (1) They identify the overall remit of audit activity
 - (2) They carry out an audit needs risk assessment and prioritise the results into an annual plan in consultation with the Executive Director of Enabling Services and s151 Officer, Chief Executive, Monitoring Officer, Executive Directors and Service Directors, and Chair of Governance Committee.
 - (3) The Internal Audit resources are appropriate and sufficient i.e., in skills and knowledge and are effectively deployed to achieve the approved annual audit plan. Any inadequacies will be raised with the Executive Director of Enabling Services and s151 Officer and the Governance Committee.
 - (4) There are adequate policies and procedures in place to guide the Internal Audit activities and in accordance with PSIAS.
 - (5) The Internal Audit section complies with the PSIAS and Code of Ethics at all times.
 - (6) They periodically review the Internal Audit Charter and Audit Strategy for adequacy and effectiveness.
 - (7) Constructive working relationships are fostered and encouraged between auditors, auditees, managers, and external auditors.
 - (8) The Internal Audit section maximises the use of technology for an effective service delivery.
 - (9) Confidentiality is maintained at all times.
 - (10) Individual auditors do not audit activities for which they previously had responsibility within the last 12 months.
 - (11) They take all reasonable measures to ensure that all individual auditors have an objective frame of mind and be in a sufficiently independent position to be able to exercise judgement with impartiality.
 - (12) A follow-up process to monitor and ensure that management actions have been effectively implemented is undertaken promptly.

- (13) Where management has accepted a level of risk that may be unacceptable to the Authority that the matter is discussed with the Executive Director of Enabling Services and s151 Officer, Chief Executive, Monitoring Officer, Executive Directors and Service Directors as relevant, or escalated to the Governance Committee to resolve.
- (14) They continuously review the quality, effectiveness, and provision of the Internal Audit Section.
- (15) Access to audit records is controlled and only released in accordance with Freedom of information and Data Protection Act requirements.
- (16) All records relating to Internal Audit activities are retained for the required period and in line with the Authority's guidelines.
- (17) They assist the Governance Committee with their agenda and attend each meeting.

Individual Auditors

25. All individual auditors must ensure that they:

- (1) Maintain an impartial and unbiased attitude and avoid any conflict of interest.
- (2) Will refrain from assessing any activity to which they were previously responsible within the last twelve months, although they may provide consulting services.
- (3) Possess the knowledge, skills and other competencies needed to perform their individual responsibilities and that they enhance those skills through continuing professional development.
- (4) Exercise due professional care at all times.
- (5) Assist management in establishing or improving risk management processes, without managing those risks.
- (6) Give adequate notice of the start of a planned audit
- (7) Develop and document a plan of each assignment detailing its objectives, scope and any limitations, timing and resource allocations.
- (8) Consider the objectives, risks, effectiveness of the control framework, value for money obtained, of the activity under review, when planning and setting the objectives of each assignment.
- (9) Develop and document a programme of works that achieves the audit objectives.
- (10) Document sufficient information on their identification, analysis and evaluation of risks and controls within the area of audit activities, i.e. that the evidence is reliable, factual and adequate.
- (11) Communicate their findings based on opinion ascertained from these evaluations, providing an overall conclusion/ assurance level, risk rating, recommendations (where relevant) and proposed action plans.
- (12) Communicate all findings in an accurate, objective, clear, concise, constructive, complete and timely manner in accordance with PSIAS.
- (13) Agree a plan of action with the Service to remedy control weaknesses
- (14) Comply with the Audit Manual and PSIAS.
- (15) Maintain professional independence, objectivity, integrity and confidentiality

- (16) Inform the Chief Internal Auditor of any areas where they could have a conflict of interest which could impair or be perceived to impair their objectivity
- (17) Maintain proper documented files supporting conclusions via Audit Management Software
- (18) Hold in safe custody any documents or property or other material obtained for audit use or investigation.
- (19) Act with due care to provide “reasonable” assurance on the adequacy of control
- (20) Foster good working relationships with auditees, external auditors and service leads and managers

Executive Director of Enabling Services and s151 Officer

26. The Executive Director of Enabling Services and s151 Officer has the authority to ensure that the provision of the Internal Audit section is sufficient to meet the s151 requirements.
27. The Executive Director of Enabling Services and s151 Officer must ensure that:
 - (1) Any suspected irregularities are properly and appropriately investigated and action taken.
 - (2) S/he is satisfied that the Annual Audit Opinion assurance statement either on its own or as part of the Annual Governance Statement, reflects accurately the position of the control framework.
 - (3) The Internal Audit section is sufficiently resourced and is effective and in the event that it is not that this is raised with the Executive Director of Enabling Services and s151 Officer and members of the Governance Committee.

Chief Executive

28. The Chief Executive carries the responsibility for the proper management of the Council and for ensuring that the principles of good governance are reflected in sound management arrangements.

Monitoring Officer

29. The Monitoring Officer is responsible for:
 - (1) Ensuring lawfulness and fairness in decision making
 - (2) Dealing with investigations into matters referred by the Governance Committee and making reports or recommendations in respect of them to the Governance Committee and
 - (3) Providing advice on:
 - the scope of powers to take decisions
 - maladministration
 - financial impropriety
 - probity.

Members

30. The Members as the corporate body 'the board', have the responsibility to ensure that there is a current and effective Internal Audit function. These responsibilities are delegated to the Governance Committee and include ensuring that:
31. They are satisfied on the adequacy of the risk management framework and the internal control and reporting environment, including (but not limited to) the reliability of the financial reporting process and the annual governance statement.
32. They are satisfied that appropriate action is being taken on risk and internal control related issues identified by the internal and external auditors and other review and inspection bodies, including the acceptance of significant risk.
33. They receive, and make recommendations on, such reports as are required in relation to all audit matters including the Annual Audit Plan.
34. The Committee shall specifically have responsibility for oversight on the following functions:
 - (1) securing value for money and reviewing the effectiveness of these arrangements.
 - (2) consider the framework of assurance and the framework addresses the risk and priorities of the council.
 - (3) ensuring that Council assets are safeguarded.
 - (4) maintaining proper accounting records.
 - (5) ensuring the independence, objectivity and effectiveness of internal and external audit.
 - (6) the arrangements made for cooperation between internal and external audit and other review bodies.
 - (7) considering the reports of internal and external audit and other review and inspection bodies.
 - (8) ensuring that the Chief Internal Auditor is free from interference when setting the priorities of the annual audit plan, including scoping and communication of the results of audit work performed.
 - (9) the internal auditors have free and unfettered access to senior management, the leader and the Chair of the Governance Committee.
 - (10) Ensuring that there is no compromise on the ability of internal audit to provide independent assurance on the control framework.
 - (11) the scope and effectiveness of the internal control systems established by management to identify, assess, manage and monitor financial and nonfinancial risks (including measures to protect against, detect and respond to fraud).
 - (12) consider the reports of progress and performance of the internal audit provision including any deviations from the public sector internal audit standards and any significant resource deficiencies.

Auditees

35. In accordance with the Council's constitution (Financial Procedure Rules Section C.12 - C.24). All persons under the controls of SCC; staff, members, contractors, temporary and agency staff must ensure that:
- (1) They maintain a constructive approach to Internal Audit.
 - (2) Must present any cash, stores or any other authority asset under his or her control if requested to do so by an Auditor.
 - (3) Must ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work.
 - (4) Must ensure that auditors are provided with any information and explanations that they seek in the course of their work.
 - (5) They respond promptly and formally to audit reports within the agreed timescale
 - (6) They implement agreed actions and within an agreed timed action plan.

External Auditors

36. The Internal Audit section is expected to co-operate and regularly liaise with the external auditors to ensure an efficient and effective use of resources is achieved and unnecessary over-lapping of work is avoided.
37. The external auditors have a responsibility to assess whether Internal Audit arrangements are adequate and will, where they are able, place reliance on Internal Audit work when forming their opinion on the Authority's accounts.

Reporting Structure

38. On a regular basis the Chief Internal Auditor will present for review and approval any changes to the Internal Audit Charter and Code of Ethics, the Internal Audit Strategy and the annual audit plan of activities, including resource requirements and any perceived deficiencies to the Governance Committee, following consultation with the, Executive Director of Enabling Services and s151 Officer, Chief Executive, Monitoring Officer, Executive Directors and Service Directors, and Chair of Governance Committee.
39. An update on progress and performance to the audit plan will be presented at each Governance Committee. This will include any significant risk exposure and control issues, including fraud and governance risks.
40. Where critical risks, or a significant number of high risks are identified as part of an audit review, (i.e. those control weaknesses that could have a significant impact on the achievement of the Authority's objectives) which result in a no assurance opinion, will be reported in summary as part of the 'progress to plan' reporting. All other findings will be summarised in a covering report.

**Southampton City Council
Internal Audit Charter & Code of Ethics
April 2024**



41. It is for management to determine whether or not to accept the audit exceptions and to recognise and accept the risks of not taking action. They must formally respond giving reasons for their decisions. In the event that risks are accepted they may be raised with the Senior Leadership Team to ascertain whether such acceptance is in line with the strategic direction and risk appetite of the Council. As a result they may also be reported to Members of the Governance Committee 'the Board' in their next reporting cycle. Where agreed action is proposed on critical/high risks but has not been taken within a reasonable timeframe the matter will be raised with the Executive Director concerned.
42. All reviews of the Annual Audit Plan will be presented for approval [to the Governance Committee] along with any significant consulting services not already included in the Audit Plan, prior to accepting the engagement.
43. All reports issued in relation to any audit or counter fraud activity will be issued in the name of the Chief Internal Auditor.

Access to records and personnel

44. All Internal Auditors have right of access to all premises, personnel, documents and information they consider necessary for the purpose of their reviews as specified in the Council's constitution (Financial Procedure Rules Section C.12 - C.24) and to obtain such information and explanations from any employee as necessary concerning any matter under review/investigation.
45. All Internal Auditors also have the power to require any council employee, agent or Member to produce cash, equipment, computers or other Council property under their control. Internal Audit can retain or seize these items in order to protect the Council's interest, or to preserve evidence, if a suspected irregularity has occurred before considering whether to refer the issue to the Police. Consultation with the Investigation Steering Panel will be carried out in advance of contacting the Police where possible.

Due Professional Care

46. Both the Chief Internal Auditor and Deputy Chief Internal Auditor must hold a professional qualification and current membership, CMIIA, CCAB or equivalent and be suitably experienced.
47. The Chief Internal Auditor will assess on an annual basis the knowledge, skills and other competencies required within the Internal Audit section in order for it to fulfil its purpose and effectively carry out professional duties in accordance with statutory requirements. This will include technology- based audit techniques to perform assignment work. Should there be insufficiencies identified these will be reported immediately to the Executive Director of Enabling Services and s151 Officer and reported to the Governance Committee if there is likely to be an impact on achieving

either the Annual Audit Plan or a sufficient level of reviews to enable an effective annual audit opinion to be made.

48. All Internal Auditors will have sufficient knowledge through training and continued professional development to carry out their duties including evaluating the risk of fraud; however it remains the responsibility of management to detect and manage fraud.
49. Any impairment either in fact or appearance on any individual auditor's independence or objectivity will be escalated to the Executive Director of Enabling Services and s151 Officer, if the Chief Internal Auditor has been unable to resolve. Impairment may include, but is not limited to, personal conflict of interest, scope limitation, restrictions on access to records, personnel and properties and resource limitation, such as funding. A record will be made of any action taken.

Quality Assurance & Improvement Programme

50. The Chief Internal Auditor will develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit & counter fraud activities. In order to achieve this, internal on-going supervision will be carried out after each audit assignment with the results recorded in the electronic working papers. Along with the recording of one-to-one meetings and an Annual Performance Review on each individual auditor.
51. In addition to this the Chief Internal Auditor will carry out an annual self-assessment of the Internal Audit sections performance against PSIAS, measuring the compliance with the definition of Internal Audit and Code of Ethics.
52. External peer reviews will be conducted every five years against PSIAS. The scope of the external assessment will be agreed with the Executive Director of Enabling Services and s151 Officer and the Chair of Governance Committee. All results i.e., compliance or non-compliance with the standards, will be communicated to the Governance Committee along with an improvement plan if required and regular progress reports.
53. Any significant deviations from the Standards will be included in the Annual Governance Statement.
54. The effectiveness of the Internal Audit Section will be measured by.
 - (1) Risks to the Authority are identified and mitigated by agreed actions being implemented re critical and high-risk exceptions highlighted in Audit reviews.
 - (2) Compliance with the PSIAS and Code of Ethics (reviewed by Peer Review)

**Southampton City Council
Internal Audit Charter & Code of Ethics
April 2024**



- (3) Satisfactory External Audit reviews (when carried out)
- (4) External Auditors are able to rely on the work of Internal Audit when forming their opinion on the Authority’s accounts.
- (5) Audits completed to plan (90% of high-risk audits completed)
- (6) Satisfactory responses received from clients by means of end of year questionnaires.

Management of Internal Audit Activities

- 55. The Chief Internal Auditor will ensure that the work of the Internal Audit section is of value to the Authority. This will be achieved by ensuring that the work carried out achieves its purpose as included in this charter and that all individual auditors have demonstrated conformance with the Code of Ethics and Standards.
- 56. The priorities of the Internal Audit section will be determined annually using a risk-based methodology and in consideration with the Authority's overall objectives. The risk-based approach will take into account the risk management framework and risk appetite levels along with each directorate's performance as reported to Governance Committee. Details of how the plan will be delivered are contained in the Internal Audit Strategy along with any reliance placed on other sources of assurance work.
- 57. The Annual Audit Plan will be reviewed in response to changes in the Authority's risks, operations, systems and controls at least once during the year.

This Charter and Code of Ethics are agreed by

.....

Elizabeth Goodwin

Chief Internal Auditor

Date

.....

Mel Creighton

Executive Director of Enabling Services

Date

.....

Cllr Steve Leggett

Chair of Governance Committee

Date

Related Papers:

Audit Strategy and Audit Annual Plans

Public Sector Internal Audit Standards and Code of Ethics

Accounts and Audit Regulations (updated)

Annex 1

Code of Ethics

Extract from the Public Sector Internal Audit Standards 2016

Public sector requirement

Internal auditors in UK public sector organisations (as set out in the Applicability section) must conform to the Code of Ethics as set out below. If individual internal auditors have membership of another professional body then he or she must also comply with the relevant requirements of that organisation.

The purpose of The Institute's Code of Ethics is to promote an ethical culture in the profession of internal auditing. A code of ethics is necessary and appropriate for the profession of internal auditing, founded as it is on the trust placed in its objective assurance about risk management, control and governance.

The Institute's Code of Ethics extends beyond the definition of internal auditing to include two essential components:

Components

- 1 Principles that are relevant to the profession and practice of internal auditing;
- 2 Rules of Conduct that describe behaviour norms expected of internal auditors. These rules are an aid to interpreting the Principles into practical applications and are intended to guide the ethical conduct of internal auditors.

The Code of Ethics provides guidance to internal auditors serving others. 'Internal auditors' refers to Institute members and those who provide internal auditing services within the definition of internal auditing.

Applicability and Enforcement

This Code of Ethics applies to both individuals and entities that provide internal auditing services. For Institute members, breaches of the Code of Ethics will be evaluated and administered according to The Institute's Disciplinary Procedures. The fact that a particular conduct is not mentioned in the Rules of Conduct does not prevent it from being unacceptable or discreditable and therefore, the member liable to disciplinary action.

Public sector interpretation

The 'Institute' here refers to the IIA. Disciplinary procedures of other professional bodies and employing organisations may apply to breaches of this Code of Ethics.

Public Sector Internal Audit Standards

1 Integrity

Principle

The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgement.

Rules of Conduct

Internal auditors:

- 1.1 Shall perform their work with honesty, diligence and responsibility.
- 1.2 Shall observe the law and make disclosures expected by the law and the profession.
- 1.3 Shall not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession of internal auditing or to the organisation.
- 1.4 Shall respect and contribute to the legitimate and ethical objectives of the organisation.

2 Objectivity

Principle

Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined.

Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgements.

Rules of Conduct

Internal auditors:

- 2.1 Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organisation.
- 2.2 Shall not accept anything that may impair or be presumed to impair their professional judgement.
- 2.3 Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

3 Confidentiality

Principle

Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.

Rules of Conduct

Internal auditors:

3.1 Shall be prudent in the use and protection of information acquired in the course of their duties.

3.2 Shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organisation.

4 Competency

Principle

Internal auditors apply the knowledge, skills and experience needed in the performance of internal auditing services.

Rules of Conduct

Internal auditors:

4.1 Shall engage only in those services for which they have the necessary knowledge, skills and experience.

4.2 Shall perform internal auditing services in accordance with the International Standards for the Professional Practice of Internal Auditing.

4.3 Shall continually improve their proficiency and effectiveness and quality of their services.

Public sector requirement

Internal Auditors who work in the public sector must also have regard to the Committee on Standards of Public Life's Seven Principles of Public Life, information on which can be found at www.public-standards.gov.uk

Annex 2

Assurance Services

Risk based audit: in which risks and controls associated with the achievement of defined business objectives are identified and both the design and operation of the controls in place to mitigate key risks are assessed and tested, to ascertain the residual risk to the achievement of managements' objectives. Any audit work intended to provide an audit opinion will be undertaken using this approach.

Developing systems audit: in which:

- the plans and designs of systems under development are assessed to identify the potential weaknesses in internal control and risk management; and
- programme / project management controls are assessed to ascertain whether the system is likely to be delivered efficiently, effectively and economically.

Compliance audit: in which a limited review, covering only the operation of controls in place to fulfil statutory, good practice or policy compliance obligations are assessed.

Quality assurance review: in which the approach and competency of other reviewers / assurance providers are assessed in order to form an opinion on the reliance that can be placed on the findings and conclusions arising from their work.

Fraud and irregularity investigations: Internal audit will also provide specialist skills and knowledge to lead on fraud/ irregularity investigations and ascertain the effectiveness of fraud prevention controls and detection processes.

Advisory / Consultancy services: in which advice can be provided, either through formal review and reporting or more informally through discussion or briefing, on the framework of internal control, risk management and governance. It should be noted that it would not be appropriate for an auditor to become involved in establishing or implementing controls or to assume any operational responsibilities and that any advisory work undertaken must not prejudice the scope, objectivity and quality of future audit work.

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DECISION-MAKER:	GOVERNANCE COMMITTEE
SUBJECT:	External Audit – 2023/24 Audit Planning Report
DATE OF DECISION:	22 April 2024
REPORT OF:	EY LLP (External Auditor)

<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director Corporate Services	
	Name:	Tel:	Tel: 023 80
Author:	E-mail:	Mel.creighton@southampton.gov.uk	
	Title	EY LLP	
	Name:	Tel:	Tel: 023 80
	E-mail:	ksuter@uk.ey.com	

STATEMENT OF CONFIDENTIALITY
N/A
BRIEF SUMMARY
The purpose of this report is provide the Governance Committee of Southampton City Council (the Council) with a basis to review our proposed audit approach and scope for the 2023/24 audit, in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office’s 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements, but also to ensure that our audit is aligned with the Committee’s service expectations.
RECOMMENDATIONS:
(i) To note the 2023/24 Audit Planning Report as attached
REASONS FOR REPORT RECOMMENDATIONS
1. Please see summary above.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED
2. None
DETAIL (Including consultation carried out)
3. See summary above and attached Interim Value for Money Report
RESOURCE IMPLICATIONS
<u>Capital/Revenue</u>
4. None

<u>Property/Other</u>	
5. None	
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
6. Local Audit and Accountability Act 2014 and Accounts and Audit Regulations 2015	
<u>Other Legal Implications:</u>	
7. None	
RISK MANAGEMENT IMPLICATIONS	
8. None	
POLICY FRAMEWORK IMPLICATIONS	
9. None	
KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Southampton City Council 2023-24 Audit Planning Report
Documents In Members' Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
Other Background Documents	
Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None

Southampton City Council Audit planning report

Year ended 31 March 2024

27 March 2024

Page 619



Building a Better
working world

Appendix 1

Agenda Item 11



Governance Committee
Southampton City Council
Civic Centre
Southampton, Hampshire, SO14 7LY

27 March 2024

Dear Governance Committee Members

Audit planning report

Attached is our audit planning report for the forthcoming meeting of the Governance Committee. The purpose of this report is provide the Governance Committee of Southampton City Council (the Council) with a basis to review our proposed audit approach and scope for the 2023/24 audit, in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements, but also to ensure that our audit is aligned with the Committee's service expectations.

This report summarises our assessment of the key issues which drive the development of an effective audit for the Council. We have aligned our audit approach and scope with these. The report also considers the likely impact of Government proposals to clear the backlog in local audit and put the local audit system on a sustainable footing. The joint statement on the update to proposals to clear the backlog and embed timely audit recognises that timely, high-quality financial reporting and audit of local bodies is a vital part of our democratic system. Not only does it support good decision making by local bodies, by enabling them to plan effectively, make informed decisions and manage their services, it ensures transparency and accountability to local taxpayers. All stakeholders have a critical role to play in addressing the audit backlog.

The Governance Committee, as the Council's body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the Council's wider arrangements to support the delivery of a timely and efficient audit. Where this is not done it will impact the level of resource needed to discharge our responsibilities. We will consider and report on the adequacy of the Council's external financial reporting arrangements and the effectiveness of the Governance Committee in fulfilling its role in those arrangements as part of our assessment of Value for Money arrangements, and consider the use of other statutory reporting powers to draw attention to weaknesses in those arrangements where we consider it necessary to do so.

We draw Governance Committee members and officers attention to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) which clearly set out what is expected of audited bodies in preparing their financial statements (see Appendix A).

(continued)

This report is intended solely for the information and use of the Governance Committee, and management, and is not intended to be and should not be used by anyone other than these specified parties. We welcome the opportunity to discuss this report with you on 22 April 2024 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

A handwritten signature in blue ink that reads "Kevin Suter".

Kevin Suter

Partner

For and on behalf of Ernst & Young LLP

Enc

Contents

01

Overview of our 2023/24 audit strategy



02

Audit risks



03

Value for Money risks



04

Audit Materiality



05

Scope of our audit



Page 622

06

Audit team



07

Audit timeline



08

Independence



09

Appendices



Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated July 2021)" issued by the PSAA (<https://www.psa.co.uk/managing-audit-quality/terms-of-appointment/terms-of-appointment-and-further-guidance-1-july-2021/>) sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the **Governance Committee and management of Southampton City Council**. Our work has been undertaken so that we might state to the **Governance Committee and management of Southampton City Council** those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the **Governance Committee and management of Southampton City Council** for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



BOARDROOM

Page 623

01

Overview of our 2023/24 audit strategy

Overview of our 2023/24 audit strategy

Context for the 2023/24 audit - Department for Levelling-up, Housing and Communities (DLUHC) and Financial Reporting Council (FRC) measures to address local audit delays

Timely, high-quality financial reporting and audit of local bodies is a vital part of our democratic system. It supports good decision making by local bodies and ensures transparency and accountability to local taxpayers. There is general agreement that the backlog in the publication of audited financial statements by local bodies has grown to an unacceptable level and there is a clear recognition that all stakeholders in the sector will need to work together to address this. DLUHC has worked collaboratively with the FRC, as incoming shadow system leader, and other system partners, to develop measures to clear the backlog. The proposals, which have been developed to maintain auditor independence and enable compliance with International Standards on Auditing (UK) (ISAs (UK)), consist of three phases:

- ▶ Phase 1: Reset involving clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 30 September 2024.
- ▶ Phase 2: Recovery from Phase 1 in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles.
- ▶ Phase 3: Reform involving addressing systemic challenges in the local audit system and embedding timely financial reporting and audit.

To support the further development and testing of the measures, consultations have been taking place to receive further feedback and inform the decision on how to proceed. Specifically:

DLUHC had a consultation on changes to the Accounts and Audit Regulations 2015 to insert statutory backstop dates for historic financial statements and for the financial years 2023/24 to 2027/28.

- ▶ The National Audit Office (NAO) had a consultation on amending the Code of Audit Practice to :
 - ▶ Require auditors to issue audit opinions according to statutory backstop data for historic audits, and place specific duties on auditors to co-operate during the handover period for the new PSAA contract for the appointment of local authority auditors covering the years 2023/24 to 2027/28.
 - ▶ Allow auditors to produce a single value for money commentary for the period to 2022/23 and use statutory reporting powers to draw significant matters to the attention of councils and residents.
- ▶ The Chartered Institute of Public Finance and Accountancy (CIPFA) has launched consultation on temporary changes to the accounting code for preparation of the financial statements. The proposed temporary changes to the financial reporting framework have an impact on both how the financial statements are prepared and our audit procedures necessary to gain assurance.

As a result of the system wide implementation of backstop dates it is likely we will disclaim the opinion on the Council's 2022/23 financial statements. The proposed disclaimer of the Council's 2022/23 accounts will impact both the audit procedures we need to undertake to gain assurance on the 2023/24 financial statements and the form of our audit report in 2023/24 and subsequent years during the recovery phase.

The changes proposed by the consultations therefore will have a significant impact on both the scope of the 2023/24 audit and our assessment of risk. We will continue to provide updates to the Governance Committee as the audit progresses and our final assessment on the scope and nature of procedures we will undertake becomes clearer. We have highlighted those areas where we consider it most likely that the proposed measures will impact our audit approach and scope as part of this Audit Planning Report.



Overview of our 2023/24 audit strategy

Responsibilities of Council management and those charged with governance

For the planned measures to be successful and the current backlog to be addressed it is vital that all stakeholders properly discharge their responsibilities.

The Council's Section 151 Officer is responsible for preparing the statement of accounts in accordance with proper practices and confirming they give a true and fair view of the financial position at the reporting date and of its expenditure and income for the year ended 31 March 2024. To allow the audit to be completed on a timely and efficient basis it is essential that the financial statements are supported by high quality working papers and audit evidence and that Council resources are readily available to support the audit process, within agreed deadlines. The Governance Committee, as the Council's body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the Council's wider arrangements to support the delivery of a timely and efficient audit. Where this is not done, we will:

- ▶ Consider and report on the adequacy of the Council's external financial reporting arrangements as part of our assessment of Value for Money arrangements.
- ▶ Consider the use of other statutory reporting powers to draw attention to weaknesses in Council financial reporting arrangements where we consider it necessary to do so.

Seek a fee variation for the cost of additional resources needed to discharge our responsibilities. We have set out this and other factors that will lead to a fee variation at Appendix B of this report together with, at Appendix A, paragraphs 26-28 of PSAA's Statement of Responsibilities which clearly set out what is expected of audited bodies in preparing their financial statements.

- ▶ Impact the availability of audit resource available to complete the audit work in advance of any applicable backstop dates.

Overview of our 2023/24 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Governance Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Audit risks and areas of focus

Risk/area of focus	Risk identified	Change from 21/22	Details
Misstatement due to fraud or error	Fraud risk	No change in risk or focus	There is a risk that the financial statements as a whole are not free from material misstatement whether caused by fraud or error. We perform mandatory procedures regardless of specifically identified fraud risks.
Risk of fraud in revenue and expenditure recognition, through inappropriate capitalisation of revenue expenditure	Fraud Risk	No change in risk or focus	Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.
Valuation of Investment Property and Land & Buildings	Inherent risk	No change in risk or focus	The fair value of Investment Property (IP) and Land and Buildings valued with reference to market represent significant balances in the Council's accounts and are subject to valuation changes, impairment reviews and market fluctuations. Management is required to make material judgements and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.
Pension Liability Valuation	Inherent risk	No change in risk or focus	The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Hampshire County Council. Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

Page 626

Overview of our 2023/24 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Governance Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Audit risks and areas of focus

Risk/area of focus	Risk identified	Change from 21/22	Details
Restatement of the Comprehensive Income and Expenditure Statement (CIES), Expenditure and Funding Analysis (EFA) and related disclosure notes	Inherent risk	No change in risk or focus	Under CIPFA's "Telling the Story" agenda, the Council is required to disclose its income and expenditure in accordance with the structure used for internal reporting, rather than the previous presentation as prescribed by SERCOP. The Council has changed its internal reporting structure in 2023/24, which will mean the CIES, the supporting EFA, and related disclosure notes, will need to be restated in line with the new structure.
Accounting for Private Finance Initiative (PFI) Schemes	Inherent risk	New risk and focus	The Council has three PFI arrangements, relating to waste disposal, schools and street lighting, which are material to the accounts. PFI accounting is a complex area, and detailed reviews of these arrangements was undertaken by our specialist in 2016/17 (waste disposal) and 2018/19 (street lighting and schools). We are aware that there have been changes made to the street lighting model since it was last reviewed and therefore we will need to engage our PFI specialist to perform an updated review in 2023/24. The liability and payments for services are dependent upon assumptions within the accounting models underpinning the PFI scheme. As such Management is required to apply estimation techniques to support the disclosures within the financial statements.

Page 627

Overview of our 2023/24 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Governance Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Audit risks and areas of focus

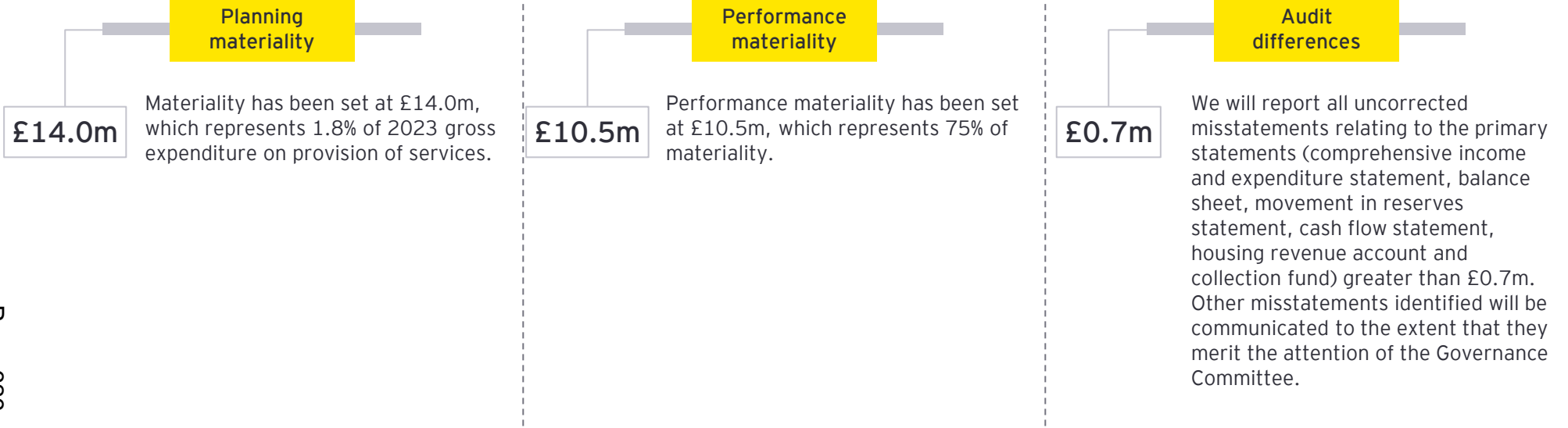
Risk/area of focus	Risk identified	Change from 21/22	Details
Going Concern	Area of focus	Increase in risk and focus	<p>In the public sector, and specifically under the CIPFA Code of Practice on Local Authority Accounting, the concept of going concern is linked to the continuation of services. There is a presumption that the accounts will be prepared on a going concern basis unless there is clear evidence that services will be discontinued.</p> <p>In our last audit report on your financial statements for 2021/22, we reported a material uncertainty which may cast significant doubt on the Council's ability to continue to operate the current planned operational services within available sources of funding.</p> <p>The Council has been unable to meet its planned budget in 2022/23 and forecast for 2023/24, and was unable to set a balanced budget for 2024/25 without financial support from the government. The Council has received a provisional notice of exceptional financial support (EFS) for 2024/25, however, it must meet certain conditions prior to this being confirmed.</p> <p>Therefore, in our judgement there is still the risk of material uncertainty over whether the Council will receive the EFS and therefore continue to be able to avoid the necessity for a s114 notice and maintain the current proposed level of services.</p>

Page 628

The outcome of consultation on the planned measures to address local audit delays and related proposed temporary changes to CIPFA's Code of Practice on Local Authority Accounting are likely to impact our assessment of audit risks and our response to them. We will continue to keep the Governance Committee updated on our assessment of any changes to audit risk as this becomes clearer.

Overview of our 2023/24 audit strategy

Council Materiality



Page 629

The outcome of consultation on the planned measures to address local audit delays and the likely issue of a disclaimer on the Council's 2022/23 financial statements and any guidance subsequently issued may continue to impact on our assessment of materiality for the 2023/24 audit. We will keep the Governance Committee updated on any changes to materiality levels as the audit progresses.

Overview of our 2023/24 audit strategy

Audit scope

This Audit planning report covers the work that we plan to perform to provide you with:

- ▶ Our audit opinion on whether the financial statements of the Council give a true and fair view of the financial position as at 31 March 2024 and of the income and expenditure for the year then ended; and
- ▶ Our commentary on your arrangements to secure value for money in your use of resources for the relevant period. We include further details on VFM in Section 3.

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Council's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- ▶ Strategic, operational and financial risks relevant to the financial statements;
- ▶ Developments in financial reporting and auditing standards;
- ▶ The quality of systems and processes;
- ▶ Changes in the business and regulatory environment; and,
- ▶ Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Council.

Taking the above into account, and as articulated in this Audit planning report, our professional responsibilities require us to independently assess the risks associated with providing an audit opinion and undertake appropriate procedures in response to those risks. Our Terms of Appointment with PSAA allow them to vary the fee dependent on "the auditors assessment of risk and the work needed to meet their professional responsibilities". Therefore to the extent any of these or any other risks are relevant in the context of the Council's audit, we set those within this Audit planning report and we will continue to discuss these with management as to the impact on the scale fee.

Page 630



Overview of our 2023/24 audit strategy

Audit scope (Cont.)

Effects of climate-related matters on financial statements

Public interest in climate change is increasing. We are mindful that climate-related risks may have a long timeframe and therefore while risks exist, the impact on the current period financial statements may not be immediately material to the Council. It is, nevertheless, important to understand the relevant risks to make this evaluation. In addition, understanding climate-related risks may be relevant in the context of qualitative disclosures in the notes to the financial statements and value for money arrangements.

We make inquiries regarding climate-related risks on every audit as part of understanding the entity and its environment. As we re-evaluate our risk assessments throughout the audit, we continually consider the information that we have obtained to help us assess the level of inherent risk.

Audit scope and approach

We intend to take a substantive audit approach.

The Government proposals to re-establish the local authority framework on a more sustainable basis and the outcome of the related consultations are likely to have an impact on the scope of the audit. In particular, where we do not have assurance spanning a number of historic financial years, this is likely to have an impact on our assessment of materiality and our ability to issue an unmodified opinion early in the recovery phase. We draw your attention to the audit scope section 5 of this audit plan where we set out our current understanding of some of the likely impact of the proposals on our scope and approach for your 2023/24 audit. We will continue to provide updates on the impact of these changes to the Governance Committee where necessary to do so.

Overview of our 2023/24 audit strategy

Value for Money

We are required to consider whether the Council has made 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

Planning on value for money and the associated risk assessment is focused on gathering sufficient evidence to enable us to document our evaluation of the Council's arrangements, to enable us to prepare a commentary under three reporting criteria. This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.

We will provide a commentary on the Council's arrangements against three reporting criteria:

- ▶ Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services;
- ▶ Governance - How the Council ensures that it makes informed decisions and properly manages its risks; and
- ▶ Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

The commentary on the Council's value for money arrangements will be included in the Auditor's Annual Report. Our risk assessment has identified a risk of a significant weakness in the Council's arrangements that the Council did not have proper arrangements to secure economy, efficiency and effectiveness on its use of resources during 2023/24, which we have already raised to your attention through our 2022/23 interim Value for Money report presented to the Governance Committee on 12 February 2024. Our planned work on this is set out on page 26.

Page 632

Timeline

A timetable has been agreed with management with the aim to complete the audit by 30 September 2024. In Section 07 we include a provisional timeline for the audit. All parties need to work together to ensure this timeline is adhered to. The outcome of the consultation on the planned measures to address local audit delays and the likely issue of a disclaimer on the Council's 2022/23 financial statements may impact this timeline.

Key Audit Partner and senior audit team



Engagement Partner (Kevin Suter)

The Engagement Partner has overall responsibility for:

- ▶ The audit and its performance
- ▶ The auditor's report that is issued on behalf of EY
- ▶ The overall quality of the audit



Senior Manager (Hannah Lill)

The Senior Manager has responsibility for management of the audit ensuring that it is adequately resourced to meet both its time and budget constraints.



02 Audit risks

Our response to significant risks

We have set out the significant risks (including fraud risks denoted by*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Misstatements due to fraud or error*

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We have considered the areas in which management could seek to override controls at Southampton City Council, and this had fed into our consideration of the risk of fraud in revenue and expenditure recognition as set out on page 16.

We identify and respond to this fraud risk on every audit engagement.

What will we do?

We will:

- ▶ Identify fraud risks during the planning stages.
- ▶ Inquire of management about risks of fraud and the controls put in place to address those risks.
- ▶ Understand the oversight given by those charged with governance of management's processes over fraud.
- ▶ Discuss with those charged with governance the risks of fraud in the entity, including those risks that are specific to the entity's business sector (those that may arise from economic industry and operating conditions).
- ▶ Consider the effectiveness of management's controls designed to address the risk of fraud.
- ▶ Determine an appropriate strategy to address those identified risks of fraud.
- ▶ Perform mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements.
- ▶ Undertake procedures to identify significant unusual transactions.
- ▶ Consider whether management bias was present in the key accounting estimates and judgments in the financial statements.

Having evaluated this risk we have considered whether we need to perform other audit procedures not referred to above. We concluded that those procedures included under 'Inappropriate capitalisation of revenue expenditure' are required.

Our response to significant

We have set out the significant risks (including fraud risks denoted by*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Inappropriate capitalisation of revenue expenditure*

Financial statement impact

We have assessed that the risk of misreporting revenue outturn in the financial statements is most likely to be achieved through:

- ▶ Revenue expenditure being inappropriately recognised as capital expenditure at the point it is posted to the general ledger.
- ▶ Expenditure being classified as revenue expenditure financed as capital under statute (REFCUS) when it is inappropriate to do so.
- ▶ Expenditure being inappropriately transferred by journal from revenue to capital codes on the general ledger at the end of the year.

If this were to happen it would have the impact of understating revenue expenditure and overstating Property, Plant and Equipment (PPE) / Investment Property (IP) additions and/or REFCUS in the financial statements, meaning revenue expenditure is inappropriately funded by capital sources.

What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.

What will we do?

- ▶ Test Property, Plant and Equipment (PPE) / Investment Property (IP) additions to ensure that the expenditure incurred and capitalised is clearly capital in nature.
- ▶ Assess whether the capitalised spend clearly enhances or extends the useful life of asset rather than simply repairing or maintaining the asset on which it is incurred.
- ▶ Consider whether any development or other related costs that have been capitalised are reasonable to capitalise i.e. the costs incurred are directly attributable to bringing the asset into operational use.
- ▶ Test REFCUS, if material, to ensure that it is appropriate for the revenue expenditure incurred to be financed from ringfenced capital resources. Based on our work at the planning stage of the audit we do not expect there to be material REFCUS in the year.
- ▶ Seek to identify and understand the basis for any significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

What is the risk/area of focus, and the key judgements and estimates?

Property, Plant & Equipment (PPE) and Investment Property (IP) Valuation

The fair value of Property, Plant and Equipment (PPE) land and buildings and Investment Properties (IP) represent significant balances in the Council's accounts and are subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

The valuation basis is different depending on the type of property being revalued, with assets carried at Depreciated Replacement Cost, Existing Use Value or Fair Value. Each valuation basis is reliant on different inputs, estimation processes and assumptions.

We note that not all of the Council's PPE is subject to revaluation with vehicles, plant, furniture & equipment, infrastructure assets and assets under construction all valued at cost under the CIPFA Code of Practice on Local Authority Accounting.

We identified a number of unadjusted misstatements across all types of asset valuations in 2021/22.

Our response: Key areas of challenge and professional judgement

We will:

- ▶ Consider the work performed by the Council's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work.
- ▶ Sample test key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per square metre).
- ▶ Consider the annual cycle of valuations to ensure that assets have been valued as required by the code and internal guidance. We will also consider if there are any specific changes to assets that have occurred and verify that these have been communicated to the valuer.
- ▶ Review assets not subject to valuation in 2023/24 to confirm that the remaining asset base is not materially misstated;
- ▶ Consider changes to useful economic lives as a result of the most recent valuation; and
- ▶ Test accounting entries have been correctly processed in the financial statements.

What else will we do?

We will continue to consider the need to use EY Real Estates, our internal specialists on asset valuations, to support our work in this area.

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

What is the risk/area of focus, and the key judgements and estimates?

Pension Liability Valuation

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Hampshire County Council.

The Council's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Council's balance sheet. At 31 March 2023 this totalled £98 million.

The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the Council.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

Our response: Key areas of challenge and professional judgement

We will:

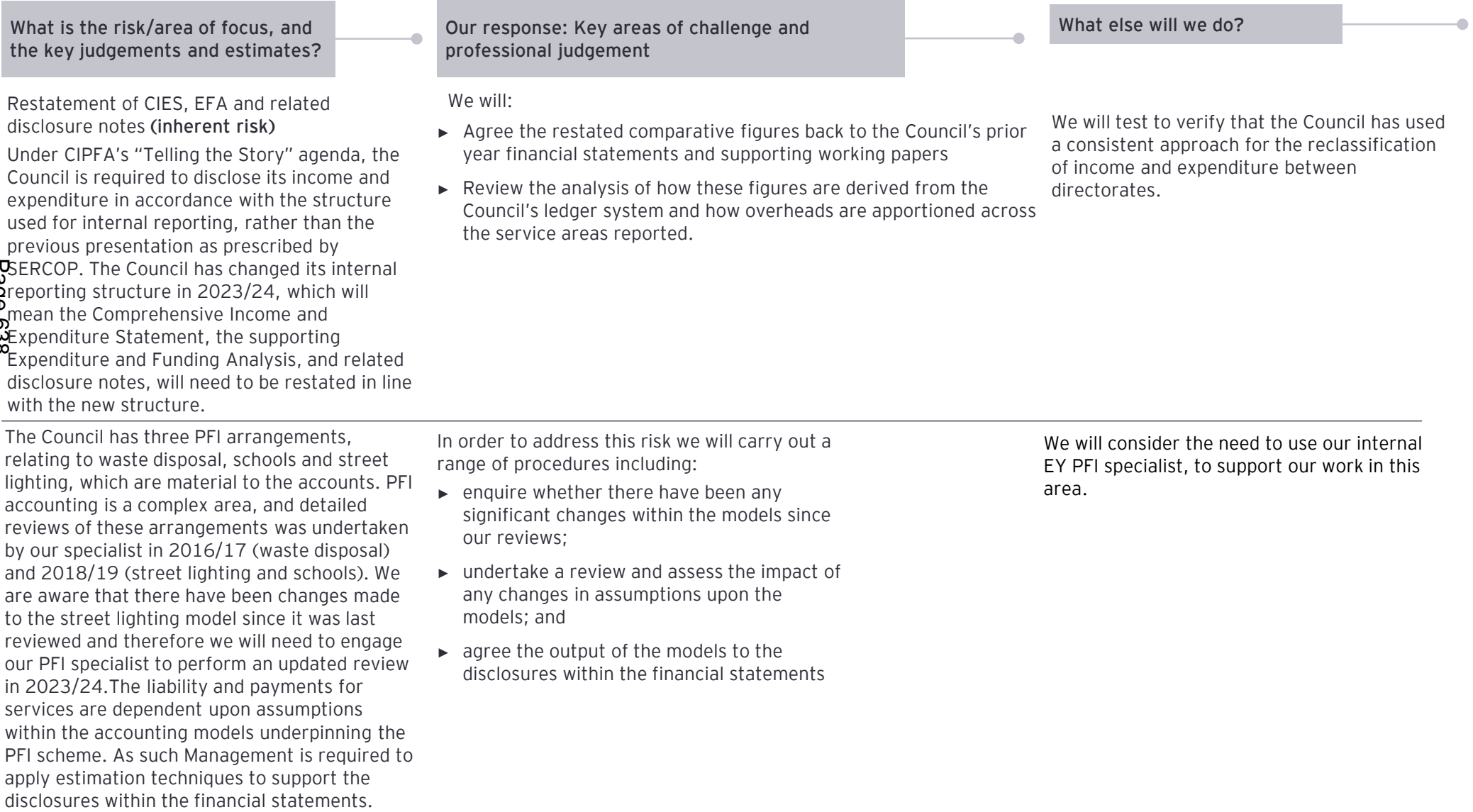
- ▶ Liaise with the auditors of Hampshire County Council Pension Fund, to obtain assurances over the information supplied to the actuary in relation to the Council
- ▶ Assess the work of the pension fund actuary including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors, and considering any relevant reviews by the EY actuarial team
- ▶ Evaluate the reasonableness of the Pension Fund actuary's calculations by comparing them to the outputs of our own auditor's specialist's model; and
- ▶ Review and test the accounting entries and disclosures made within the Council's financial statements in relation to IAS19.

What else will we do?

We will consider outturn information available at the time we undertake our work after production of the Council's draft financial statements, for example the year-end actual valuation of pension fund assets. We will use this to inform our assessment of the accuracy of estimated information included in the financial statements and whether any adjustments are required.

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.



What is the risk/area of focus, and the key judgements and estimates?

Restatement of CIES, EFA and related disclosure notes (**inherent risk**)

Under CIPFA’s “Telling the Story” agenda, the Council is required to disclose its income and expenditure in accordance with the structure used for internal reporting, rather than the previous presentation as prescribed by SERCOP. The Council has changed its internal reporting structure in 2023/24, which will mean the Comprehensive Income and Expenditure Statement, the supporting Expenditure and Funding Analysis, and related disclosure notes, will need to be restated in line with the new structure.

The Council has three PFI arrangements, relating to waste disposal, schools and street lighting, which are material to the accounts. PFI accounting is a complex area, and detailed reviews of these arrangements was undertaken by our specialist in 2016/17 (waste disposal) and 2018/19 (street lighting and schools). We are aware that there have been changes made to the street lighting model since it was last reviewed and therefore we will need to engage our PFI specialist to perform an updated review in 2023/24. The liability and payments for services are dependent upon assumptions within the accounting models underpinning the PFI scheme. As such Management is required to apply estimation techniques to support the disclosures within the financial statements.

Our response: Key areas of challenge and professional judgement

We will:

- ▶ Agree the restated comparative figures back to the Council’s prior year financial statements and supporting working papers
- ▶ Review the analysis of how these figures are derived from the Council’s ledger system and how overheads are apportioned across the service areas reported.

In order to address this risk we will carry out a range of procedures including:

- ▶ enquire whether there have been any significant changes within the models since our reviews;
- ▶ undertake a review and assess the impact of any changes in assumptions upon the models; and
- ▶ agree the output of the models to the disclosures within the financial statements

What else will we do?

We will test to verify that the Council has used a consistent approach for the reclassification of income and expenditure between directorates.

We will consider the need to use our internal EY PFI specialist, to support our work in this area.

Page 638

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

What is the risk/area of focus, and the key judgements and estimates?

Going Concern

In the public sector, and specifically under the CIPFA Code of Practice on Local Authority Accounting, the concept of going concern is linked to the continuation of services. There is a presumption that the accounts will be prepared on a going concern basis unless there is clear evidence that services will be discontinued.

In your 2021/22 accounts we reported a material uncertainty which may cast significant doubt on the Council's ability to continue to operate the current planned operational services within available sources of funding. We concluded that although the Council was aware of their financial position its actions in response were still to be embedded and the outcomes were not yet assured to avoid the need for a s114 notice.

The Council has been unable to meet its planned budget in 2022/23 and forecast for 2023/24, and to set a balanced budget for 2024/25 the Council received a provisional notice of exceptional financial support (EFS). However, it must meet certain conditions prior to this being confirmed.

Therefore, in our judgement there is still the risk of material uncertainty over whether the Council will receive the EFS to avoid the necessity of a s114 notice and maintain the current planned level of services.

Our response: Key areas of challenge and professional judgement

We will:

- ▶ Challenge management's identification of events or conditions impacting going concern;
- ▶ Obtain current financial monitoring reports to gain an understanding of whether the actions the Council has put in place to operate within its set budget are embedding and are achieving the desired outcomes;
- ▶ Review the Council's dated cashflow forecast through to at least 12 months from the date of the audit report;
- ▶ Assess the impact of medium term financial plan updates and the implications for the Council's reserves;
- ▶ Review and challenge the progress that the Council is making on actions in response to the conditions set by the government in order to qualify for the provisional exceptional financial support;
- ▶ Challenge the disclosure made in the accounts in respect of going concern and any material uncertainties; and
- ▶ Undertake a 'stand back' review to consider all of the evidence obtained, whether corroborative or contradictory, to be able to draw our conclusions on going Concern.

What else will we do?

We have also identified a risk of a significant weakness in the Council's arrangements for value for money, across all three criteria. We will perform our procedures over this as set out on page 25. That work will link in with our work over going concern.



03 Value for Money risks

Value for Money

Council responsibilities for value for money

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

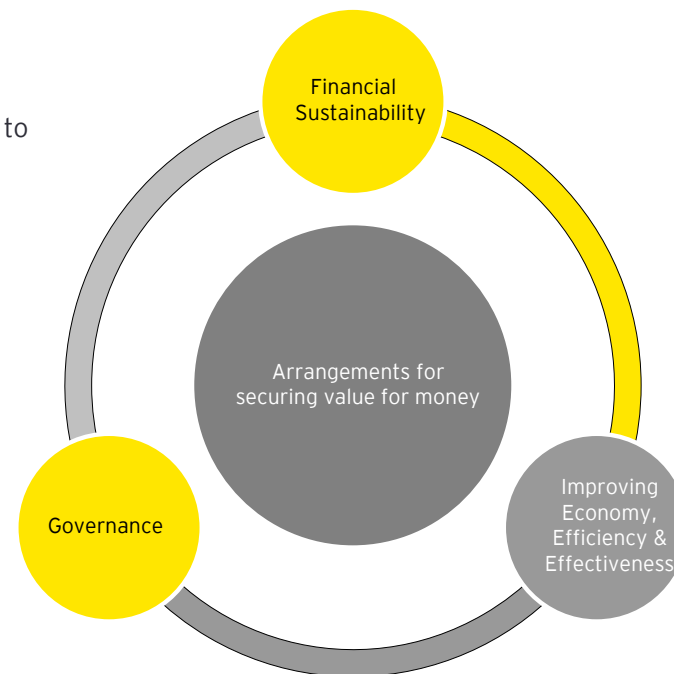
As part of the material published with the financial statements, the Council is required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the Council tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on arrangements for securing value for money from the use of resources.

Auditor Responsibilities

Under the NAO Code of Audit Practice we are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria (see below) on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- ▶ Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services.
- ▶ Governance - How the Council ensures that it makes informed decisions and properly manages its risks.
- ▶ Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.



Planning and identifying risks of significant weakness in VFM arrangements

The NAO's guidance notes requires us to carry out a risk assessment which gathers sufficient evidence to enable us to document our evaluation of the Council's arrangements, in order to enable us to draft a commentary under the three reporting criteria. This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.

In considering the Council's arrangements, we are required to consider:

- ▶ The Council's governance statement;
- ▶ Evidence that the Council's arrangements were in place during the reporting period;
- ▶ Evidence obtained from our work on the accounts;
- ▶ The work of inspectorates and other bodies; and
- ▶ Any other evidence source that we regard as necessary to facilitate the performance of our statutory duties.

We then consider whether there is evidence to suggest that there are significant weaknesses in arrangements. The NAO's guidance is clear that the assessment of what constitutes a significant weakness and the amount of additional audit work required to adequately respond to the risk of a significant weakness in arrangements is a matter of professional judgement. However, the NAO states that a weakness may be said to be significant if it:

- ▶ Exposes - or could reasonably be expected to expose - the Council to significant financial loss or risk;
- ▶ Leads to - or could reasonably be expected to lead to - significant impact on the quality or effectiveness of service or on the Council's reputation;
- ▶ Leads to - or could reasonably be expected to lead to - unlawful actions; or

Identifies a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

We should also be informed by a consideration of:

- ▶ The magnitude of the issue in relation to the size of the Council;
- ▶ Financial consequences in comparison to, for example, levels of income or expenditure, levels of reserves (where applicable), or impact on budgets or cashflow forecasts;
- ▶ The impact of the weakness on the Council's reported performance;
- ▶ Whether the issue has been identified by the Council's own internal arrangements and what corrective action has been taken or planned;
- ▶ Whether any legal judgements have been made including judicial review;
- ▶ Whether there has been any intervention by a regulator or Secretary of State;
- ▶ Whether the weakness could be considered significant when assessed against the nature, visibility or sensitivity of the issue;
- ▶ The impact on delivery of services to local taxpayers; and
- ▶ The length of time the Council has had to respond to the issue.



Value for Money

Responding to identified risks of significant weakness

Where our planning work has identified a risk of significant weakness, the NAO's guidance requires us to consider what additional evidence is needed to determine whether there is a significant weakness in arrangements and undertake additional procedures as necessary, including where appropriate, challenge of management's assumptions. We are required to report our planned procedures to the Governance Committee.

Reporting on VFM

Where we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources the Code requires that we should refer to this by exception in the audit report on the financial statements.

In addition, the Code requires us to include the a commentary on your value for money arrangements in the Auditor's Annual Report. The Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the Council's attention or the wider public. This may include matters that we do not consider to be significant weaknesses in your arrangements but should be brought to your attention. This will include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily.

Status of our 2023/24 VFM planning

We have completed our initial VFM (value for money) risk planning work, where we have considered:

Our entity level controls and understanding the business assessment; the Council's Risk Register; the Annual Governance Statement; Council meeting minutes; our planning meetings with management; key financial and budget information; key performance reports; internal audit reports; information from local, national and specialist media; findings of other inspectorates, review agencies and other relevant bodies including the CQC.

We have identified a risk of a significant weakness in the Council's arrangements that the Council did not have proper arrangements to secure economy, efficiency and effectiveness on its use of resources during 2023/24. The risk and our planned work on this is set out on the following page. We have previously raised through our interim value for money report for 2022/23, presented to the 12 February 2024 Governance Committee, that the issues and weaknesses highlighted within that report would remain relevant for 2023/24.

Value for Money

Value for Money Risks

The following table summarises the risk of significant weaknesses identified during the course of our planning procedures. We will keep our understanding of arrangements and risks identified during planning under review. We will update our work to reflect any emerging risks or findings that may suggest an additional significant weakness in arrangements, and communicate these to you.

Page 644

What is the risk of significant weakness?	What arrangements does this impact	Change from PY	Details and what we will do
<p>Financial resilience</p> <p>Financial monitoring for 2022/23 identified that the Council was struggling to keep spending within set budgets for the year, and the year end outturn showed a deficit of £11.4 million which was met by a drawdown from reserves. The Council have continued on this trajectory during 2023/24 and as at February 2024, were forecasting a deficit of £5.4 million for the 2023/24 financial year.</p> <p>The Council has been unable to set a balanced budget for 2024/25 without additional support from the government. The Council has received a provisional notice of exceptional financial support for 2024/25 which enabled it to set a balanced budget. However, certain conditions must be met prior to this support being confirmed.</p> <p>Although the Council is aware of their financial position and have put in place actions to address the situation, the actions are still to be embedded and the outcomes are not yet assured to avoid the need for a s114 notice.</p>	<ul style="list-style-type: none"> Financial sustainability; Governance and Improving economy, efficiency and effectiveness 	No change in risk or focus	<p>We will:</p> <ul style="list-style-type: none"> Review and challenge the actions that the Council is making in response to the conditions set by the government in order to quality for the provisional exceptional financial support. Review and challenge the actions that the Council is taking in response to our recommendations in our interim VFM reporting for 2022/23 Obtain current financial monitoring reports to gain an understanding of whether the actions the Council has put in place to operate within its set budget are embedding and are achieving the desired outcomes Review minutes of meetings to gain an understanding of the actions of members in response to the financial position of the Council Hold regular meetings with officers, including the Chief Executive, the Executive Director Corporate Services & s151 Officer and other finance officers, and the Chair of the Improvement and Assurance Board to inform our understanding of the actions that the Council is undertaking Review the outcome of Internal Audit reports for the year, and assess the progress officers are making with actions plans to address issues highlighted by Internal Audit.



04 Audit materiality

Materiality

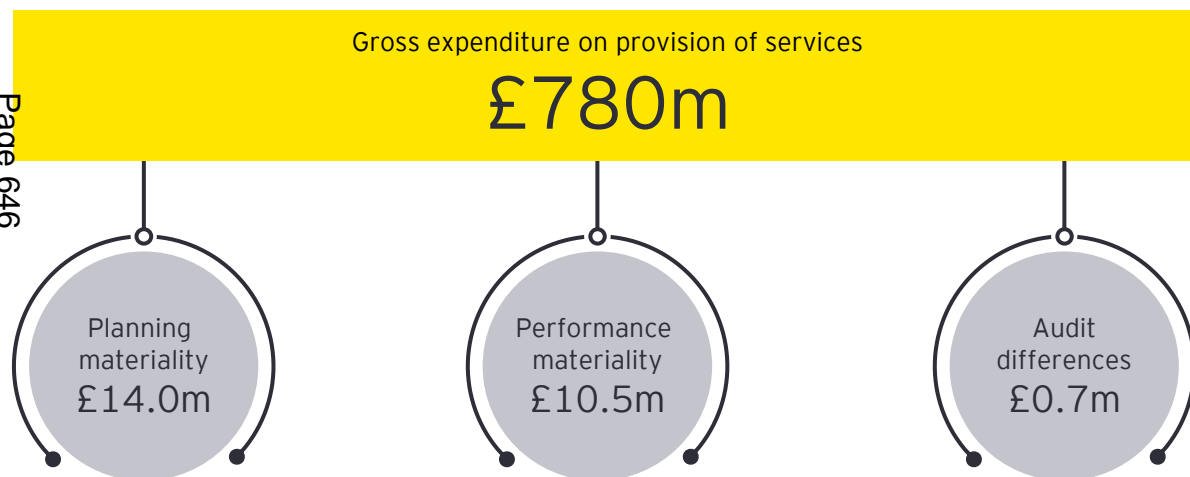
Council materiality

For planning purposes, Council materiality for 2023/24 has been set at £14.0m. This represents 1.8% of the Council's 2022/23 gross expenditure on provision of services. It will be reassessed throughout the audit process.

The Council is a public sector body and the main function of the entity is to provide services to the local community. For a public sector entity, the expectations of users (including regulators) of the entity are focused on how collected revenues are expended hence Gross Revenue Expenditure has been deemed as the most appropriate basis for determining materiality for the Council.

We have provided supplemental information about audit materiality in Appendix F.

Page 646



The outcome of consultation on the planned measures to address local audit delays may impact our assessment of materiality for the 2023/24 audit. We will keep the Governance Committee updated on any changes to materiality levels as the audit progresses.

We request that the Governance Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

Key definitions

Planning materiality – the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

Performance materiality – the amount we use to determine the extent of our audit procedures.

We have set our performance materiality at £10.5m which represents 75% of our planning materiality. We have considered the factors of having a higher likelihood of material misstatements based on prior year adjustments.

Per our initial assessment, we do not believe there are errors that are indicative of pervasive errors throughout the financial statements or a higher likelihood of misstatement in other areas hence the adoption of this percentage.

Audit difference threshold – we propose that misstatements identified below this threshold are deemed clearly trivial. The same threshold for misstatements is used for component reporting. We will report to you all uncorrected misstatements over this amount relating to the income statement and balance sheet that have an effect on income or that relate to other comprehensive income.

Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow statement or disclosures and corrected misstatements will be communicated to the extent that they merit the attention of the Governance Committee, or are important from a qualitative perspective.



05 Scope of our audit

Audit process and strategy

Objective and Scope of our Audit scoping

Under the Code of Audit Practice, our principal objectives are to undertake work to support the provision of our audit report to the audited body and to satisfy ourselves that the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

1. Financial statement audit

Our opinion on the financial statements:

- ▶ whether the financial statements give a true and fair view of the financial position of the Group and its expenditure and income for the period in question; and
- ▶ whether the financial statements have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards or other direction.

Our opinion on other matters:

- ▶ whether other information published together with the audited financial statements is consistent with the financial statements; and
- ▶ where required, whether the part of the remuneration report to be audited has been properly prepared in accordance with the relevant accounting and reporting framework.

Other procedures required by the Code:

- ▶ Examine and report on the consistency of the Whole of Government Accounts schedules or returns with the body's audited financial statements for the relevant reporting period in line with the instructions issued by the National Audit Office.

2. Arrangements for securing economy, efficiency and effectiveness (value for money)

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources and report a commentary on those arrangements.

Audit process and strategy

Objective and Scope of our Audit scoping (cont'd)

Department for Levelling-up, Housing and Communities (DLUHC) and Financial Reporting Council (FRC) measures to address local audit delays

The changes proposed by the consultations are likely to have a significant impact on both the scope of the 2023/24 audit and our assessment of risk. We will continue to provide updates to the Governance Committee as the audit progresses and our assessment on the required scope and nature of procedures we will undertake becomes clearer. As examples:

- ▶ Where prior year audit opinions are modified work will be required to gain assurance, where possible, on opening balances over the period of the recovery phase (phase 2). Where we are unable to gain assurance over opening balances, we anticipate that this may lead to limitation of scope of our audit over those balances.
- ▶ Where prior year audit opinions are modified, and particularly where we do not have assurance spanning a number of historic financial years, this is likely to have an impact on our assessment of materiality and our ability to issue an unmodified opinion early in the recovery phase.
- ▶ Changes to the Code of Audit Practice on Local Authority Accounting will potentially impact on our assessment of audit risk generally, risks associated with significant accounting estimates, such as the valuation of operational property, plant and equipment and the related need to rely on management's and auditor's specialists.

Audit process and strategy

Audit Process Overview

Our audit involves:

- ▶ Identifying and understanding the key processes and internal controls; and
- ▶ Substantive tests of detail of transactions and amounts.
- ▶ Reliance on the work of other auditors where appropriate;
- ▶ Reliance on the work of experts in relation to areas, such as pensions and property valuations.

Our initial assessment of the key processes across the Council has not identified any processes where we will seek to test key controls, either manual or IT. Our audit strategy will, as in previous years, follow a fully substantive approach. This will involve testing the figures within the financial statements rather than looking to place reliance on the controls within the financial systems. We assess this as the most efficient way of carrying out our work and obtaining the level of audit assurance required to conclude that the financial statements are not materially misstated.

Analytics

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- ▶ Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- ▶ Give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Governance Committee.

Internal audit

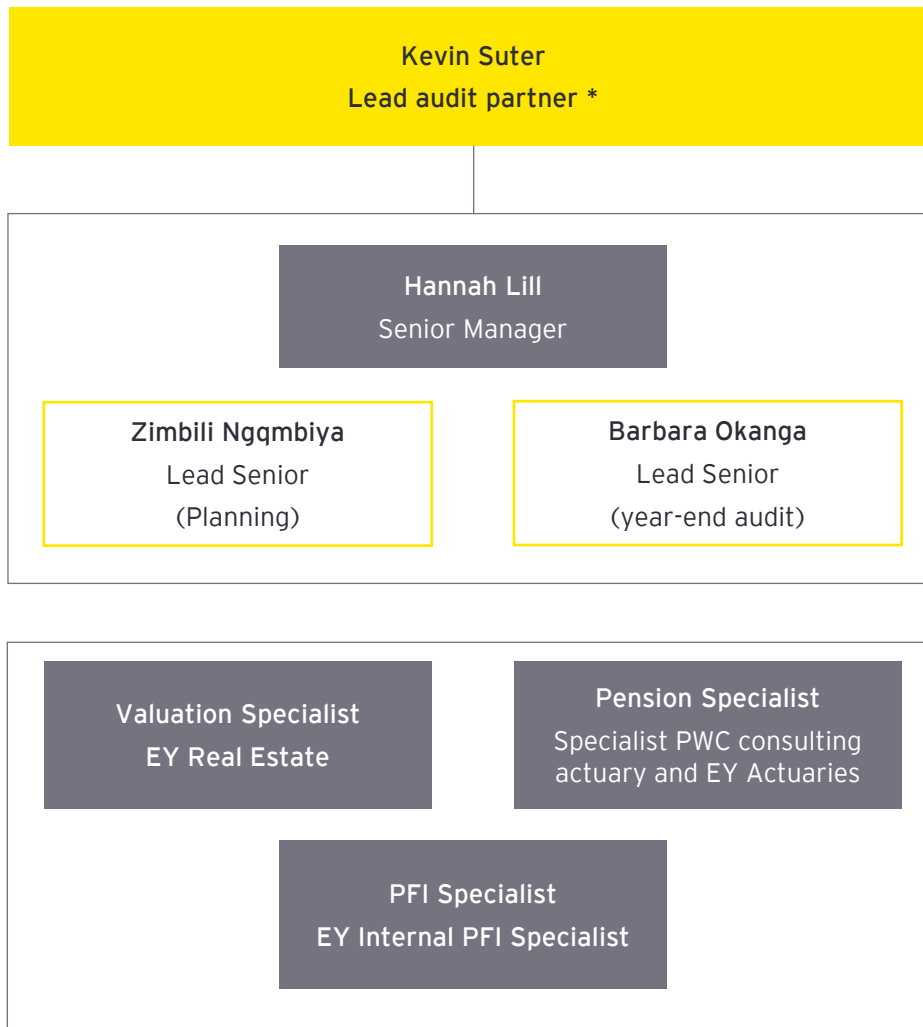
We will review internal audit plans and the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where they raise issues that could have an impact on the financial statements.



Page 6 of 1

06 Audit team

Audit team



* Key Audit Partner

Use of specialists

Our approach to the involvement of specialists, and the use of their work

When auditing key judgements, we are often required to use the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where EY specialists are expected to provide input for the current year audit are:

Area	Specialists
Valuation of PPE Land and Buildings and Investment Properties	Management Specialist - Management's external valuation experts EY Specialist - EY Real Estates
Pensions disclosure	Management Specialist - Hymans Robertson PWC (Consulting Actuary to the NAO) EY Specialist - EY Actuaries
PFI	EY Internal PFI Specialist

Page 653

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Group's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- ▶ Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable
- ▶ Assess the reasonableness of the assumptions and methods used
- ▶ Consider the appropriateness of the timing of when the specialist carried out the work
- ▶ Assess whether the substance of the specialist's findings are properly reflected in the financial statements



Page 554

07

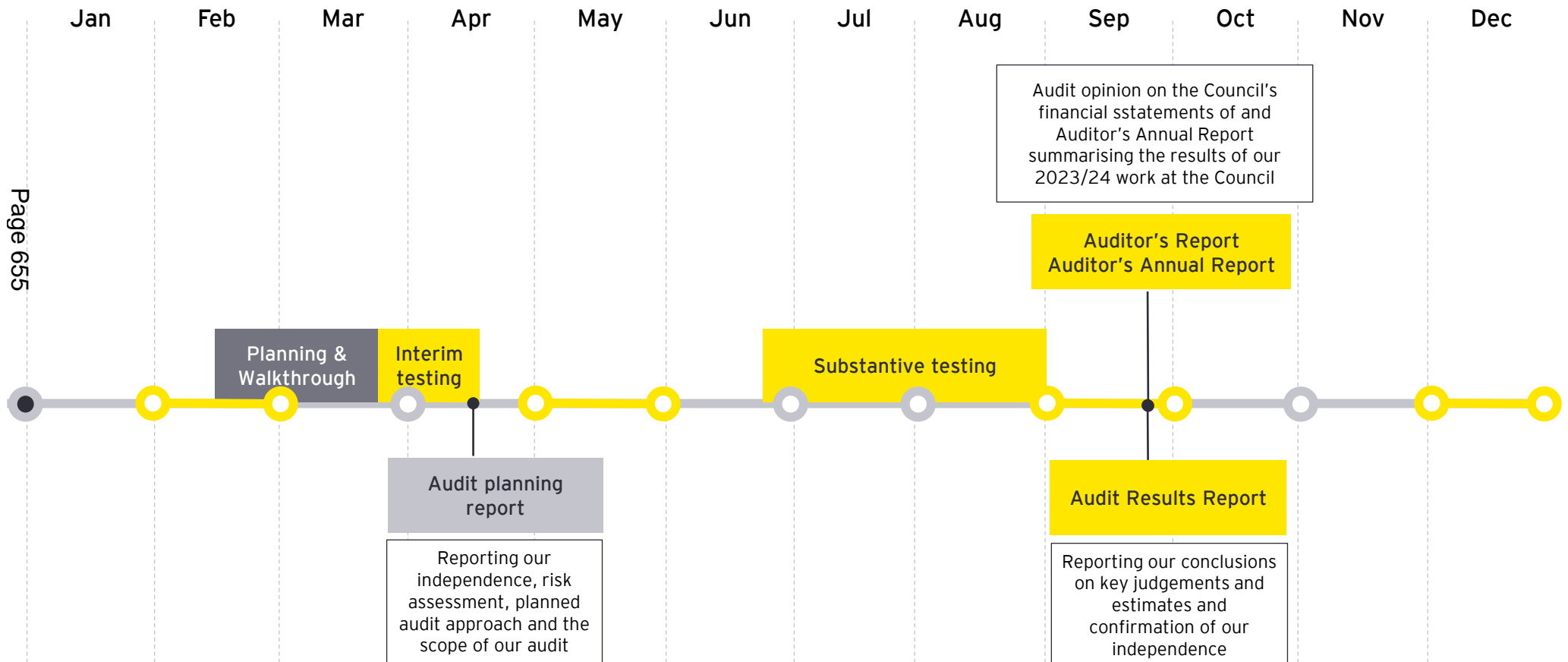
Audit timeline

Timetable of communication and deliverables

Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the audit cycle in 2023/24.

From time to time matters may arise that require immediate communication with the Governance Committee and we will discuss them with the Governance Committee Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary. The outcome of consultation on the planned measures to address local audit delays and the likely issue of a disclaimer on the Council's 2022/23 financial statements may impact this timeline.





08

Independence

Introduction

The FRC Ethical Standard 2019 and ISA (UK) 260 'Communication of audit matters with those charged with governance', requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in December 2019, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications

Planning stage

- ▶ The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between you, your affiliates and directors and us;
- ▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;
- ▶ The overall assessment of threats and safeguards;
- ▶ Information about the general policies and process within EY to maintain objectivity and independence.

Final stage

- ▶ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;
- ▶ Details of non-audit/additional services provided and the fees charged in relation thereto;
- ▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;
- ▶ Details of any non-audit/additional services to a UK PIE audit client where there are differences of professional opinion concerning the engagement between the Ethics Partner and Engagement Partner and where the final conclusion differs from the professional opinion of the Ethics Partner
- ▶ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy;
- ▶ Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence; and
- ▶ An opportunity to discuss auditor independence issues.

Page 657

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Kevin Suter, your audit engagement partner and the audit engagement team have not been compromised.

Self interest threats

A self interest threat arises when EY has financial or other interests in the Council. Examples include where we have an investment in the Council; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake those permitted non-audit/additional services set out in Section 5.40 of the FRC Ethical Standard 2019 (FRC ES), and we will comply with the policies that you have approved.

Page 6 of 8
None of the services are prohibited under the FRC's ES or the National Audit Office's Auditor Guidance Note 01 and the services have been approved in accordance with your policy on pre-approval. In addition, when the ratio of non-audit fees to audit fees exceeds 1:1, we are required to discuss this with our Ethics Partner, as set out by the FRC ES, and if necessary agree additional safeguards or not accept the non-audit engagement.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4. There are no other self interest threats at the date of this report.

Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self review threats at the date of this report.

Management threats


Partners and employees of EY are prohibited from taking decisions on behalf of management of your company. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work.

There are no management threats at the date of this report.

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.



Other communications

EY Transparency Report 2023

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the period ended 30 June 2023 and can be found here: [EY UK 2023 Transparency Report](#).



09 Appendices

Appendix A – PSAA Statement of Responsibilities

As set out on the next page our fee is based on the assumption that the Council complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular the Council should have regard to paragraphs 26-28 of the Statement of Responsibilities which clearly set out what is expected of audited bodies in preparing their financial statements. We set out these paragraphs in full below:

Preparation of the statement of accounts

26. Audited bodies are expected to follow Good Industry Practice and applicable recommendations and guidance from CIPFA and, as applicable, other relevant organisations as to proper accounting procedures and controls, including in the preparation and review of working papers and financial statements.

27. In preparing their statement of accounts, audited bodies are expected to:

- prepare realistic plans that include clear targets and achievable timetables for the production of the financial statements;
 - ensure that finance staff have access to appropriate resources to enable compliance with the requirements of the applicable financial framework, including having access to the current copy of the CIPFA/LASAAC Code, applicable disclosure checklists, and any other relevant CIPFA Codes.
- Page 661 assign responsibilities clearly to staff with the appropriate expertise and experience;
- provide necessary resources to enable delivery of the plan;
- maintain adequate documentation in support of the financial statements and, at the start of the audit, providing a complete set of working papers that provide an adequate explanation of the entries in those financial statements including the appropriateness of the accounting policies used and the judgements and estimates made by management;
- ensure that senior management monitors, supervises and reviews work to meet agreed standards and deadlines;
 - ensure that a senior individual at top management level personally reviews and approves the financial statements before presentation to the auditor; and
 - during the course of the audit provide responses to auditor queries on a timely basis.

28. If draft financial statements and supporting working papers of appropriate quality are not available at the agreed start date of the audit, the auditor may be unable to meet the planned audit timetable and the start date of the audit will be delayed.

Appendix B – Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

The agreed fee presented is based on the following assumptions:

Page 662

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Our accounts opinion and value for money conclusion being unqualified;
- ▶ Appropriate quality of documentation is provided by the Council; and
- ▶ The Council has an effective control environment
- ▶ The Council complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular the Council should have regard to paragraphs 26 - 28 of the Statement of Responsibilities which clearly sets out what is expected of audited bodies in preparing their financial statements. These are set out in full on the previous page.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Council in advance.

	2023/24	Note reference	2022/23
	£000		£000
Scale Fee	372,615	(1)	142,041
Additional work not considered by the scale fee to comply with the requirements of ISA (UK) 315 (Revised).	15,000 - 25,000	(2)	-
Additional work not considered by the scale fee to assess the Council's adoption of IFRS 16 and to consider related disclosures in the financial statements	2,000 - 3,000	(2)	-
Restatement of the CIES	1,000 - 2,000	(2)	-
Total audit fees	TBC		TBC

All fees exclude VAT

(1) As set out in the joint statement on update to proposals to clear the backlog and embed timely audit issued by DHLUC, PSAA will use its fee variation process to determine the final fee the Council have to pay for the 2022/23 audit.

(2) The revision to ISA (UK) 315 will impact on our scope and approach, and require us to enhance the audit risk assessment process, better focus responses to identified risks and evaluate the impact of IT on key processes supporting the production of the financial statements. We expect to charge addition fee for this. The scale fee also may be impacted by a range of other factors which will result in additional work, which include but are not limited to:

- ▶ Consideration of correspondence from the public and formal objections.
- ▶ New accounting standards, for example full adoption or additional disclosures in respect of IFRS 16.
- ▶ Non-compliance with laws and regulations with an impact on the financial statements.
- ▶ VFM risks of, or actual, significant weaknesses in arrangements and related reporting impacts.
- ▶ The need to exercise auditor statutory powers.
- ▶ Prior period adjustments.
- ▶ Modified financial statement opinions.

Appendix C – Accounting and regulatory update

Future accounting developments

The following table provides a high level summary of the accounting development that has the most significant impact on the Authority/Council:

Name	Summary of key measures	Impact on 2023/24
IFRS 16 Leases	<ul style="list-style-type: none">▶ CIPFA have confirmed there will be no further delay of the introduction of the leases standard IFRS 16.▶ Assets being used by the authority under operating leases are likely to be capitalised along with an associated lease liability.▶ Lease liabilities and right of use assets will be subject to more frequent remeasurement.▶ The standard must be adopted by 1 April 2024 at the latest.	<ul style="list-style-type: none">▶ The 2023/24 Statement of Accounts must disclose the impact the initial application of IFRS 16 is expected to have on the authority's financial statements.▶ The authority should make key IFRS 16 policy decisions in accordance with the Code before 1 April 2024.▶ Officers must implement robust systems to ensure all relevant data points, which could prompt a remeasurement or modification of the accounting entries, are captured in a timely manner.

Appendix C – Accounting and regulatory update

Regulatory update

The following table provides a high level summary of the regularity update that has the most significant impact on the Council:

Name	Summary of key measures	Impact on 2023/24
ISA (UK) 315 (Revised): Identifying and Addressing the Risks of Material Misstatement	<p>ISA 315 is effective from FY 2022/23 onwards and is the critical standard which drives the auditor's approach to the following areas:</p> <ul style="list-style-type: none"> ▶ Risk Assessment ▶ Understanding the entity's internal control ▶ Significant risk ▶ Approach to addressing significant risk (in combination with ISA 330) <p>The International Auditing & Assurance Standards Board (IAASB) concluded that whilst the existing version of the standard was fundamentally sound, feedback determined that it was not always clear, leading to a possibility that risk identification was not consistent. The aims of the revised standard is to:</p> <ul style="list-style-type: none"> ▶ Drive consistent and effective identification and assessment of risks of material misstatement ▶ Improve the standard's applicability to entities across a wide spectrum of circumstances and complexities ('scalability') ▶ Modernise ISA 315 to meet evolving business needs, including: <ul style="list-style-type: none"> ▶ how auditors use automated tools and techniques, including data analytics to perform risk assessment audit procedures; and ▶ how auditors understand the entity's use of information technology relevant to financial reporting. ▶ Focus auditors on exercising professional scepticism throughout the risk identification and assessment process. 	<p>We will need to obtain an understanding of the IT processes related to the IT applications of the Council.</p> <p>We will perform procedures to determine if there are typical controls missing or control deficiencies identified and evaluated the consequences for our audit strategy.</p> <p>When we have identified controls relevant to the audit that are application controls or IT-dependent manual controls where we do not gain assurance substantively, we performed additional procedures.</p> <p>We also review the following processes for all relevant IT applications:</p> <ul style="list-style-type: none"> ▶ Manage vendor supplied changes ▶ Manage security settings ▶ Manage user access ▶ Manage entity-programmed changes ▶ Job scheduling and managing IT process

Page 664

Appendix D – The Spring Report

A combined perspective on enhancing audit quality

The Spring Report ('The Report') was released by the Governance Committee Chairs' Independent Forum (ACCIF) on 2 June 2023 and is the first of its kind. The Report is the outcome from a series of discussions held with a group of experienced Governance Committee chairs, auditors from the top 6 firms, and executives from the Financial Reporting Council. The Report details the 9 key learnings that the group agreed on, proposing evolution not revolution, and is focused on getting the basics right first time leading to enhanced audit quality. The report considers key learnings covering the planning, execution, completion and reporting phases of the audit. The full list of key learnings can be found in the [report](https://accif.co.uk) (accif.co.uk).

Appendix E – Required communications with the Governance Committee

We have detailed the communications that we must provide to the Governance Committee.

Our Reporting to you

Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the Governance Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	<p>Communication of:</p> <ul style="list-style-type: none"> ▶ The planned scope and timing of the audit ▶ Any limitations on the planned work to be undertaken ▶ The planned use of internal audit ▶ The significant risks identified <p>When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team</p>	Audit planning report
Significant findings from the audit	<ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process ▶ Findings and issues regarding the opening balance on initial audits (delete if not an initial audit) 	Audit results report

Page 666

Appendix E – Required communications with the Governance Committee (cont'd)

Our Reporting to you

Required communications	What is reported?	When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements 	Audit results report
Misstatements	<ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ Material misstatements corrected by management 	Audit results report
Fraud	<ul style="list-style-type: none"> ▶ Enquiries of the Governance Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ol style="list-style-type: none"> a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements ▶ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ▶ Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud ▶ Any other matters related to fraud, relevant to Governance Committee responsibility 	Audit results report

Appendix E – Required communications with the Governance Committee (cont'd)

Our Reporting to you

Required communications	What is reported?	When and where
Related parties	<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the entity 	Audit results report
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence</p> <ul style="list-style-type: none"> ▶ Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence <p>Communication whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.</p>	Audit Planning Report and Audit Results Report
External confirmations	<ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures 	Audit results report
Consideration of laws and regulations	<ul style="list-style-type: none"> ▶ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ▶ Enquiry of the Governance Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Governance Committee may be aware of 	Audit results report
Internal controls	<ul style="list-style-type: none"> ▶ Significant deficiencies in internal controls identified during the audit 	Audit results report

Appendix E – Required communications with the Governance Committee (cont'd)

Our Reporting to you

Required communications	What is reported?	When and where
Representations	Written representations we are requesting from management and/or those charged with governance	Audit results report
System of quality management	How the system of quality management (SQM) supports the consistent performance of a quality audit	Audit results report
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit results report
Auditors report	<ul style="list-style-type: none"> ▶ Key audit matters that we will include in our auditor's report ▶ Any circumstances identified that affect the form and content of our auditor's report 	Audit results report

Appendix F – Additional audit information

Regulatory update

Our objective is to form an opinion on the Council's financial statements under International Standards on Auditing (UK) as prepared by you in accordance with International Financial Reporting Standards as adopted by the UK, and as interpreted and adapted by the Code of Practice on Local Authority Accounting.

Our responsibilities in relation to the financial statement audit are set out in . We are responsible for forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of the Governance Committee. The audit does not relieve management or the Governance Committee of their responsibilities.

Other required procedures during the course of the audit

In addition to the key areas of audit focus outlined in section 2, we have to perform other procedures as required by auditing, ethical and independence standards, company law and other regulations. We outline the procedures below that we will undertake during the course of our audit.

Our responsibilities required by auditing standards

Page 670

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- ▶ Concluding on the appropriateness of management's use of the going concern basis of accounting
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- ▶ Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Council's to express an opinion on the consolidated financial statements. Reading other information contained in the financial statements, including the board's statement that the annual report is fair, balanced and understandable, the Governance Committee reporting appropriately addresses matters communicated by us to the Governance Committee and reporting whether it is materially inconsistent with our understanding and the financial statements
- ▶ Maintaining auditor independence

Appendix F – Additional audit information (cont'd)

Other required procedures during the course of the audit

Procedures required by the Audit Code

- ▶ Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement.
- ▶ Examining and reporting on the consistency of consolidation schedules or returns with the Group's audited financial statements for the relevant reporting period

We have included in Appendix E a list of matters that we are required to communicate to you under professional standards.

Purpose and evaluation of materiality

Page 67
For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines:

- ▶ The locations at which we conduct audit procedures to support the opinion given on the Group financial statements
- ▶ The level of work performed on individual account balances and financial statement disclosures

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

Appendix G - Non-Compliance with Laws and Regulations (NOCLAR)

Non-Compliance with Laws and Regulations includes:

Any act or suspected act of omission or commission (intentional or otherwise) by the entity (including any third parties under the control of the entity such as subsidiaries, those charged with governance or management or an employee acting on behalf of the company), either intentional or unintentional, which are contrary to the prevailing laws or regulations

Management Responsibilities:

"It is the responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements."

ISA 250A, para 3

"The directors' report must contain a statement to the effect that... so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information."

ISA 250A, para 3

"Management is responsible for communicating to us on a timely basis, to the extent that management or those charged with governance are aware, all instances of identified or suspected non-compliance with laws and regulations ..."

Audit Engagement Letter

Management's responsibilities are also set out in the International Ethics Standard Board of Accountants' International Code of Ethics (IESBA Code) Para 360.08

Auditor Responsibilities

[The International Ethics Standard Board of Accountants' International Code of Ethics \(IESBA Code\)](#) section 360 sets out the scope and procedures in relation to responding to actual or suspected non-compliance with laws and regulations.

Professional accountancy organisations who are members of the International Federation of Accountants (IFAC), such as the Institute of Chartered Accountants in England and Wales (ICAEW) are required to adopt the IESBA Code of Ethics.

We as your auditor are required to comply with the Code by virtue of our registration with ICAEW.

"If the auditor becomes aware of information concerning an instance of non-compliance or suspected non-compliance with laws and regulations, the auditor shall obtain:

An understanding of the nature of the act and the circumstances in which it has occurred; and Further information to evaluate the possible effect on the financial statements

The auditor shall evaluate the implications of the identified or suspected non-compliance in relation to other aspects of the audit, including the auditor's risk assessment and the reliability of written representations, and take appropriate action."

ISA 250A, paras 19 and 22

Page 672

Examples of Non-Compliance with Laws and Regulations (NOCLAR)

Matter

- ▶ Suspected or known fraud or bribery
- ▶ Health and Safety incident
- ▶ Payment of an unlawful dividend
- ▶ Loss of personal data
- ▶ Allegation of discrimination in dismissal
- ▶ HMRC or other regulatory investigation
- ▶ Deliberate journal mis-posting or allegations of financial impropriety
- ▶ Transacting business with sanctioned individuals

Implication

- ▶ Potential fraud/breach of anti-bribery legislation
- ▶ Potential breach of section 2 of the Health and Safety at Work Act 1974
- ▶ Potential breach of Companies Act 2006
- ▶ Potential GDPR breach
- ▶ Potential non-compliance with employment laws
- ▶ Suspicion of non-compliance with laws/regulations
- ▶ Potential fraud / breach of Companies Act 2006
- ▶ Potential breach of sanctions regulations

Appendix G - Non-Compliance with Laws and Regulations (NOCLAR) (cont'd)

What are the implications of NOCLAR matters arising?

Depending on the nature and significance of the NOCLAR matter the following steps are likely to be required, involving additional input from both management and audit.

This can have an impact on overall achievability of audit timeline and fees.

Across our portfolio of audits we have seen a steady increase in NOCLAR matters that need to be addressed as part of the audit over the past 3 years



Management response:

Timely communication of the matter to auditors (within a couple of days)

Determine who will carry out any investigation into the matter - in-house or external specialists or mix of both

Scope the investigation, in discussion with the auditors

Evaluate findings and agree next steps

Determine effect on financial statements including disclosures

Prepare a paper, summarising the outcome of the investigation and management's conclusions

Communicate the outcome to Those Charged With Governance (TCWG) and to us as your auditors. Report to regulators where required.

Key Reminders:

- ▶ Make sure that all areas of the business are aware of what constitutes actual or potential non-compliance and associated requirements
- ▶ Communicate with us as your auditors on a timely basis - do not wait for scheduled audit catch-ups
- ▶ Engage external specialists where needed
- ▶ Ensure that your investigation assesses any wider potential impacts arising from the matter, not just the matter itself.
- ▶ Plan upfront and consider any impact on overall accounts preparation and audit timeline - discuss the implications with us as your auditor

Audit response:

Initial assessment of the NOCLAR matter and its potential impact

Initial consultation with risk team to determine responsive procedures and the involvement of specialists

Understand and agree scope of management's investigation with support from specialists as needed

Evaluate findings and undertake appropriate audit procedures

Determine audit related impact including accounting and disclosure and audit opinion implications

Document and consult on the outcome of our procedures

Communicate the outcome with management, TCWG and where necessary other auditors within the group or regulators

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