

# PART 6

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# ISLINGTON CODE OF CONDUCT FOR MEMBERS

# Islington Code of Conduct for Members<sup>1</sup>

## Introduction and interpretation

1. (1) This Code applies to you as a member of Islington Council.
- (2) You should read this Code.
- (3) It is your responsibility to comply with the provisions of this Code.
- (4) In this Code:
  - "meeting" means any meeting of—
    - (a) full council;
    - (b) the Executive;
    - (c) any of the council's or its Executive's committees, sub-committees, joint committees or joint sub-committees;
  - "member" includes a co-opted or appointed member at any meeting<sup>2</sup>.

## Scope

2. (1) You must comply with this Code whenever you:
  - (a) conduct the business of Islington Council (which, in this Code, includes the business of the office to which you are elected or appointed); or
  - (b) act, claim to act or give the impression you are acting as a representative of Islington Council.
- (2) Paragraph 5 will have effect even when paragraph 2(1) above does not apply where that conduct constitutes a criminal offence for which you have been convicted, including an offence you committed before the date you took office.
- (3) Where you act as a representative of Islington Council:
  - (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 this code of conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject.

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<sup>1</sup> **Note** – the following notes do not form part of the code and are for information purposes only

**Failure to comply with those parts of the code in italics may amount to a criminal offence unless the member has a reasonable excuse. In addition a member may have committed an offence if they pursuant to those parts provide information that is false or misleading and they know that it is false or misleading or are reckless as to whether the information is true and not misleading. A person found guilty may be fined up to level 5 of the standard scale. Further a member may be disqualified for a period not exceeding five years from being or becoming a member of Islington or other local authorities.**

<sup>2</sup> \*eligible to vote

## High standards of conduct

3. You must maintain a high standard of conduct, and comply with the following general conduct principles:

### The General Principles

**Selflessness** — you should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.

**Integrity** — you should not place yourself in situations where your integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.

**Objectivity** — you should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefits.

**Accountability** — you should be accountable to the public for your actions and the manner in which you carry out your responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to your particular office.

**Openness** — you should be as open as possible about your actions and those of the council, and should be prepared to give reasons for those actions.

**Honesty** — you should be truthful in your council work and avoid creating situations where your honesty may be called into question

**Leadership** — you should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.

### General Obligations

4 (1) You must treat others with respect.

(2) You must not:

(a) do anything which may cause the council to breach any of the equality enactments

(b) bully any person;

(c) intimidate or attempt to intimidate any person who is or is likely to be:

(i) a complainant

(ii) a witness

(iii) involved in the administration of any investigation or proceedings in relation to an allegation that a member (including yourself) has failed to comply with his or her authority's code of conduct; or

(d) do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, the council.

5. You must not conduct yourself in a manner which could reasonably be regarded as bringing your office or the Council into disrepute.

6. You must not:

(1) 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

(a) you have the consent of a person authorised to give it; or

(b) you are required by law to do so; or

- (c) the disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person; or
- (d) the disclosure is reasonable and in the public interest and made in good faith and in compliance with the reasonable requirements of the authority

(2) prevent another person from gaining access to information to which that person is entitled by law.

7. You:

(1) must not use or attempt to use your position as a member improperly to confer on or secure for yourself or any other person, an advantage or disadvantage

(2) You must, when using or authorising the use by others of the council's resources act in accordance with the council's requirements, ensure that such resources are not used improperly for political purposes (including party political purposes); and have regard to any applicable Local Authority Code of Publicity made pursuant to the Local Government Act 1986.

8. (1) When reaching decisions on any matter you must have regard to any relevant advice provided to you by:

(a) the council's chief finance officer; or

(b) the council's monitoring officer,

or their deputies.

(2) You must give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed by the council

## **Registration and disclosure of interests**

9. (1) For the purposes of this Code, a pecuniary interest is a "disclosable pecuniary interest" in relation to you if

(a) it is of a description specified in regulations made by the Secretary of State

(b) it is an interest of a relevant person; and

(c) you are aware that that other person has the interest.

(2) The Secretary of State has specified the following disclosable pecuniary interests:

### **(a) Employment, office, trade, profession or vocation**

Any employment, office, trade, profession or vocation carried on for profit or gain.

### **(b) Sponsorship**

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 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.

### **(c) Contracts**

Any contract which is made between you or the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—

- (a) under which goods or services are to be provided or works are to be executed; and
- (b) which has not been fully discharged.

**(d) Land**

Any beneficial interest in land which is within the area of the relevant authority.

**(e) Licences**

Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.

**(f) Corporate tenancies**

Any tenancy where (to your knowledge)—

- (a) the landlord is the relevant authority; and
- (b) the tenant is a body in which the relevant person has a beneficial interest.

**(g) Securities**

Any beneficial interest in securities of a body where—

- (a) that body (to your knowledge) has a place of business or land in the area of the relevant authority; and
- b) either:
  - (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.

(3) A relevant person is

- (a) you, or
- (b) (i) your spouse or civil partner,
  - (ii) a person with whom you are living as husband and wife, or
  - (iii) a person with whom you are living as if you are civil partners

(4) A pending notification is a notification of an interest to Monitoring Officer which has yet to be entered onto the register

**Registration of Members' Interests**

10 (1) *Subject to paragraph 12, you must, within 28 days of your election or appointment to office, notify the Monitoring Officer of any disclosable pecuniary interests which you have at the date when the notification of your election or appointment to office is given*

(2) If you become a member or co-opted member as a result of re-election or re-appointment (1) above only requires you to inform the Monitoring Officer of any pecuniary interests not entered already on the register when the notification is given.

(3) Subject to paragraph 12, you must, within 28 days of becoming aware of any new disclosable pecuniary interest or change to any pecuniary interest registered under sub section (1) or (2), notify the Monitoring Officer of that change or new interest.

(4) *If you disclose a Disclosable Pecuniary Interest in any matter under paragraph 11(1)(a) below, (and there is not a pending notification in respect of that interest) you must notify the Monitoring Officer of the interest before the end of 28 days beginning with the date of your disclosure of the interest at that meeting*

(5) The Monitoring Officer *will* maintain the council's register of interests, and enter onto that register all interests notified to them.

(6) Entries in the Member's register of interests will be removed should you no longer have the interest and you inform the Monitoring Officer of this fact and request removal or should you cease to be a member (for whatever reason)

(6) A copy of the register will be available for inspection at the Town Hall during working hours and published on the council's website.

## **Disclosure of Members' interests at meetings and by Executive members consulted concerning decisions**

### 11. Disclosable Pecuniary Interests:

*(1) If you are present at a meeting and are aware that you have a Disclosable Pecuniary Interest in any matter to be considered or being considered at that meeting:*

*(a) If the interest is not entered in the Member's register of interests you must disclose both the existence and details of the interest to the meeting;*

*(b) you must also formally notify the interest to the Monitoring Officer after the meeting in accordance with paragraph 10(4) above (if you have not already done so).*

*(2) Where 11(1) above applies, you may neither participate or participate further in any discussion of the matter at the meeting nor participate in any vote or further vote taken on the matter at the meeting and must in accordance with the council's Rules of Procedure leave the room.*

*(3) Where you have authority to discharge a function acting individually and are aware you have a Disclosable Pecuniary Interest in any matter to be dealt with or being dealt with by you:*

*(a) If the interest is not entered in the register (and there is not a pending notification in respect of that interest) you must notify the Monitoring Officer of the interest before the end of 28 days beginning with the date of when you become aware that the circumstances in this sub paragraph apply; and*

*(b) You must not take any steps or any further steps in relation to discharging the function (except for the purpose of enabling the matter to be dealt with otherwise than by you)*

(4) You are not required to disclose Disclosable Pecuniary Interests at meetings other than in accordance with 11(1) and (3) above. Should you wish to disclose a Disclosable Pecuniary Interest that is already in the register in the interests of openness and transparency; this will be recorded in the minutes of the meeting.

### 12. Personal Interests:

(1) If you intend to speak or vote in relation to a matter being or to be considered at a meeting and you do not have a Disclosable Pecuniary Interest but the matter relates to or is likely to affect to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the electoral ward affected by the decision:

(a) the financial position (including a contract or property interest) of:

(i) you

- (ii) a relevant person
- (iii) another member of your family;
- (iv) any body of which you are a member or in a position of general control or management (other than as a council appointee or nominated representative); or

(b) a planning or other regulatory matter concerning any such person

you must disclose the existence and nature of that interest at the commencement of consideration of the matter, or when the interest becomes apparent.

(2) For the purposes of this Code a member of your family shall be taken to mean a full parent, child or sibling of yours.

(3) If you are a member of the Executive and are attending a meeting of the Executive or a Committee of the Executive you must have obtained a dispensation from the Chief Executive in respect of the Personal Interest under paragraph 13.3 of this Code before you speak or vote

### 13. Gifts and Hospitality

(1) The acceptance of gifts and hospitality can influence whether or not you are seen as acting in the public interest, or improperly acting for your own personal advantage or that of your family, friends or associates. In the interests of transparency, you are therefore required to declare all offers of gifts and hospitality, over the value of £25, within 28 days of receipt of the offer or invitation, even if you decline them.

(2) Hospitality includes, but is not limited to, drinks, meals, entertainment, overnight accommodation, travel, holidays but not lifts in a private car or taxi or light refreshment in the course of your duties as a Councillor. Any gift estimated to be over £25 in value, loan, fee (except those for paid employment declared in your register of interests) or reward should also be declared. Unsolicited generic invitations to free or subsidised places at conferences, which are sent to numerous local authority councillors, do not need to be declared. By declaring gifts and hospitality, even where they have been declined, you are demonstrating that you apply high standards of conduct and the General Principles above.

(3) If you have a gift or hospitality to declare, please contact Member Support, who will arrange for this to be published on the website.

### 14. Other conflicts of interest of members of the Executive

(1) If you are attending a meeting of the Executive or a committee of the Executive and are aware that you have any other conflict of interest in a matter to be considered at a meeting, you should seek the advice of the Monitoring Officer as to whether you should obtain a dispensation from the Chief Executive under paragraph 13.3 of this Code before you speak or vote.

### 15. Conflicts of interest of members of the Executive consulted about Recordable Executive Decisions

(1) If you are aware that you have a Discloseable Pecuniary Interest, a Personal interest or any other conflict of interest in a Recordable Executive Decision (as defined in Appendix 6 of the Constitution) concerning which the decision makers is to consult you, you must



have obtained a dispensation from the Chief Executive in respect of the conflict of interest under paragraph 13.3 of this Code before you take part in the consultation.

## **Sensitive information**

16. Where you have an interest and the nature of the interest is such that you and the Monitoring Officer *consider* that disclosure of the details of the interest could lead to you or a person connected with you being subject to violence or intimidation:
- (a) If the interest is entered in the register, copies of the register that are made available for inspection and any published version of the register will not include details of the interest but will say that you have an interest the details of which are withheld pursuant to this section of this Code.
  - (b) The interest must still be disclosed at meetings where required by this Code, but the disclosure can be limited to the fact that you have a confidential disclosable interest in the matter.

## **Dispensations**

### Discloseable Personal Interests

- 17.(1) In limited circumstances the Standards Committee (or the Monitoring Officer in cases (a) and (d) below) can grant a dispensation to a member to allow them to speak and/or vote in respect of an item of business at a meeting where they have a Disclosable Pecuniary Interest in that business under the Islington Members' Code of Conduct.
- (2) A dispensation can only be granted where the statutory grounds apply. The statutory grounds are that the Committee (or Monitoring Officer as appropriate) considers that,
- (a) without the dispensation the number of persons prohibited from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business,
  - (b) without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business,
  - (c) granting the dispensation is in the interests of persons living in the council's area,
  - (d) without the dispensation each member of the authority's executive would be prohibited from participating in any particular business to be transacted by the Executive or a committee of the Executive, or
  - (e) it is appropriate to grant a dispensation for some other reason
- (3) A request for a dispensation must be submitted to the Council's Monitoring Officer in accordance with the council's Procedure for dealing With Requests for Dispensations From Councillors.
- (4) If you are a member of the Executive and the meeting is a meeting of the Executive or a committee of the Executive you will also need a dispensation from the Chief Executive under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. The Chief Executive has issued a general dispensation that applies where a dispensation in respect of your Discloseable Personal Interest has been granted under this section of the Code so you will not need to make a special application.

### Other Conflicts of Interest – Members of the Executive Only

- (5) The Chief Executive may grant a dispensation to Executive members to allow them to speak and/or vote in respect of other conflicts of interest arising:
  - (a) at a meeting of the Executive or a committee of the Executive; or
  - (b) in relation to consultation in respect of a Recordable Executive Decision by an individual if he/she considers appropriate. The Monitoring Officer will deputise for the Chief Executive in respect of this function when he/she is unavailable.
- (6) A request for a dispensation must be submitted to the Council's Monitoring Officer in accordance with the council's Procedure for dealing With Requests for Dispensations From Councillors.

### **Related documents**

18. The Council has adopted codes and protocols which do not form part of this Code but which deal with specific activities that Members may be required to carry out in the course of their duties' as a Councillor. You are required to comply with the latest version of these from time to time and any breach may be regarded as a breach of this Code:
  - (a) Member/Officer Protocol
  - (b) Use of resources
  - (c) Publicity Protocol
  - (d) The Council's Use of IT policies and
  - (e) The Council's Data Protection polices

### **Guidance**

19. If you need further advice or guidance on interpretation of this Code or to apply for a dispensation, please contact the Monitoring Officer.

# PROTOCOL ON MEMBER/OFFICER RELATIONS

# PROTOCOL ON MEMBER/OFFICER RELATIONS

## 1. INTRODUCTION

- 1.1 The relationship between Councillors and officers is an essential ingredient of the successful working of the organisation. This relationship is characterised by mutual respect and trust. Councillors and officers should feel free to speak to one another openly and honestly. Nothing in this Protocol is intended to change this relationship. The purpose of this Protocol is rather to help Councillors and officers to perform effectively by giving guidance on their respective roles and expectations and on their relationship with each other. The Protocol also gives guidance on what to do on the rare occasions when things go wrong. All Members and officers should operate in compliance with the protocol. Responsibility for upholding the protocol rests with Group Leaders in relation to elected Members within their Group and with the Chief Executive and Director of Law and Governance (as Monitoring Officer) in relation to staff, although all individuals are responsible for their own compliance with the Protocol.
- 1.2 The Protocol must be read and operated in the context of any relevant legislation and the Code of Conduct for members and staff. If members or officers are in any doubt about issues they should seek advice from either the Chief Executive or Director of Law and Governance.
- 1.3 References in this protocol to Chief Officers are to the Chief Executive, Corporate Directors, Service Directors and Heads of Service and other non-administrative officers reporting directly to Corporate Directors.

## 2. ROLES OF COUNCILLORS AND OFFICERS

- 2.1 The respective roles of Councillors and officers can be summarised as follows:

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 to the authority and to carry out the authority's work under the direction and control of the Council, the Executive and relevant committees etc. Officers are accountable to the Head of the Paid Service, who is the Chief Executive.

Mutual respect between Councillors and officers is essential to good local government.

- 2.2 Councillors

Councillors have four main areas of responsibility:

- (a) determining the policy of the authority and giving it political leadership;
- (b) monitoring and reviewing the performance of the authority in implementing that policy and delivering services;
- (c) representing the authority externally; and

- (d) acting as advocates on behalf of their constituents.

It is not the role of Councillors to involve themselves routinely in the day-to-day management of the authority's services. They should not seek to give instructions to officers outside their areas of responsibility or terms of reference of their Committee.

### 2.3 Members of the Executive, Chairs and Vice-Chairs

Members of the Executive and Chairs and Vice-Chairs of Scrutiny and other bodies have additional responsibilities. Although they may have different relationships and more regular contact, these Councillors must still respect the impartiality of officers, must not ask them to undertake work of a party political nature, or to do anything which would prejudice that impartiality.

### 2.4 Opposition Councillors

As individual Councillors, all Councillors have the same rights and obligations in their relationship with officers and should be treated equally. This principle is particularly important in the context of the work of Scrutiny Committees.

### 2.5 Officers

The role of officers is to give advice and information to Councillors and to implement the policies determined by the authority.

Certain officers, e.g. Chief Executive, the Corporate Director of Resources and the Director of Law and Governance have responsibilities in law over and above their obligations to the authority and to individual Councillors. Councillors must respect these obligations, must not obstruct officers in the discharge of these responsibilities and must not victimise officers for discharging these responsibilities.

## 3. EXPECTATIONS

### 3.1 Councillors can expect from officers:

- (a) A commitment to the authority as a whole, and not to any political group or individual Councillor;
- (b) A working partnership;
- (c) An understanding of and support for respective roles, workloads and pressures;
- (d) Timely response to enquiries and complaints in accordance with agreed standards;
- (e) Professional advice, not influenced by political views or preference;
- (f) Regular, up-to-date information on matters that can reasonably be considered appropriate and relevant to their needs, having regard to any individual responsibilities that they have and positions that they hold;
- (g) Awareness of and sensitivity to the political environment;

- (h) Respect, dignity and courtesy;
- (i) Training and development in order to carry out their roles effectively;
- (j) Integrity, mutual support and appropriate confidentiality;
- (k) Not to have personal issues raised with them by officers outside the agreed procedures;
- (l) That officers will at all times comply with the relevant Code of Conduct;
- (m) Support for the role of Councillors as the local representatives of the authority.

### 3.2 Officers can expect from Councillors:

- (a) A working partnership;
- (b) An understanding of and support for respective roles, workloads and pressures;
- (c) Political leadership and direction;
- (d) Respect, dignity and courtesy;
- (e) Integrity, mutual support and appropriate confidentiality;
- (f) Not to be subject to bullying or harassment. Councillors should have regard to the seniority and experience of officers in determining what are reasonable requests, having regard to the powerful relationship between Councillors and officers and the potential vulnerability of officers, particularly at junior levels;
- (g) That Councillors will not use their position or relationship with officers to advance their personal interests or those of others or to influence decisions improperly;
- (h) That Councillors will not publicly name officers or make detrimental remarks about officers during public meetings;
- (i) That Councillors will at all times comply with the relevant Code of Conduct.

### 3.3 Limitations upon behaviour

The distinct roles of Councillors and officers necessarily impose limitations upon behaviour. By way of illustration and not as an exclusive list:

- (a) Close personal relationships between Councillors and officers can confuse these separate roles and get in the way of the proper discharge of the authority's functions, not least in creating the perception in others that a particular Councillor or officer may secure advantageous treatment;
- (b) The need to maintain the separate roles means that there are limits to the matters on which they may seek the advice of officers, both in relation to personal matters and party political issues;

- (c) Relationships with particular individuals or party groups should not be such as to create public suspicion that an employee favours that Councillor or group above others. The issue of officer attendance and advice to political groups is specifically covered below.

#### **4. PROVISION OF INFORMATION**

##### **4.1 Requests for written information**

- (a) Councillors should be provided with adequate information about services or functions upon which they may be called upon to make or scrutinise decisions, or which affect their constituents. In the normal course of events, this information will be made routinely available by officers in the form of reports, departmental plans etc. Members are encouraged to make use of existing sources of information wherever possible. This paragraph does not apply to draft reports.
- (b) In addition, any Councillor may ask the relevant Chief Officer for factual information about a service. These requests will be met where the Councillor has a legal right to the information. If that right arises under the Freedom of Information Act, the Councillor shall not be required to make a formal FOI request. All such information should be provided within 10 working days of the date of receipt of the request. In circumstances where this is not practical, the Officer shall write to the Councillor within 10 days explaining why not and provide an alternative time scale.
- (c) Written information supplied to a Councillor regarding the implications of current Council policies or containing statistical information about Council services shall also be copied to the relevant Executive member.
- (d) The Leader of the Council or Leader of any other political group that may be formed, may request the Chief Executive or the relevant Corporate Director, or other designated officer to prepare reports on matters relating to the authority for consideration by the group. Such requests must be reasonable and should not seek confidential information relating for instance to casework or personal details of applicants for services. Wherever possible, but subject to any overriding legal requirements, such requests will be met. However, if the officer considers that the cost of providing the information, or the nature of the request is unreasonable, the request will be referred to the Chief Executive for determination, where necessary in consultation with the Leaders of the political groups.
- (e) Officer reports to a political group will be limited to a statement of material facts and identification of options and the merits and demerits of such options for the authority. Reports will not deal with any political implications of the matter or any option and officers will not make any recommendation to a political group.

##### **4.2 “Briefings”**

- (a) In order for them to discharge their responsibilities as Executive members, administration portfolio holders will be briefed by Chief Officers on service issues, proposals and policy development. Chief Officers may from time to time

nominate other officers to attend these meetings. These informal meetings may be on a one off or regular basis, in accordance with the requirements of the Councillor concerned.

- (b) Opposition groups (if any) may also have nominated portfolio leads and if those leads so request, the relevant Chief Officers will make themselves available to meet with them to brief them on service issues. Any Opposition groups may, if they wish, request the Chief Executive to convene a joint meeting of the Opposition portfolio holders and CMB once the Executive agenda has been published in order to brief the opposition on the matters arising from it. The Leader of the Opposition (if any) shall give the Chief Executive at least one week's notice of any request unless the meetings are prearranged on a standing basis.
- (c) The content of these informal briefing sessions shall remain confidential as between officers and the political group concerned.

#### 4.3 "News" items

- (a) When an event or development occurs in the borough which has or will have a significant impact on the Council or Islington residents, the Chief Executive will ensure that the Leaders of all political groups are informed as soon as possible.

#### 4.4 Ward Councillors

- (a) Chief Officers will ensure that ward Councillors are given information relevant to their ward on a regular basis. As well as letting ward members know when there has been a specific incident in their ward, ward members should be routinely notified about the following types of issue:
  - Public consultation events affecting their wards;
  - Proposed changes to services sited within their wards;
  - Proposed significant traffic management orders;
  - Proposed anti-social behaviour dispersal orders.
- (b) Ward Councillors shall be invited to public events, such as openings, festivals etc, in their wards. Such invitations shall be extended on a non party political basis. The Communications Department will advise members where possible of photo shoots taking place in their wards.

#### 4.5 Officer Attendance at Group Meetings

- (a) The Leader of the Council or Leader of any other political groups may ask the Chief Executive or relevant Corporate Director, or other designated officers to give or arrange a private and confidential briefing for the party group on a matter of relevance to the Council;
- (b) Any briefing offered to or requested by a party group will be offered to any other party groups. Where possible such briefings should be to all or a combination of party groups;



- (c) No officer of the Council shall attend any political group meeting which includes non-Council members;
- (d) Officers' advice to political groups will be limited to a statement of material facts and identification of options and the merits and demerits of such options for the authority. Advice will not deal with any political implications of the matter or any option and officers will not make any recommendation to a political group.

## **5. RESOLUTION PROCEDURES**

### **5.1 Procedure for officers**

From time to time the relationship between Councillors and officers may break down or become strained. Whilst it will always be preferable to resolve matters informally, through conciliation by an appropriate senior manager, officers can have recourse to the Chief Executive, as appropriate to the circumstances. Officers also have recourse to the Council's Whistleblowing Procedure or can refer the matter to the Monitoring Officer if they consider that a Councillor has broken the Code of Conduct.

### **5.2 Procedure for Councillors**

In the event that a Councillor is dissatisfied with the conduct, behaviour or performance of an officer, the matter should be raised with the appropriate Corporate Director. Where the officer concerned is a Corporate Director, the matter should be raised with the Chief Executive. Where the employee concerned is the Chief Executive, the matter should be raised with the Director of Law and Governance.

No disciplinary action in respect of the Chief Executive, the Monitoring Officer (Director of Law and Governance) or the Corporate Director of Resources may be taken other than in accordance with a recommendation in a report made by a designated independent person as set out in the Council's Constitution.

## **6. UNION ACTIVITIES/REPRESENTATIVES**

- 6.1 Officers may well belong to a trade union and/or political party. The mere fact of such membership will not of itself put an officer in breach of this protocol. However, they are nevertheless under a duty whilst carrying out their Council duties to abide by the officers' Code of Conduct and treat members in a professional and impartial manner.
- 6.2 Those officers who are union representatives may have a number of different relationships with members. Whenever those relationships arise from their position as union representatives of Council staff, the provisions of this code will still apply.
- 6.3 Union representatives shall be entitled to speak to the press directly about matters on which they or the union as a whole has an interest.

# PUBLICITY PROTOCOL

## PUBLICITY PROTOCOL

### 1 Introduction

- 1.1 This Protocol outlines the legal requirements in respect of publicity issued by the Council or using the council resources and the support available to members and officers to ensure they comply with the legal requirements.
- 1.2 Islington is a high profile local authority and attracts a lot of media attention. The Council's Communications Team is here to advise and support councillors and officers and to maintain and improve the Council's corporate reputation by leading the development, implementation and delivery of an effective media relations service for the Council.
- 1.3 The media is a channel for communicating with Islington Council's many varied stakeholders and has a strong influence over how people view the Council and its services. It is therefore crucial that media communications are managed effectively and with due regard for the legal restrictions that the whole Council, led by the media office, must work under and be clear about.

### 2 The Legal Position

- 2.1 Publicity issued by a local authority is subject to a number of constraints imposed by Section 75 of the Representation of the People Act 1983, section 2 of the Local Government Act 1986 (as amended) and the Recommended Code of Practice on Local Authority Publicity issued under section 4 of that Act. The Code was amended in 2001 to reflect the changes made to local authority arrangements, in particular, the creation of the Executive as a body distinct from the rest of the Council.
- 2.2 Section 75 of the Representation of the People Act 1983 makes it a criminal offence for the Council to incur any expense with a view to promoting the election of a candidate on account of:
  - circulars, publications and advertisements;
  - otherwise presenting the candidate or his views;
  - disparaging another candidate.
- 2.3 The overarching principle contained in section 2 of the Local Government Act 1986 is that no publicity must be issued by a local authority which "*appears to be designed to affect support for a particular political party*". As well as refraining from issuing such material itself, a local authority must not give anyone else financial assistance to publish such material.

In deciding whether this principle is breached, account will be taken of the content and style of the material, the time when it is issued and whether or not it refers to a particular party or person identified with it, or whether it promotes or opposes a point of view that is politically controversial.

### **3 The Code of Recommended Practice**

- 3.1 Section 4 of the Local Government Act 1986, provides for the Secretary of State to issue codes of recommended practice as regards the content, style, distribution and cost of local authority publicity. The Council is required to have regard to the provisions of any such code in coming to any decision on publicity. The Code is set out at paragraph 5 below.
- 3.2 The Communications Team will advise all councillors on media relations but cannot support councillors on media relations in respect of views which do not reflect council policies or affect public support for a political party or the promotion of individual councillors.
- 3.3 If members need any assistance with determining what would be considered lawful or unlawful they should contact the Monitoring Officer.

### **4 Use Of Council Resources For Publicity Or Other Political Purposes**

- 4.1 The functions of the Council are derived from statute and are discharged by the Council corporately. This means that individual councillors (who, as a body make up the Council) can only use council resources for the purposes of the Council's functions.
- 4.2 Councillors may use council resources for carrying out their duties as members of the Council, including:
  - (a) individual casework on behalf of the constituents;
  - (b) those arising out of their membership of committees, sub-committees, working parties and other council bodies;
  - (c) those arising out of their position as chair of a committee or sub-committee;
- (d) as the appointed council representative on external bodies.
- 4.3 The Council can provide resources (such as stationery, secretarial services, communication facilities and transport) to enable councillors to carry out their duties as members of the Council.
- 4.4 However, councillors must ensure that those resources are used strictly for their duties as members of the Council and for no other purpose, for example individual publicity or for publicising their political party or publicity campaigns designed to affect support for their or another political party. The Code of Conduct for Members prohibits the use of council resources improperly for party political purposes. It requires members to have regard to the Code and to act in accordance with the Council's reasonable requirements.
- 4.5 As a general rule, no circular letters written by any councillors using council resources either in their 'production or in their distribution' should be sent out. Any information that needs to be communicated to the public in relation to council business will be done by an appropriate officer.

- 4.6 It may in some circumstances be appropriate for Executive members to communicate directly in writing with members of the public in their capacity as Executive members responsible for specific policy changes or service developments (whether this relates to increases or reductions in service levels and whether such policy changes may be perceived as having a positive or negative impact); care must be taken to ensure that such communications are factually accurate and politically neutral. No such communications should be disseminated in the period between the publication of a notice of election and the date of election.
- 4.7 If members need any assistance with determining what would be considered lawful or unlawful they should contact the Monitoring Officer.

## **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 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 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.
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.

# COUNCILLOR CALL FOR ACTION PROTOCOL

# Councillor Call for Action Protocol

## Introduction

1. The Councillor Call for Action (CCfA) Protocol is designed as a formal means whereby councillors can refer to a scrutiny or review committee any local government matter in their ward which is of significant community concern. Referral to a scrutiny or review committee is a measure of last resort once other approaches have been exhausted.
2. A local government matter is defined in legislation<sup>3</sup> as one which:
  - (a) Relates to the discharge of any function of the authority;
  - (b) Affects all or part of the electoral area for which the referring member is elected or any person who lives or works in the area; and
  - (c) Is not an excluded matter. Excluded matters are matters (as defined in Regulations<sup>4</sup>) relating to:
    - (i) the formulation or implementation of the Council's crime and disorder strategy;
    - (ii) a planning decision;
    - (ii) a licensing decision;
    - (iii) an individual or entity where that individual or entity has a statutory right to a review or appeal other than to the ombudsman;or which are:
    - (iv) vexatious, discriminatory or not reasonable to be included in the agenda for, or to be discussed at, a meeting of the Policy and Performance Scrutiny Committee or a Review Committee;unless the matter consists of an allegation that a function of the Council has not been discharged at all or that its discharge has failed or is failing on a systematic basis.
3. A crime and disorder matter is defined in legislation<sup>5</sup> as one which concerns:
  - (a) crime and disorder (including anti-social behaviour or other behaviour adversely affecting the local environment; or
  - (b) misuse of drugs, alcohol and other substances.

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<sup>3</sup> Section 119 of the Local Government and Public Involvement in Health Act 2007.

<sup>4</sup> Overview and Scrutiny (Reference by Councillors) (Excluded Matters) (England) Order 2008

<sup>5</sup> Section 19 Police and Justice Act 2006.

4. The matter must directly affect all or part of the ward for which the councillor is elected, or any person who lives or works in that ward.
5. Crime and disorder matters must be referred to the Council's "crime and disorder committee". In Islington the Communities Review Committee has been designated the crime and disorder committee.
6. The CCfA is not an appropriate route for:
  - (a) Raising individual complaints, for which the Council's corporate complaints procedure should be followed;
  - (b) Scrutinising matters of wider council policy;
  - (c) Questioning decisions which have been taken but not yet implemented by the Executive; or
  - (d) Seeking to resolve urgent matters, in view of the time which may be needed for the committee to assess the initial referral and then investigate the matter if it agrees to do so.

### **Referral Procedure**

7. In Islington matters referred as a CCfA will be referred to the Policy and Performance Scrutiny Committee, unless they relate to the council's education functions, in which case they will be referred to the Childrens Services Scrutiny Committee. Prior to referring a matter as a CCfA, a councillor must have tried to resolve the matter themselves using the other mechanisms and resources available to them at ward level. Councillors must have regard to any government guidance issued and should:
  - (a) Ensure that the relevant council department and/or any partner organisation has been informed of the issue and been given enough time to resolve it;
  - (b) Ensure that this is not an issue that is currently being or should be pursued via the Council's complaints process;
  - (c) Ascertain whether or not the matter is being investigated through any other local scrutiny mechanism such as the Local Involvement Network.
8. If the matter is still not resolved the councillor can refer it to the Policy and Performance Scrutiny Committee (or Childrens Services Scrutiny Committee) as a 'Councillor Call for Action'. To avoid delays in the referral process, all referrals will be made on the CCfA request form on page [189]. This will ensure that the necessary information to enable the applicability of the Protocol to be confirmed and to enable the matter to be put before Policy and Performance Scrutiny (or Childrens Services Scrutiny Committee) will be provided at the outset.
9. The referral form will be received by the Democratic Services Manager who will log it to track its progress and assess whether the matter is covered by this Protocol. The Monitoring Officer shall be responsible for determining whether a matter is required to be referred to the Policy and Performance Scrutiny Committee (or Childrens Services Scrutiny Committee) under this protocol.

10. Referrals approved by the Monitoring Officer will then be included on the next available agenda of the relevant Policy and Performance Scrutiny Committee (or Childrens Services Scrutiny Committee). It will up to the members of the committee to decide whether or not to take the matter further.

### **Considering the CCfA**

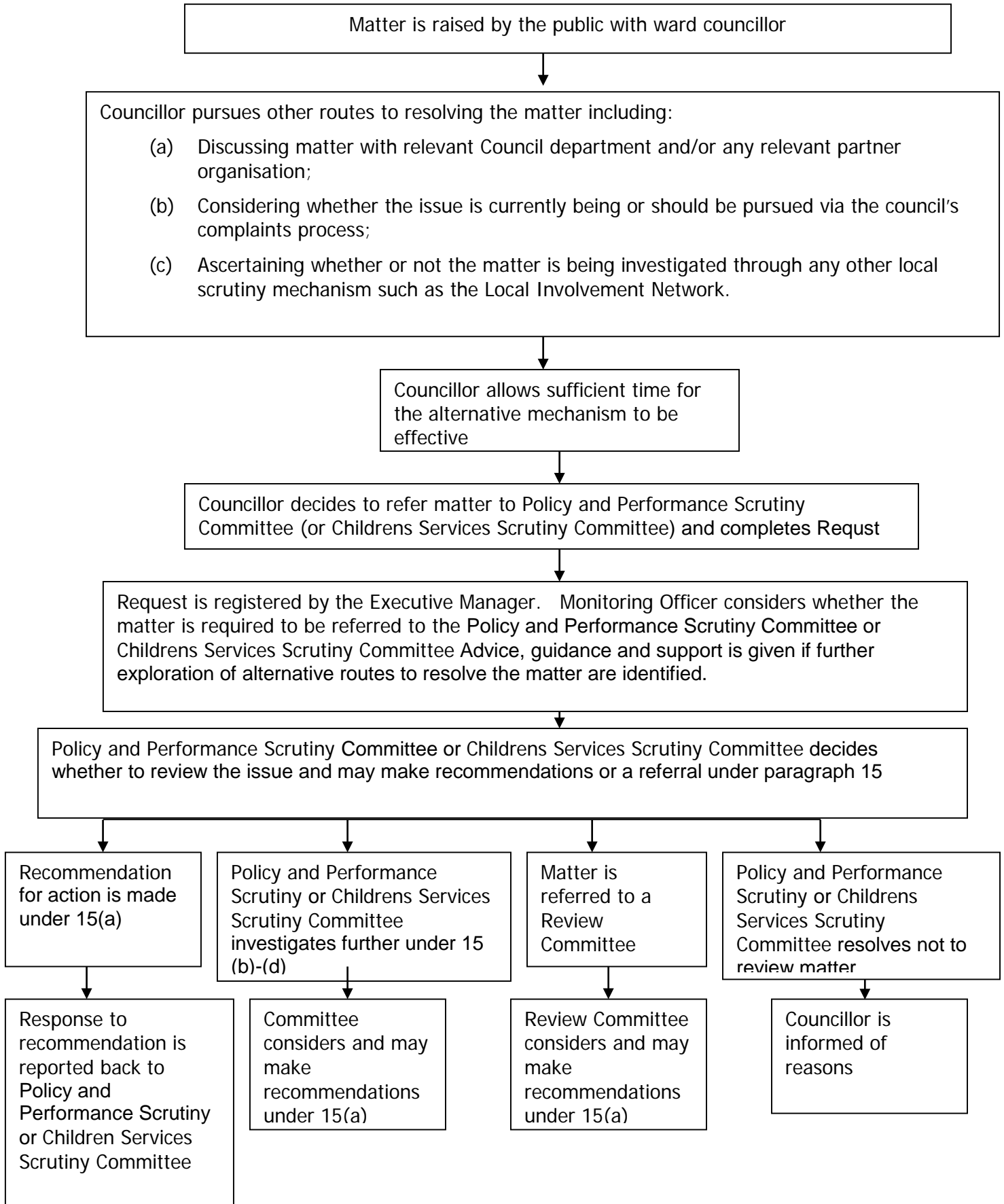
11. The referring councillor and other councillors representing the same ward will be invited to attend a meeting at which the CCfA is discussed, in order to make representations and answer questions. The relevant Executive member and senior officer will also be invited if appropriate.
12. In deciding whether or not to take the matter further the committee will consider:
  - (a) Actions already taken by the councillor in relation to the matter; and
  - (b) Representations made by the member as to why the committee should take the matter up.
13. The criteria the committee will use to decide whether or not to take the matter further include:
  - (a) Is the committee satisfied that reasonable attempts at a resolution have been made by the ward councillor?
  - (b) Has the committee considered a similar issue recently and, if so, have the circumstances or evidence changed?
  - (c) Has the relevant service or partner agency been informed and been given enough time to resolve the issue and, if so, what response the councillor has received?
  - (d) Is the matter currently being looked at by another form of local scrutiny such as the Local Involvement Networks?
14. If the committee decides not to take further action in respect of the referral it must inform the councillor and explain why.
15. If the committee decides to accept the referral it must decide how it intends to take the matter further it may:
  - (a) Make an immediate report or recommendations to:
    - (i) the Executive or other relevant council body;
    - (ii) the Corporate Director of the relevant council department or division; or
    - (iii) to any relevant partner organisation or other local organisation;
  - (b) Request further information or evidence from the ward councillor;
  - (c) Ask officers to look into the matter and report back;
  - (d) Invite other local stakeholders to give evidence to a future meeting; or
  - (e) Refer the matter to a Review Committee to undertake a more in depth review.

Policy and Performance Scrutiny or a Review Committee may make recommendations as provided for in 13 (a) following consideration by them under 15 (e).

16. If the matter is referred under 15 (a) (i) or (ii), the relevant body or person shall report back to the Policy and Performance Scrutiny Committee indicating any action that has been, or is intended to be, taken in respect of the recommendation, normally within 2 months, and in the case of a crime and disorder matter shall take the report or recommendation into account in exercising their functions.
17. Once the committee has completed its work on the referral the member who made the referral will receive a copy of any report or recommendations made in relation to it.
18. In the case of a crime and disorder matter:
  - (a) A copy of any report or recommendations under 15(a)(i) or (ii) above shall also be provided to the chief officer of police, the police and fire authorities, the probation board and the primary care trust (“the Council’s crime and disorder partners”).
  - (b) If a report or recommendation is made to one of the Council’s crime and disorder partners under 15(a)(iii), that partner will be notified that they are required to:
    - i. consider the report or recommendations and to respond to the committee indicating what action, if any, it propose to take, normally within one month; and
    - ii. have regard to the report or recommendations in exercising their functions.

**LONDON BOROUGH OF ISLINGTON**

**SUMMARY OF THE PROPOSED PROCEDURE FOR COUNCILLOR  
CALL FOR ACTION**



## **Councillor Call for Action Referral Form**

**If you wish the Policy and Performance Scrutiny Committee (or in the case of Education related matters, the Children's Services Scrutiny Committee) to consider a Call For Action in your ward you should complete this form and submit it to the Democratic Services Manager.**

Before submitting this form you must:

- (a) Ensure that the relevant council department and/or any partner organisation has been informed of the issue and been given enough time to resolve it.
- (b) Ensure that this is not an issue that is currently being or should be pursued via the council's complaints process.
- (c) Ascertain whether or not the matter is being investigated through any other local scrutiny mechanism such as the Local Involvement Network.

### **Your Contact details:**

Name:

Address:

Telephone:

E-mail:

The Authority and Ward you represent:

Title of your Call for Action:

Date of Submission:

Would you like the opportunity to speak to the Committee? Yes/No



Please give a brief synopsis of your Call for Action:

What evidence do you have in support of your Call for Action?

Which areas or community groups are affected by your Call for Action?

How have you already tried to resolve the issue?

Is the Call for Action currently the subject of legal action by any party (to your knowledge) or is being examined by a formal complaints' process?

Are there any deadlines associated with the Call for Action of which the Policy and Performance Scrutiny Committee (or Children's Services Scrutiny Committee) needs to be aware?

**Received by.....on.....**

# FINANCIAL REGULATIONS

# FINANCIAL REGULATIONS

- 1: INTRODUCTION
- 2: FINANCIAL MANAGEMENT
- 3: REVENUE EXPENDITURE
- 4: CAPITAL EXPENDITURE
- 5: EXTERNAL ARRANGEMENTS
- 6: TREASURY MANAGEMENT
- 7: DISPOSALS
- 8: RISK MANAGEMENT

## 1 INTRODUCTION

1.1 Like all local authorities, the London Borough of Islington is required by law to conduct its business efficiently and to ensure that it has sound financial management policies in place that are strictly adhered to. Part of this process is the establishment of Financial Regulations that provide the framework for managing the Authority's financial affairs. The regulations apply to every Member and officer of the Authority and anyone acting on its behalf.

1.2 The regulations identify the financial responsibilities of the Council; Executive; Scrutiny Members, the Chief Executive; Monitoring Officer; Chief Finance Officer; Corporate Directors and organisations acting on behalf of the Authority.

1.3 All Members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value.

1.4 Chief Finance Officer is responsible for maintaining a continuous review of the Financial Regulations and submitting any additions or changes to the full Council for approval. The Chief Finance Officer is also responsible for reporting, where appropriate, breaches of the Financial Regulations to the Council and/or Executive Members.

1.5 Corporate Directors are responsible for ensuring that all staff in their departments are aware of the existence and content of the Authority's Financial Regulations and other internal regulatory documents and that they comply with them.

1.6 It may be considered a disciplinary offence if any officer fails to comply with these Financial Regulations. Employees and Members have a duty to report apparent breaches of the Financial Regulations to an appropriate senior manager and the Head of Internal Audit, either of whom should report the breach to the Chief Finance Officer and the Monitoring Officer.

## 2 FINANCIAL MANAGEMENT

### INTRODUCTION

2.1 Financial management covers all financial accountabilities in relation to the running of the Authority, including the policy framework and budget.

2.2 The Council's decision making structure and a comprehensive listing of responsibilities of officers and committees is contained within the Constitution. Where officers have specific financial responsibilities these are set out in the remaining sections of part 2 to the Financial Regulations and the Scheme of Authorisation.

### THE FULL COUNCIL

2.3 The full Council is responsible for:

- adopting the Council's Constitution (including the Financial Regulations) and Members' code of conduct;
- approving the policy framework and budget within which the Executive operates;
- approving procedures for recording and reporting decisions taken including those key decisions delegated by and decisions taken by the Council and its committees. These delegations and details of who has responsibility for which decisions are set out in the constitution;
- approving the setting and revision of the prudential indicators as defined under the Prudential Code.

### THE EXECUTIVE

2.4 The Executive is responsible for:

- proposing the policy framework and budget to the full Council;
- discharging Executive functions in accordance with the policy framework and budget;
- proposing the setting and revision of the prudential indicators, as defined under the Prudential Code, to the full Council;
- reviewing the budget from time to time during the year and taking any such action as is deemed necessary;
- co-ordinating and controlling all the Council's financial planning arrangements including forward plans, the capital plans and the annual budget process, including business or service plans.

## COMMITTEES OF THE COUNCIL WITH SPECIFIC FINANCIAL RESPONSIBILITIES

### AUDIT COMMITTEE

2.5 The Audit Committee is the body responsible for governance, other than Member conduct issues which are the responsibility of the Standards Committee. It has right of access to all the information it considers necessary and can consult directly with internal and external auditors. The Committee is responsible for reviewing the external auditor's reports and advising the annual audit letter; internal audit's reports; and approving the annual statement of accounts.

## DIRECTOR OF LAW AND GOVERNANCE (ALSO THE MONITORING OFFICER)

2.6 The Director of Law and Governance financial responsibilities are:

- ensuring that procedures for recording and reporting key financial decisions are operating effectively;
- ensuring that council Members are aware of financial decisions made by the Executive and of those made by officers who have delegated Executive responsibility;
- maintaining an up-to-date Constitution;
- advising all councillors and officers about who has authority to take a particular financial decision;
- advising the Executive or full Council about whether a decision is likely to be considered contrary to the policy framework;
- advising (together with the Chief Finance Officer) the Executive or full Council whether a financial decision is likely to be considered contrary to or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include but are not limited to:
  - committing to expenditure in future years that exceeds budgeted amounts in the Council's medium term financial strategy;
  - implementing interdepartmental budget transfers that exceed virement limits.

## CHIEF FINANCE OFFICER AND SECTION 151 OFFICER (DIRECTOR OF FINANCIAL MANAGEMENT)

2.7 The Chief Finance Officer has statutory duties in relation to the financial administration and stewardship of the Authority. This statutory responsibility cannot be overridden. The statutory duties arise from:

- Section 151 of the Local Government Act 1972;
- The Local Government Finance Act 1988;
- The Local Government and Housing Act 1989;
- The Accounts and Audit Regulations 2015;
- The Local Government Act 2003.

2.8 The Chief Finance Officer is responsible for:

- the proper administration of the Authority's financial affairs;
- setting and monitoring compliance with financial management standards;
- advising on the corporate financial position and on the key financial controls necessary to secure sound financial management;
- advising on the robustness of the budget and the adequacy of the authority's reserves;
- providing financial information;
- preparing the revenue budget and capital programme;
- treasury management.

2.9 Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer to report to the full Council, Executive and external auditor, if the Authority or one of its officers:

- has made, or is about to make, a decision that involves incurring unlawful expenditure;
- has taken, or is about to take, an unlawful action that has resulted or would result in a loss or deficiency to the Authority;
- is about to make an unlawful entry in the Authority's accounts.

2.10 Section 114 of the 1988 Act also requires:

- the Chief Finance Officer to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under section 114 personally and that person is the Chief Accountant;
- the Authority to provide the Chief Finance Officer with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under section 114.

2.11 Section 25 of the 2003 Act requires:

- the Authority to take into account the Chief Finance Officer's report on the robustness of the budget and the adequacy of the Authority's reserves in deciding on its annual budget and Council Tax level;
- the Authority to monitor its budgets during the year and consider what action to take if a deterioration in the financial position is identified.

2.12 Section 30 of the 2003 Act provides for rapid remedial action if the Authority faces serious financial difficulties and the Chief Finance Officer has made a formal report to that effect.

## CORPORATE DIRECTORS

2.13 Corporate Directors are responsible for:

- ensuring that financial implications are provided for all proposed decisions and that the Chief Finance Officer has agreed the financial implications;
- signing contracts on behalf of the Authority up to the limits described in the Procurement Rules.

2.14 It is the responsibility of Corporate Directors to consult with the Chief Finance Officer and seek approval on any matter liable to materially affect the Authority's finances, before any commitments are incurred.

## OTHER FINANCIAL ACCOUNTABILITIES

### SPENDING POWERS

2.15 No decision making body within the Council shall incur revenue or capital expenditure for which the Council does not have statutory powers or in respect of which that decision making body does not have delegated authority. All reports submitted to the Executive which propose expenditure shall be referred to the Director of Law and Governance who shall be satisfied that the Council has the statutory powers under which the expenditure will be incurred.

### COMMITMENTS INTO FUTURE YEARS

2.16 All decisions to incur expenditure, whether for capital or revenue purposes, must take account of the impact of that expenditure in the current and future financial years.

2.17 All the Authority's decision making bodies must be informed of the implications for future years of spending decisions.

2.18 Where decisions will lead to levels of expenditure in future years that exceed budgeted amounts in the Council's medium term financial strategy, the source of funding in future years must be identified.

2.19 Proposals to enter spending commitments which will lead to growth in future years, may, if the source of funding has not been identified, only be taken by the Executive. Where the Director of Law and Governance and/or Chief Finance Officer considers that such spending would be contrary to or not wholly in accordance with the Budget, such a decision may only be taken by full Council.

## 3 REVENUE EXPENDITURE

### REVENUE BUDGET SETTING

3.1 The Chief Finance Officer, reporting to the Corporate Director of Resources is responsible for the co-ordination of budget preparation, including the issue of budget preparation guidance and standardisation of the basis for the presentation of budgets.

3.2 A meeting of the Executive shall at an appropriate time in each municipal year review the process and timetable for the budget process relating to the following year.

3.3 Annual revenue account estimates shall be prepared by Corporate Directors in consultation with the Chief Finance Officer and be submitted to the Executive in accordance with the procedures and timetable agreed under paragraph 3.2 above.

3.4 The Chief Finance Officer shall present an annual net budget report to the Executive in order to inform its proposals in relation to the Council's budget requirement and council tax for the following financial year. The report shall set out the requirements under the Local Government Finance Act 1992 in regard to the setting of the budget requirements and the council tax and shall be presented at such time as to allow the Executive time in which to draw up proposals for the budget in accordance with the timescales laid down in Budget and Policy Framework Rules set out in Part 4 of this

Constitution and any legal requirements as to the latest date upon which a council is entitled to set its budget. The report shall include a Medium Term Financial Strategy for the Council in accordance with the Prudential Guidelines on Local Authority Commitments issued by the Audit Commission.

3.5 When the Council is making the statutory calculations required to determine its council tax then in accordance with section 25 of the Local Government Act 2003 the Chief Finance Officer must report to Council on the following matters:

- the robustness of the proposed budget;
- the adequacy of the Council's reserves for which the budget provides.

The Council must take the Chief Finance Officer's report into account when making the calculations.

3.6 The Executive shall submit the estimates of the amounts to be aggregated in making the budget and council tax calculations required by the Local Government Finance Act 1992 to the Council before 11 March in any financial year. The Council shall then set the overall budget for the following financial year including the approved budget for each department.

## REVENUE BUDGET MONITORING AND CONTROL

3.7 Each Corporate Director, Service Director and Head of Service shall be responsible for monitoring and controlling his/her budget to ensure expenditure is contained within his/her net budget as set by Council.

3.8 The key controls for managing and controlling the revenue budget are:

- budget managers should be responsible only for income and expenditure that they can influence;
- there shall be a nominated budget manager for each cost centre heading;
- budget managers shall accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities;
- budget managers shall follow an approved certification process for all expenditure;
- income and expenditure must be properly recorded and accounted for;
- performance and service levels shall be monitored in conjunction with the budget and necessary action will be taken to align service outputs and budget;
- in order to assist them in carrying out their responsibilities and to help ensure sound financial governance, Executive Members shall regularly meet to discuss budget monitoring reports relevant to their portfolio areas with Corporate Directors.

3.9 The Executive shall receive regular reports setting out in respect of each department, the projected income and expenditure for the relevant financial year and variances, if any, from the agreed departmental budgets. Such reports must include details of action being taken to contain projected net overspends within agreed budgets, the Chief Finance Officer shall report to the Executive on the same basis the overall financial position of the Council and shall recommend any action required to ensure the Council's expenditure does not exceed its resources. The Executive shall receive a



report setting out all corporate risks and informing Executive Members of progress in risk management.

3.10 If any department is showing a projected overspend, then provided the Executive is satisfied that appropriate steps are being taken to contain or reduce such an overspend, the Executive shall have the authority to authorise such an overspend provided that it will not, at the end of the financial year, lead to the Council's overall approved revenue budget being exceeded. If the projected overspend exceeds the overall approved budget then full Council approval is required for any use of General Fund balances outside of movements agreed in the approved budget.

## REVENUE BUDGET VIREMENTS

3.11 Variations to the budget approved by Council, subject to their being no increase in the Authority's net budget requirement, will be permissible in the circumstances set out below.

3.12 Where an adjustment is to, or from a budget intended for allocation during the year, its allocation will not be treated as a virement, provided that the amount is used in accordance with the purpose for which it was established.

### Additional Third Party Funding

3.13 The creation of budgets following the receipt of any third party funding not anticipated in the budget report, such as specific grant funding that does not increase the Council's approved net budget must be approved by the relevant Corporate Director and the Chief Finance Officer. These budget changes will be reported to the Executive.

### Technical Adjustments

3.14 The Chief Finance Officer is authorised to adjust budgets where such changes are required under local authority accounting codes of practice (e.g. internal recharges for support services, capital charges, FRS17 adjustments etc.) or where the budget adjustment reflects a previously approved decision (e.g. transfer from reserves). Such adjustments shall be included in the budget monitoring reports submitted to the Executive under paragraph 3.9 above.

### Intra-Departmental Virements

3.15 All transfers within a department that fall into any of the following categories are classified as intra departmental virements:

- a) Budget transfers within a cost centre that transfer expenditure budgets between employees' pay and non-pay headings;
- b) All transfers between service divisions within a department.

3.16 Subject to the restrictions and definitions above, the responsibility for approving intra departmental virements is as follows: -

- a) Corporate Directors are allowed to approve virements less than £250,000 within or between individual service divisions within their departments. The Chief Finance Officer should also be notified of any such virements when approved by the relevant Corporate Director.
- b) For sums of £250,000 to £500,000, Corporate Directors should seek additional approval from the Chief Finance Officer. All virements exceeding £500,000 must additionally be referred to the Executive for final approval before the budget is transferred in to the new area.

3.17 All intra-departmental virements will be reported by the Chief Finance Officer to the Executive within three months of being actioned.

#### Inter-Departmental Virements

3.18 An inter-departmental virement is a budget transfer from one department to another. All such virements must be approved by the relevant Corporate Directors and Chief Finance Officer.

3.19 Virements with a value exceeding £500,000 must also be approved by the Executive before the virement is processed.

3.20 All inter-departmental virements will be reported by the Chief Finance Officer to the Executive within three months of being actioned.

3.21 Increased expenditure arising in the following categories shall be deemed not to be a virement nor will budget movements in these areas require the agreement of the Council or the Executive.

- a) Salaries, wages and pensions increases arising from nationally negotiated decisions and variations in contributions under the National Insurance and Superannuation Acts;
- b) Interest rate movements or other similar financing factors;
- c) Payments made as a result of any court order (other than an order made by consent);
- d) Budget amendments made during the course of the year for capital charges, support services and other instances that have no overall net budget impact on the Council's revenue or capital accounts, as appropriate.

#### Contingency Allocations

3.22 The allocation of the Council's revenue contingency budgets shall be recommended by the Executive Member for Finance to the Executive who shall have the authority to agree such allocations up to the value of the available contingency budget.

## TREATMENT OF YEAR-END BALANCES

3.23 The Executive is responsible for agreeing specific sums to be carried forward provided that carrying forward these sums does not lead to the approved overall budget being exceeded at the end of the financial year in which they accrued. The Chief Finance Officer is responsible for agreeing the release of these specific sums in subsequent years and reporting those movements to the Executive.

## EARMARKED RESERVES

3.24 The Chief Finance Officer may, on consideration of the overall financial position of the Council, recommend to the Executive the creation of an earmarked reserve. The Chief Finance Officer is responsible for agreeing any technical adjustments to the reserves and for agreeing any other adjustments to and from reserves that do not exceed £500,000. Any other movements to and from such a reserve that exceed £500,000 shall be approved by the Executive.

## DEBT WRITE-OFFS

3.25 All debt write-offs must be in accordance with this section:

- i) The appropriate Corporate Director has authority to write-off debt of up to £20,000 per individual case;
- ii) The appropriate Head of Service or Service Director is able to write off debt of up to £10,000 per individual case, if authorised in accordance with Appendix 3 of the Constitution;
- iii) Service Managers in the Resources department are able to write off debt of up to £10,000 per individual case and Service Directors in the Resources department up to £50,000 per individual case, if authorised in accordance with Appendix 3 of the Constitution;
- iv) The Chief Finance Officer in consultation with the Corporate Director of Resources is able to write-off individual debts up to £199,999.
- v) Executive authority is required in order to write off individual debts of £200,000 or more.
- vi) Write-offs will be reported to the Executive and Audit Committee on an annual basis.

## FEEES AND CHARGES AND OTHER INCOME

3.26 The Chief Finance Officer in consultation with Corporate Directors shall maintain adequate arrangements to ensure:-

- i) the proper recording of all sums due to the Council; and
- ii) the prompt and proper accounting of all cash, including its collection, custody, control and deposit.

3.27 Every sum received by a cashier or officer of the Council shall be immediately acknowledged by the issue of an official receipt.

3.28 In preparing the budget for the year ahead, the assumption will be made in the Medium Term Financial Strategy that all discretionary fees and charges will increase in line with the Council's policy on fees and charges, as set out each year in the revenue budget report.

## ACCOUNTING POLICIES

3.29 The Chief Finance Officer is responsible for selecting accounting policies and ensuring that they are applied consistently.

## THE ANNUAL STATEMENT OF ACCOUNTS

3.30 The Chief Finance Officer is responsible for ensuring that the annual statement of accounts is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC) (the SORP) and CIPFA Best Value Accounting Code of Practice (BVACOP). The Audit Committee is responsible for approving the annual statement of accounts in accordance with the statutory timetable as set out in the Accounts and Audit Regulations 2015.

## TAXATION

3.31 The Chief Finance Officer is responsible for advising Corporate Directors, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Authority.

3.32 The Chief Finance Officer is responsible for maintaining the Authority's tax records, making all tax payments, recovering tax credits and submitting tax returns by their due date as appropriate.

## 4. CAPITAL EXPENDITURE

### DEFINITIONS

Capital Allowance: the total of the Council's past and planned expenditure on Affordable Housing and Regeneration schemes which the Council has resolved should constitute the Council's Capital and Social Homebuy Allowances pursuant to Local Authorities (Capital Finance and Accounting) England) Regulations 2003 (as amended).

Capital Programme: the programme of Capital Schemes to be carried out during the life of the Council's Medium Term Financial Strategy ("MTFS").

Capital Scheme: an individual project or series of linked projects.

Capital Contingency: a sum set aside at the beginning of each financial year to cater for unforeseen requirements.

Corporate Capital Resources: all capital resources that the Council has discretion over spending: namely, capital receipts, any unsupported borrowing that the Council decides to undertake and any (non HRA) revenue contribution the Council wishes to make to capital investment.

Departmental Allocation: the total value of the schemes contained in the Capital Programme which fall within the responsibility of any particular department.

Reserve List- a list of those capital schemes identified by the Council as being schemes which may be implemented in lieu of the Capital Schemes within the Capital Programme.

Slippage: the process of recognising delays in expenditure on Capital Projects and re-profiling of budgets and resources to later years to reflect changes to the anticipated expenditure on Capital Schemes in each year.

## CAPITAL BUDGET SETTING

4.1 The Chief Finance Officer is responsible for the co-ordination of budget preparation, including the issue of budget guidance and standardisation of the basis for presentation of budgets.

4.2 The Executive will, on consideration of the annual budget making report from the Executive Member for Finance, make recommendations to the Council regarding the Capital Programme. The Executive may also recommend the Reserve List.

4.3 The report from the Executive Member for Finance will consider the total capital resources available to Council, including any proposed prudential borrowing, the revenue implications of the proposed capital expenditure and the Capital Allowance over the life of the capital Medium Term Financial Strategy.

4.4 The Council, having considered the recommendations of the Executive shall determine the overall level of the Capital Budget, the Capital Programme, the Reserve List and the Capital Allowance.

## SPENDING ON CAPITAL SCHEMES

4.5 No expenditure or commitment on a capital scheme or project shall take place unless:-

- i) that scheme was included in the approved Capital Programme or Reserve List; or
- ii) It has been approved by the Executive in accordance with 4.24 (or Chief Executive (in consultation with the Chief Finance Officer) in circumstances where in her/his view to delay any decision would seriously prejudice the Council's or the public interest and it is not practicable to convene a quorate meeting of the Executive); or
- iii) Approval has been given by the relevant Corporate Director in accordance with 4.6 and 4.26 below; and
- iv) the appropriate procedures for the inviting and acceptance of tenders have been followed, as set out in the Council's Procurement Rules.

4.6 There shall be delegated to the Chief Finance Officer, the authority to incur expenditure up to and including £150,000 in any one case and subject to the resources being available, on the following areas:

- i. Financial assistance to housing associations;
- ii. Advances under the Council's house purchase scheme, subject to such limits as the Council may impose from time to time;
- iii. Acquisitions of interest in land, provided that where the land in question is within an area which is the subject of a resolution by the Executive for compulsory purchase under any enactment, the Chief Finance Officer shall have authority to authorise the acquisition of such interest whether by agreement or under compulsory purchase powers without financial limit, but subject to all necessary consents and approval;
- iv. An overspend on a Capital Scheme that cannot be covered within the existing Capital Programme, where the total approved over-spend on one or more schemes in any one financial year does not increase the overall budget for the Capital Programme by more than 0.1%.

4.7 The Executive may change the capital programme to reflect alterations in overall resource assumptions, or unforeseen spending requirements, or in light of the monitoring reports referred to above, provided that such changes do not lead to a change in the Capital Programme by more than £1,000,000, subject to the resources being available.

4.8 For clarity, the acquisition of land or buildings is considered capital expenditure and will be subject to the Financial Regulations governing Capital Expenditure.

#### CHANGES TO CAPITAL BUDGETS

4.9 Where the nature and content of a Capital Programme commitment agreed by Council in the Budget report is materially varied, the procedures for approving capital virements shall apply even if the financial commitments remain within agreed expenditure limits. What constitutes materially varied shall be decided by the monitoring officer.

#### SLIPPAGE

4.10 The Chief Finance Officer shall, provided he is satisfied as to the underlying circumstances, be entitled to approve slippage up to £1,000,000 for each Capital Scheme in the following circumstances:

- i. delays as a result of planning procedures / conditions / objections;
- ii. failure to procure required contractors;
- iii. loss of key personnel on a capital scheme;
- iv. dependency on other overrunning projects;
- v. delays as a result of external factors over which the Council cannot be reasonably considered to have any control;
- vi. changes to the cash-flow of a Capital Scheme that does not alter the operational delivery of the project.

4.11 In all other circumstances, slippage requests must be approved by the Executive.

4.12 Following any slippage approved by the Chief Finance Officer, the resultant Capital Programme must be reported to the Executive.

## OVERSPENDS

4.13 In calculating expenditure for the purposes of assessing whether or not a scheme is within the approved budget for that scheme, related costs by way of fees and professional charges and all other incidental costs shall be included. This should be considered across the total cost of the scheme and not restricted to any one year.

4.14 Where monitoring reports indicate that the level of spending on one or more Capital Schemes in the current year will exceed the level of provision for those schemes, then the responsible Corporate Director shall develop an action plan to contain or reduce such overspend, including, where appropriate, seeking virement approval.

4.15 Where the total cost of a scheme or project appears likely to exceed the sum allocated to that scheme, the responsible Corporate Director may authorise such overspend up to £75,000 provided that the overspend does not lead to the total capital expenditure in that Department to exceed the relevant Departmental Allocation for the year.

4.16 Any such authorisation must be reported to the Chief Finance Officer.

4.17 Any such authorisation that exceeds £75,000 or cannot be contained within the relevant Departmental Allocation must be reported to the Chief Finance Officer who may authorise the overspend to be contained in the Capital Programme where appropriate. Where the overspend cannot be contained within the Capital Programme, the Chief Finance Officer may authorise an over spend as long as the total approved over-spends in any one financial year does not increase the overall budget for the Capital Programme by more than 0.1% and subject to the resources being available.

4.18 Any such authorisation that increases the overall budget for the Capital Programme by more than 0.1% must be approved by the Executive. In addition, overspends which exceed 10% of the sum allocated to a Capital Scheme must be approved by the Executive.

4.19 The Executive may vary the capital programme if necessary to contain such an overspend. Council approval is required for overspends that increase the Capital Programme by more than £1,000,000, subject to the resources being available.

## UNDERSPENDS

4.20 In calculating expenditure for the purposes of assessing whether or not a scheme is within the approved budget for that scheme, related costs by way of fees and professional charges and all other incidental costs shall be included.

4.21 Where monitoring reports indicate that the level of spending on one or more schemes in the current year will be below the amount allocated to a department, the responsible Corporate Director may agree the inclusion of additional schemes within the current year's programme. The inclusion of these additional schemes is on the basis that:

- i) the additional schemes have been approved as part of the Capital Programme or Reserve List;
- ii) the capital virement rules have been complied with;
- iii) the Chief Finance Officer is satisfied that there are sufficient capital resources available to fund the existing Capital Programme.

#### CAPITAL VIREMENTS AND TECHNICAL ADJUSTMENTS

4.22 The following limits shall apply to capital virements:

- i. Corporate Director(s) are allowed to approve virements of up to £500,000 between Capital Schemes;
- ii. For sums above £500,000 approval should be sought from the Chief Finance Officer;
- iii. All sums greater than £1,000,000 must be approved by the Executive or the Council if the virement alters Departmental Allocations.

4.23 All capital virements and technical adjustments must be reported to the Chief Finance Officer.

#### OTHER CHANGES TO THE CAPITAL BUDGET

4.24 Subject to the resources being available, the Executive may change the capital programme to reflect alterations in overall resource assumptions, or unforeseen spending requirements, or in light of the monitoring reports referred to above, provided that such changes do not lead to a change in the Capital Programme of more than £1,000,000.

4.25 The allocation of the Council's Capital Contingency shall be recommended to the Executive who shall have the authority to agree such allocations.

4.26 The allocation of monies paid or payable to the council under the Community Infrastructure Levy Regulations 2010 or pursuant to agreements entered into under section 106 of the Town and Country Planning Act 1990 shall be recommended to the Executive where the particular allocation to a project of monies paid under a particular agreement or a number of separate agreements or from CIL contributions exceeds £1m but shall otherwise be recommended to and agreed by the Corporate Director for Environment and Regeneration in consultation with the Chief Finance Officer. The recommendations to both the Executive and the Corporate Director for Environment and Regeneration will be approved by the Borough Investment Panel, within the guidelines established in its Terms of Reference.



4.27 Any changes to capital funding (for example an earmarked, departmental capital grant) that do not result in an increase in available Corporate Capital Resources may be approved by the relevant Corporate Director and reported to the Chief Finance Officer. Additionally, any changes greater than £500,000 must be approved by the Chief Finance Officer.

## CAPITAL BUDGET MONITORING CONTROL AND REPORTING

4.28 Corporate Directors are responsible for monitoring progress on all capital schemes within their departments or divisions and for reporting to the Chief Finance Officer on the delivery of the capital programme and any predicted overspend that exceeds 10% of the budget for an individual scheme or 5% of a Departmental Allocation.

4.29 The Executive shall receive regular reports setting out in respect of each department the projected capital expenditure for the relevant financial year and variances, if any, from the agreed Departmental Allocations.

## 5 EXTERNAL ARRANGEMENTS

### ACCOUNTABLE BODY AND PARTNERSHIP ARRANGEMENTS

5.1 A Partnership Arrangement is an arrangement between the Council and one or more other bodies or persons (excluding collaborative procurements) to achieve objectives of the Council and at least one of the other parties which involves one or more of the following:

- sharing of risk in relation to the subject matter of the arrangement;
- joint planning and decision-making such as joint commissioning;
- joint delivery of services;
- sharing of resources,

but which is not a contract for the provision by one party to another of a supply, service or works in exchange for a fee or other consideration.

5.2 Exercise of a function that would confer accountable body status on the Authority or would result in a Partnership Arrangement with another body must be approved in writing by the Chief Finance Officer or approved by the Executive.

5.3 The Executive is responsible for approving delegations, including frameworks for partnerships. The Executive is the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs. Where functions are delegated, the Executive remains accountable for them to the Full Council.

5.4 The Chief Finance Officer must be informed and written approval obtained, before entering into any proposed accountable body or partnership arrangement. Corporate Directors must provide to the Chief Finance Officer (unless he/she confirms in writing this is unnecessary in the particular case):

- i. evidence of scheme appraisal for financial viability in both the current and future years;
- ii. a risk appraisal, including a management action schedule and a statement setting out the internal control framework;

- iii. confirmation of funding streams, the level of contribution and how they have been determined;
- iv. evidence of the funding agreement, including the treatment of any under or overspending;
- v. in the case of a partnership arrangement, details of service continuation proposals upon expiry;
- vi. evidence of the financial viability of any partners;
- vii. details of any performance/output standards that must be achieved and who will monitor them;
- viii. details of the agreed audit arrangements;
- ix. the protocol for any disputes;
- x. the arrangements put in place for the review of inflation and efficiency saving; and
- xi. which assets will be used and who will own them.

5.5 In addition Corporate Directors must:

- i. ensure that all statutory accounting requirements are identified and that adequate accounting arrangements are agreed in order to ensure that all expenditure and income is properly incurred/received and recorded;
- ii. maintain a register of all arrangements entered into with external bodies and ensure that agreements and arrangements are properly recorded; and
- iii. ensure that such arrangements do not impact adversely upon other services provided by the Council.

5.6 Where a partnership arrangement includes a pooled budget the Chief Finance Officer must be notified of:

- i. who will be the lead and host authority;
- ii. who will be the pooled budget manager; and
- iii. the provisions of the agreement.

5.7 The Monitoring Officer and Chief Finance Officer are responsible for promoting and maintaining the same high standards of conduct with regard to financial administration in partnerships that apply throughout the Authority.

5.8 The Chief Finance Officer must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. He or she must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. He or she must ensure that the risks have been fully appraised before agreements are entered into with external bodies.

## EXTERNAL FUNDING

5.9 When seeking or bidding for external funding, including grants, Corporate Directors must ensure that the objectives of the funding programme are consistent with the Council's objectives and priorities.

5.10 Corporate Directors must also ensure that the receipt of any external funding does not lead to a resource commitment in future years that does not have a sustainable funding source. The Chief Finance Officer must be advised of any such arrangements prior to entering into the same. When applicable Corporate Directors must ensure that the Council's recordable decisions policy is complied with.

5.11 Corporate Directors responsible for expenditure funded wholly or partly by central government and or other external bodies/partners must ensure that:

- i. all funding notified by external bodies is received and properly recorded in their accounts;
- ii. the match funding requirements are considered prior to entering into agreement and that future revenue budgets reflect these requirements;
- iii. service output targets/requirements can be met and that adequate arrangements are put in place for their monitoring and reporting;
- iv. any audit requirements are met;
- v. any other conditions associated with the funding are achievable and complied with.

## WORK FOR THIRD PARTIES

5.12 The Executive is responsible for approving the contractual arrangements for any work for third parties or external bodies where those contracts exceed the financial thresholds above which officers may not award contracts, as set out in the Constitution and the Procurement Rules.

5.13 The Corporate Director of any department or division that is entering into contractual arrangements to work for a third party or external body shall be responsible for ensuring that:

- i. appropriate insurance arrangements are made;
- ii. all potential risks are identified and actions to mitigate these risks put in place;
- iii. wherever possible, payment is received in advance of the delivery of the service;

- iv. such contracts do not impact adversely upon the services provided by the Council;
- v. proper contractual documentation is maintained;
- vi. proper accounting and reporting arrangements exist.

## GRANTS TO OUTSIDE BODIES

5.14 Grants may be awarded by the Council under various statutory powers; for example Section 25 of the Local Government Act 1988 allows the provision of financial assistance to individuals in connection with housing needs.

5.15 Grants must be distinguished from contracts and it is essential that officers entering into grant arrangements carefully consider whether or not the Council wishes to enter into contractual relations with the recipient of money from the Council.

5.16 Where grants are to be given, the Council must ensure that the organisation in receipt of the grant adheres to the conditions attached to the grant.

5.17 It is essential that officers who administer grants ensure that there is a proper system in place to ensure that the Council is gaining value for money through its grant process. This includes having a robust monitoring, evaluation and reporting structure in place.

5.18 Grants must be paid into a UK bank account, the records relating to which the Council must be able to inspect.

5.19 Corporate Directors must ensure that adequate controls are included in all procedures to safeguard the Council, its resources and its assets from fraud or loss.

## 6 TREASURY MANAGEMENT

6.1 The Authority's borrowings and investments comply with the CIPFA Code of Practice on Treasury Management in Public Services and with the Authority's Treasury Management Policy Statement and its Annual Investment Strategy:

- i) The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code) 2001 as described in section 4 of that Code;
- ii) Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management;
  - a) a treasury management policy statement (TMPS), stating the policies and objectives of its treasury management activities;
  - b) suitable treasury management practices (TMP), setting out the manner in which the organisation will seek to achieve those policies and objectives and prescribing how it will manage and control those activities.

iii) The Council will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year. The Executive will receive an annual report after its close, in the form prescribed in its TMP.

iv) Responsibility for the implementation and monitoring of its treasury management policies and practices is delegated to the Executive and the execution and administration of treasury management decisions to the Chief Finance Officer. That Director will act in accordance with the organisation's TMPS and TMP and CIPFA's Standard of Professional Practice on Treasury Management.

6.2 The responsibilities of the Chief Finance Officer in relation to treasury management and banking will include:

i) 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 in Public Services, the Authority's TMPS and the Annual Investment Strategy required under the Local Government Act 2003.

Treasury management activities are defined as:

"The management of the authority's 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";

ii) To report on treasury management activities to the Executive and Council in compliance with the CIPFA Code and Guidance on Local Authority Investments issued by the Secretary of State;

iii) To operate bank accounts as are considered necessary – opening or closing any bank account shall require the approval of the Chief Finance Officer

6.3 The responsibilities of the Chief Finance Officer in relation to investments and borrowing will include:

i) To ensure that all investments of money are made in the name of the Authority or in the name of nominees approved by the full Council;

ii) 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 Director;

iii) To effect all borrowings in the name of the Authority;

iv) To act as the Authority's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the Authority.

## 7 DISPOSAL AND ACQUISITION OF NON LAND ASSETS

### DISPOSAL OF NON LAND ASSETS WITH A MARKET VALUE LESS THAN £50,000

7.1 Materials, plant, machinery, fittings, equipment, stocks or stores which by reason of damage, wear or obsolescence are no longer serviceable for the purposes for which they are held or are surplus to requirements may be disposed of, provided that where any item or any part of it has a resale value:

- i) prior to disposal, approval is obtained from the relevant Corporate Director or other person authorised by the Corporate Director, in accordance with Part 3 Paragraph 8.7 and Appendix 3 of the Constitution;
- ii) the item or part item, is sold in the best available market and at the best price that can be reasonably obtained;
- iii) following the disposal, the Chief Finance Officer is notified which asset has been disposed of and the level of receipts generated, where this exceeds £10,000.

7.2 Before the disposal of any leased asset, Corporate Directors shall notify the Chief Finance Officer in writing, so that the terms of the lease may be examined.

### DISPOSAL AND ACQUISITION OF ALL NON LAND ASSETS WITH A MARKET VALUE EXCEEDING £50,000

7.3. Where the estimated market value of non land assets exceeding £50,000 is proposed, then authority for its disposal must be given by the Executive.

### DISPOSAL AND ACQUISITION OF LAND ASSETS

7.4 The powers of the Executive, Corporate Director of Resources and Director of Financial Management to acquire and dispose of land and real property are set out in Part 3 and Appendix 3 of the Constitution.

### LEASES

7.5 The powers of the Executive, Corporate Director of Resources and Director of Property and Procurement and the Corporate Director of Housing to acquire and dispose of land and real property are set out in Part 3 and Appendix 3 of the Constitution.

7.6 Corporate Directors will ensure that the Council does not enter into leases without first obtaining the consent of the Chief Finance Officer and, if applicable, approval of the relevant scheme in the capital programme.

7.7 Corporate Directors will provide the Chief Finance Officer with details of all current leases and agreements under which the Council incurs any financial liability or obtains any financial gain.

## 8 RISK MANAGEMENT AND CONTROL OF RESOURCES

### INTRODUCTION

8.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational risks to the Authority. This should include the proactive participation of all those associated with planning and delivering services.

### RISK MANAGEMENT

8.2 The Corporate Director of Resources in Consultation with the Chief Finance Officer is responsible for the Authority's risk management policies and for promoting them throughout the Authority.

8.3 The Audit Committee will review any risk management issues that arise out of its review of the work of the internal and external auditors.

### INSURANCE

8.4 The Corporate Director of Resources is responsible for effecting any necessary insurance cover and negotiating all claims with insurers.

8.5 Corporate Directors, Service Directors and Heads of Services shall give prompt notification to the Corporate Director of Resources of the extent and nature of all new risks to be insured and of any alterations affecting insurable risks.

8.6 Corporate Directors, Service Directors and Heads of Services shall immediately notify the Corporate Director of Resources in writing, of any loss, liability or damage covered by insurance in connection with their service.

### INTERNAL CONTROL

8.7 Internal control refers to the systems of control devised by management to help ensure the Authority's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Authority's assets and interests are safeguarded.

8.8 The Corporate Director of Resources in consultation with the Chief Finance Officer is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. The Corporate Directors should ensure that public funds are properly safeguarded and used economically, efficiently and in accordance with the statutory and other authorities that govern their use.

8.9 It is the responsibility of Corporate Directors to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

## AUDIT REQUIREMENTS

8.10 The Accounts and Audit Regulations 2015 require every local authority to maintain an adequate and effective internal audit.

8.11 The Audit Commission is responsible for appointing external auditors to each local Authority.

8.12 The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, as amended.

8.13 The Authority may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

## PREVENTING FRAUD AND CORRUPTION

8.14 The Corporate Director of Resources is responsible for the development and maintenance of an anti-fraud and anti-corruption policy.

## ASSETS AND SECURITY

8.15 Corporate Directors should ensure that records and assets are properly maintained and securely held. Corporate Directors should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

8.16 The Corporate Director of Resources in consultation with the Chief Finance Officer shall agree maximum limits for cash holdings and these shall not be exceeded without his/her express permission.

8.17 The Corporate Director responsible for the Digital Services shall agree with Corporate Directors and other persons involved, the degree of privacy of the information held on corporate computerised systems. The Corporate Director responsible for Digital Services shall then be responsible for maintaining proper security and the agreed degree of privacy of the information held in order to comply with the Data Protection Act 2018. Corporate Directors shall be responsible for maintaining proper security and the appropriate degree of privacy of information in accordance with the Council's ICT Security Policy Framework.

## BANKING ARRANGEMENTS

8.18 The Chief Finance Officer is responsible for making arrangements with the Council's bankers and National Giro-bank, concerning opening of bank accounts.

8.19 All payments on behalf of the Council other than petty cash payments will be made by

- i) Cheques drawn on bank accounts opened with the authority of the Chief Finance Officer for any particular establishment of the Council under the control of the nominating Director; or



- ii) Bankers automated clearing services order direct to the recipient's personal account; or Direct debit, the mandate for which must be signed by two of the officers of the Finance Service authorised by the Council to sign cheques; or
- iii) CHAPS transfer direct to the recipients account by one of the named officers authorised by the Chief Finance Officer;
- iv) Debit cards including e.g. purchase cards in accordance with procedures approved by the Chief Finance Officer;
- v) Any other electronic payment method approved by the Chief Finance Officer.

8.20 All monies received for or/on behalf of the Council shall be paid promptly and intact into the appropriate accounts.

# PROCUREMENT RULES

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## A – FINANCIAL REGULATIONS

### 1. Introduction and Thresholds

- 1.1 These mandatory rules apply to all spend by officers or agents of the Council and partnerships for which the Council has responsibility, on goods, works and services, including when we are leading in a central purchasing body arrangement. References to the Council in these Procurement Rules should be substituted by any relevant partnership as appropriate. The rules ensure we comply fully with our obligations for Standing Orders under the Local Government Act 1972 Section 135. It is a disciplinary offence for officers/agents not to follow the Procurement Rules. These rules govern any purchase, lease, rental or combination but exclude employment arrangements or Council land arrangements.
- 1.3 Any explanation or clarification of these Procurement Rules should come exclusively from the Council's Strategic Procurement Team or Legal Services.
- 1.4 Where there is conflict between European Law, UK Law, or Council policy then European Law, UK Law then Council policy shall apply in that order of priority. No officer, member or the Executive has any authority to waive any matter which is required under the law.
- 1.5 These rules ensure competition, provide protection against inappropriate use of Council funds, look at full life costs of any purchase, assist legislative compliance and deliver best value by the Council supported by our policies and codes of practice.
- 1.6 The procedure to be followed is determined in Value Bands of whole life value (recurring procurements based on four years of value) across the entire Council. The calculation of the whole life value of a procurement shall be based on the total amount payable, net of VAT, as estimated by the Council including any potential renewals or contract extensions. Spend must not be fragmented in any way to circumvent the appropriate procedure. The budget must be appropriately approved by the relevant officer of the Council prior to spending. Where an exact value is not known then the decision should be based on the estimated value.
- 1.7 The procedure is:
  - 1.7.1 Utilise an existing corporate contract wherever available (for more information refer to our website); or
  - 1.7.2 When no corporate contract is available, follow the procedure set out in Table 1.

Table 1

<b>All Contracts</b>		
<b>Value Band</b>	<b>Estimated whole life value (excluding VAT)</b>	<b>Required Procedure</b>
i)	£ 0 - £4,999	<p>No formal written quotation required.</p> <p>Spend should be made by purchase card wherever possible.</p>
ii)	£5,000 to £24,999	<p>One (1) written quotation from a suitable provider with a reason for decision based on value for money recorded in writing.</p> <p>All contracts within this value band must be notified by email to the Strategic Procurement Team to be recorded on the corporate contracts database register.</p>
iii)	£25,000 and the supplies/services threshold mentioned in 2.2.	<p>A minimum of three (3) competitive written quotations with justification on grounds of value for money for award recorded in writing.</p> <p>The three (3) quotations must include one (1) quotation from a local (Islington) supplier, as long as a suitable supplier is available.</p> <p>Where contracts within this Value Band are to be advertised, the agreement of the Head of Strategic Procurement is required. The Head of Strategic Procurement (or their nominated representative) will advise on the wording and content of the advertisement and must additionally arrange for the advertisement to be placed in Contracts Finder.</p> <p>All contracts within this value band must be notified by email to the Strategic Procurement Team to be recorded on the corporate contracts database.</p>

Table 2(a)

<b>Services and Supplies Contracts other than “Light Touch” (see section 2.2) Services*</b>		
<b>Value Band</b>	<b>Estimated whole life value (excluding VAT)</b>	<b>Required Procedure</b>
iv)	The supplies/services threshold mentioned in 2.2.	<p>Contact Strategic Procurement Team who will look at the availability of an existing suitable consortium or framework arrangement.</p> <p>If one is not available:</p> <p>a formal tender process with a minimum of five (5) written competitive tenders.</p> <p>Where five (5) written competitive tenders are not available or a lower number is desired, the commissioning client officer shall follow the advice of the Head of Strategic Procurement (or their nominated representative).</p> <p>All contracts within this value band must be notified by email to the Strategic Procurement Team and subsequent guidance adopted.</p> <p>Note: European advertising requirements will have to be complied with for the procurement of most services in this category (see 2.2) in addition to the Council’s portal and advertising in Contracts Finder. European advertising requirements will only apply to the procurement of works contracts that have a value that is above the relevant EU threshold for works.</p>

Table 2(b)

<b>“Light Touch” Services (see section 2.2), Concessions (see section 2.3) and Works Contracts</b>		
<b>Value Band</b>	<b>Estimated whole life value (excluding VAT)</b>	<b>Required Procedure</b>
iv)	The supplies/services threshold mentioned in 2.2. - Up to £500k revenue or £1m Capital	<p>A minimum of four (4) competitive written quotations (or 5 in the case of contracts exceeding £250k revenue of £500k capital) with justification on grounds of value for money for award recorded in writing.</p> <p>The quotations must include one (1) quotation from a local (Islington) supplier, as long as a suitable supplier is available and be obtained through the council’s e-tendering system, unless agreed otherwise by the Head of Strategic Procurement.</p> <p>Where contracts within this Value Band are to be advertised, the agreement of the Head of Strategic Procurement is required. The Head of Strategic Procurement (or their nominated representative) will advise on the wording and content of the advertisement and must additionally arrange for the advertisement to be placed in Contracts Finder.</p> <p>Where four (4) written competitive tenders are not available or a lower number is desired, the commissioning client officer shall follow the advice of the Head of Strategic Procurement (or their nominated representative).</p> <p>All contracts within this value band must be notified by email to the Strategic Procurement Team to be recorded on the corporate contracts database.</p>

iv) - b	£500k revenue or £1m Capital	<p>Contact Strategic Procurement Team who will look at the availability of an existing suitable consortium or framework arrangement.</p> <p>If one is not available:</p> <p>a formal tender process with a minimum of five (5) written competitive tenders.</p> <p>Where five (5) written competitive tenders are not available or a lower number is desired, the commissioning client officer shall follow the advice of the Head of Strategic Procurement (or their nominated representative).</p> <p>All contracts within this value band must be notified by email to the Strategic Procurement Team and subsequent guidance adopted.</p>
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1.7 Engagement of consultants requires the completion of a business case in line with the online guidelines provided by the Strategic Procurement Team. The business case should be completed by the client commissioning officer. The client commissioning officer is the person in the Council responsible for identifying and specifying the need(s) for the contract. Initial approval of the business case is required from the client commissioning officer's Corporate Director (or their nominated representative). A panel consisting of the Strategic Procurement Team, Finance and an independent departmental representative will assess the business case. The client commissioning officer will then be informed whether or not they can procure their consultant or whether more information is needed for a decision to be reached.

1.8 Concession agreements are agreements under which the consideration given by the council consists of or includes the grant of a right to exploit the work or services to be carried out under the contract. For the purposes of the Procurement Rules, the Value Bands requirements in Table 1 will apply based on the estimated value to be received over the whole life of the agreement.

## 2. Value Based Procedures

2.1 All contracts with an estimated value in value band iv) must be advertised on the Islington Council website, the Council's online e-tendering portal and Contracts Finder, unless otherwise agreed by the Head of Strategic Procurement. The advertisement must include unless otherwise authorised by the Head of Strategic Procurement (or their authorised representative):



- 2.1.1 the price/quality breakdown of award criteria;
- 2.1.2 the time by which an interested party must respond to be considered;
- 2.1.3 how, to whom and in which way to respond;
- 2.1.4 any other relevant requirements for participating in the procurement.

The price/quality breakdown of award criteria including any weighting cannot be amended during the tender process once published.

2.2 The Public Contract Regulations 2015 (the Regulations) apply to all contracts although which specific rules apply will depend on the value and subject matter of the contract. Specific advertising and tender process requirements apply to the procurement of some contracts with a value estimated to exceed thresholds of **£181,302** whole life value for supplies/services and **£4,551,413** whole life value for works. The Strategic Procurement Team shall advise whether a contract is supplies, services or works in accordance with the Regulations and the definitions below:

- 2.2.1 a supplies contract is an agreement which has at its object the purchase, lease, rental or hire-purchase, with or without the option to buy, a physical product or piece of software, including any incidental matter, siting or installation;
- 2.2.2 a service contract is an agreement which has at its object the action of performing an activity or operation for or on behalf of the Council without a physical product;
- 2.2.3 a works contract is an agreement which has as its object a mixture of service or labour and transfer of goods, leading to the realisation or improvement of a physical asset, for example a building contract.

The Strategic Procurement team shall provide the appropriate Common Procurement Vocabulary (CPV) code(s) for any required Contract Notice.

- 2.3 In the case of services contracts, the Strategic Procurement Team shall determine whether the service is covered by the “light touch” regime under the Regulations. Light touch contracts are for services which tend to be of lower interest to cross-border competition and include certain social, health and education services, defined by CPV codes. The list of services to which the Light Touch Regime applies is set out in Schedule 3 of the Public Contracts Regulations 2015 (Annex A). Light-touch regime services which exceed a whole life value of £615,278 also will be subject to advertising within the Official Journal of the European Union (OJEU).
- 2.4 Concessions (or contracts for income) are subject to the advertising requirements of Procurement Rule 1.8 and additionally to advertising within OJEU when they exceed whole contract life value of £4,551,413 in terms of income and/or monies received.
- 2.5 Contracts exceeding £500,000 or where directed by the Director of Law and Governance, must be signed as a deed by Director of Law and Governance or their authorised representative (contracts below this threshold where no alternative instruction has been provided shall be signed by two Authorised Officers of the Council). Contracts must be signed prior to works commencing, services starting or goods being delivered, unless otherwise agreed in writing by the Director of Law and

Governance and recorded in the contract file. The Legal Services Contracts Team will supply the wording for any Letter of Intent. Letters of intent represent a risk to the Council and should only be used where absolutely unavoidable.

- 2.6 Contracts exceeding £500,000 need to be approved in advance by any applicable board, as determined by the Head of Strategic Procurement (or their nominated representative).
- 2.7 In relation to contracts with an estimated value (to the Council) which exceeds the delegated authority of the Corporate Director as set out in Procurement Rule 18 (as applicable for the type of spend in question), approval of the Procurement Strategy is required from the Executive. This is not required in the case of Capital Spend under contract for works approved as part of the capital programme which are to be provided under a framework agreement (established by the council on its own or in partnership with any other organisation). Revenue and Capital Spend are more particularly defined within the Financial Regulations.
- 2.8 Where Procurement Strategy approval is required, a report (complying with the Access to Information Rules in Part 4 of the Constitution) must be provided to the Executive pre tender setting out the following relevant information:
  - 2.8.1 Nature of the service;
  - 2.8.2 Estimated value and volumes;
  - 2.8.3 Timetable;
  - 2.8.4 Options appraisal for tender procedure including consideration of collaboration opportunities;
  - 2.8.5 Consideration of: social benefit clauses, London Living Wage, best value, TUPE, pensions and other staffing implications;
  - 2.8.6 Award criteria;
  - 2.8.7 Any business risks associated with entering the contract;
  - 2.8.8 Any other relevant financial, legal or other considerations.

### **3. Exceptions to the Procurement Procedure**

- 3.1 When procuring goods and services from an approved central purchasing body such as the London Contracts and Supplies Group (LCSG) or Crown Commercial Services (CCS) the financial thresholds in table 1 of the Procurement Rules do not apply. In these instances the procedures laid out in the existing contract or framework prevail which may require a mini competition (or quotation exercise) to be completed. The Council's rules in respect of Recordable and Key Decisions will always apply.
- 3.2 Exceptions to the Procurement Rules (including in the case of any collaborative arrangement between the Council and any other body under which the other body undertakes a procurement process with or on behalf of the Council) will only be considered on the basis of a written report ("waiver request") produced in advance of

procurement activity. The waiver request should set out good operational and financial reasons and be based on value for money principles. Examples of exceptions, such as an emergency where serious financial loss or loss of life may be concerned, or when the goods, works or services are of an exclusive proprietary nature should be outlined in the waiver request.

- 3.3 Where the collaboration is on-going (e.g. in the case of a shared service arrangement) exceptions may be agreed in respect of all procurements by the other body which are undertaken as part of that arrangement.
- 3.4 The waiver request must include comments from the Legal Services Contracts Team, Strategic Procurement and Finance.
- 3.5 Corporate Directors (and Service Directors and Heads of Service where appropriately authorised) can agree exceptions for Value Bands i), ii) and iii) contracts up to their delegated authority levels by approving a written waiver request.
- 3.6 Corporate Directors (and Service Directors where appropriately authorised) can agree exceptions for Value Band iv) contracts up to their delegated authority levels by approving a written waiver request.
- 3.7 A Recordable Decision report must be completed where appropriate. Only the Executive can agree exemptions in the case of Value Band iv) contracts where the value exceeds the Corporate Director delegated authority and it will be necessary for a formal report to be submitted.
- 3.8 The Executive does not have authority to waive or override the requirements of European or national law.
- 3.9 Exceptions to the Procurement Rules, other than use of an approved central purchasing body, will only be approved under exceptional circumstances where there are significant reasons to justify the request..

#### **4. Risk and Insurance Financial Management**

- 4.1 All Value Band iv) procurements must have a risk assessment completed by the client commissioning officer in line with the Council's standard processes.
- 4.2 All Value Bands procurements should give consideration to financial and legal risks of the proposed procurement. For Value Band iv) this should be recorded in writing.
- 4.3 All contracts where there is direct advice and/or design services provided by a contractor, including all Consultancy arrangements, must include a requirement for Professional Indemnity Insurance.
- 4.4 For Value Band iii) procurements all contractors must have and maintain Public Liability insurance and Employers Liability insurance of £5,000,000 or more in addition to any other insurance recommended by the Insurance Section of the Council. Value Band iv) procurement insurance values should be checked with the Insurance Section. (Note: sole traders with no employees are excluded from Employers Liability.)

- 4.5 Corporate Directors and (where they have appropriate authorisation) Service Directors and Heads of Service may agree an exception to insurance values for public liability and professional indemnity in respect of contracts up to Value Band iii). A Corporate Director or authorised Service Director may agree a variation to an insurance value at Value Band iv). All variations to agreed insurance levels must be made in discussion with the Insurance Section and the Director of Law and Governance (or their authorised representative). All variations must be recorded in writing in the contract file.
- 4.6 All potential Contractors to the Council shall have a financial appraisal undertaken prior to being awarded a Value Band iv) contract.
- 4.7 The Strategic Procurement Team shall procure independent financial appraisals as required unless otherwise agreed by the Head of Strategic Procurement (or their nominated representative).
- 4.8 In the event of any doubt as to the Contractor's financial viability, or any non-availability of an external report, the Commissioning officer's finance contact shall provide expert advice. Consideration may still be made of the Contractor if the risk is deemed acceptable by Corporate Directors (or authorised Service Directors) and agreed with the Head of Strategic Procurement (or their nominated representative).
- 4.9 Financial appraisals are not required when contracting directly with other local authorities, the Police, Crown Prosecution Service, Greater London Authority, Clinical Commissioning Groups, National Health Service, Her Majesty's Prison Service, Fire Brigade or other public sector bodies as agreed by the Head of Strategic Procurement (or their European equivalents in all cases). Such organisations are underwritten by Central Government(s) and thus are deemed financially viable at all times.
- 4.10 Where there is doubt as to the financial viability of a contractor but the Council has either no acceptable alternative provider or has decided to accept the level of risk then additional form of security to a level determined between Legal Services Contracts Team and financial services shall be provided such as:
- 4.10.1 a Parent Company, Ultimate Holding Company or Holding Company guarantee where their finance prove acceptable;
- 4.10.2 a Director's Guarantee or Personal Guarantee where their finances prove acceptable;
- 4.10.3 a Performance Bond, retained funds or cash deposit;
- 4.10.4 any other security as determined by finance and/or legal services.
- 4.11 A Corporate Director can decide in the case of contracts with a total value up to £5,000,000, that the level of security specified by finance and/or Legal Services Contracts Team need not be provided by the tenderer. A written record by the Corporate Director of this decision and the reason(s) for it must be kept in the contract file.
- 4.12 A contractor may need to provide security of performance.

- 4.13 Before a contract is awarded, the Executive must approve the award of a contract where the contractor cannot provide security of performance for contracts with a total contract value of more than £5,000,000. The report seeking approval of the Executive must set out the reason why it is proposed that the contract should be awarded despite the absence of security and what measures are to be taken to manage the risk.

## **5. E-Procurement**

- 5.1 The Council recognises the following e-procurement activities, including sourcing, ordering, receiving goods and making payments to achieve best value in line with the Procurement Rules and Council policies:
- 5.1.1 Corporate purchase cards;
  - 5.1.2 Electronic tendering;
  - 5.1.3 Electronic auctions;
  - 5.1.4 Purchase-to-pay systems;
  - 5.1.5 Consolidated and electronic invoicing.
- 5.2 Assistance for using e-auction may be obtained from the Strategic Procurement Team. All e-auctions require the authorisation of the Head of Strategic Procurement (or their nominated representative).
- 5.3 An electronic signature is acceptable to make a contract legally binding. However contracts must still be printed by the commissioning client officer and appropriately signed or sealed to comply with Council procedures.

## **B – POLICY, REGULATIONS, INDIRECT RULES**

### **6. Resident Impact Assessment**

- 6.1 It is mandatory to complete a Resident Impact Assessment (RIA) for all contracts in value band iv) prior to the specification being completed. RIAs have replaced Equality Impact Assessments (EIAs) in Islington. Although there is no legal requirement to carry out EIAs, public bodies still have to demonstrate that they are taking the Public Sector Equality Duty (PSED) into account when making decisions. Local authorities also have obligations in relation to safeguarding and human rights. The main focus of RIAs is on drawing out the equality impacts of proposals with additional sections for highlighting safeguarding risks and potential human rights breaches.
- 6.2 Contract clauses inserted in respect of a Protected Characteristic must be approved by the Legal Services Contracts Team.
- 6.3 Contractors may be encouraged to undertake appropriate equalities training.
- 6.4 Contractors will be required to sign the Fairness and Equality Charter in all procurement in value band iv)., Any exception must be approved by the Head of Strategic Procurement (or their authorised representative).

## **7. Corporate Priorities**

- 7.1 All contracts shall support the priorities set out in the Corporate Plan and/or Strategy.
- 7.2 Corporate priorities may change from time to time. For further information refer to [www.islington.gov.uk](http://www.islington.gov.uk).

## **8. Responsible Procurement**

- 8.1 The Council has made a commitment to responsible procurement.
- 8.2 Officers shall consider the effect on the environment of their commissioning when procuring by:
  - 8.2.1 not specifying, purchasing or using products that damage the environment when a reasonable alternative is available to promote behaviour that causes the least damage to the environment;
  - 8.2.2 taking into account whole life costs such as energy, maintenance and end of life disposal costs where appropriate in tender evaluations;
  - 8.2.3 recognising that sustainability and buying environmentally friendly goods and services is part of continuous improvement;
  - 8.2.4 completing an environmental impact assessment on all value band iv) contracts.
- 8.3 Officers shall, consistently with the council's Best Value duty and so far as permitted by relevant procurement legislation, consider the effect on others of their commissioning when procuring by:
  - 8.3.1 ensuring that the council's Public Sector Equality Duty is complied with in all procurement activity;
  - 8.3.2 promoting fair employment practices (also see Rule: London Living Wage);
  - 8.3.3 encouraging a diverse supplier base in contract advertisements, welcoming applicants who meet the qualitative selection criteria from voluntary and community sector enterprises (VCSEs), social enterprises, staff mutuals, not for profit enterprises and small to medium enterprises;
  - 8.3.4 considering Social Value at each stage of the procurement (also see Rule: Public Services (Social Value) Act 2012) .

## **9. Freedom of Information Act 2000**

- 9.1 The Freedom of Information Act 2000 gives people the right to see information that is held by any public organisation. It is intended to make public authorities more open and responsible for their actions. The Act recognises that there are some valid reasons for withholding information. Contractors must be asked to complete a Freedom of Information Schedule (or equivalent named schedule) identifying any confidential or commercially sensitive information in their tender response.

## **10. Conduct**

- 10.1 Officers shall conduct themselves in line with the Employee Code of Conduct available on the Council's internet pages. Officers must not accept any gift or reward before, during or after a tender process beyond nominal value. Officers must declare any personal interest(s) in a contract prior to any involvement in a contract the Council is/are considering or a contract that has already commenced.

## **11. Transfer of Undertakings (Protection of Employment) Regulations (TUPE)**

- 11.1 Whenever a new contractor is appointed to take over an existing service, the employees of the original contractor (or the Council, if the service was previously provided in-house) may be affected by transferring the services to another provider. If so, you must make sure TUPE issues are considered. You must get legal advice from the Legal Services before asking for tenders or quotations. This may also apply where a service is being re-configured and will in future be covered by a number of providers.

## **12. London Living Wage**

- 12.1 As a matter of policy, London Living Wage (LLW) must be considered on all contracts where the Citizen's UK accreditation criteria for contracts apply. LLW consideration is encouraged on all contracts and shall be considered on all Value Band ii) contracts and above. LLW shall be adopted on all contracts insofar as this is permitted by law. A report shall be produced setting out all relevant considerations. The consideration report must be included within the contract file. The report must be approved by the relevant Director, Head of Strategic Procurement and/or appropriate person under delegated authority.

## **13. Public Services (Social Value) Act 2012**

- 13.1 The Public Services (Social Value) Act 2012 came into force in February 2013. It covers services contracts that are covered by the Regulations but the principles can be applied to other contracts. In planning and conducting a Value Band iv procurement you must consider, and record within the contract file, how the procurement and contract shall:
- 13.1.1 consult and improve the economic, social and environmental well being of the borough and relevant partners;
  - 13.1.2 secure and achieve any noted economic, social and environmental improvement.

Consideration shall be proportionate, reasonable, relevant and non discriminatory to the procurement and subsequent contract.

## **C – RESPONSIBILITIES**

### **14. Commissioning and Procurement Board Responsibilities**

- 14.1 The Commissioning and Procurement Board shall provide leadership and governance to:
- 14.1.1 challenge the approach and strategy of commissioning officers across the Council for the purposes of improving efficiency including category management and collaboration to ensure proposals are robust and sustainable;
  - 14.1.2 help the Council to challenge costs, then identify and capture savings opportunities;
  - 14.1.3 review third party spend, risk/opportunities, performance and transparency information for the purposes of embedding compliance;
  - 14.1.4 appraise the Council's approach to the Community Right to Challenge and make any initial assessment and comments on expressions of interest prior to Executive decision;
  - 14.1.5 improve the quality of business cases and reports, guiding commissioners on corporate and organisational objectives;
  - 14.1.6 promote social, environmental and economic considerations – social value;
  - 14.1.7 encourage opportunities to help local employment and local economies;
  - 14.1.8 improve organisational knowledge in regard to third party spend and encourage a commercial approach that still focuses on the service user;
  - 14.1.9 modernise the approach to commissioning, procurement and contract management in service delivery;
  - 14.1.10 critically assess changes in the wider environment such as new developments in legislation or technology where additional guidance or support may be required.
- 14.2 The Commissioning and Procurement Board shall provide direction on the best approaches towards commissioning, procurement and contract management including appropriate supply chain related issues.
- 14.3 The Commissioning and Procurement Board will record minutes of their activities and these shall be made available upon request.

### **15. Supply Chain Practitioners Group Responsibilities**

- 15.1 The Supply Chain Practitioners Group shall:
- 15.1.1 keep an awareness of what supply chain activity is happening within departments;



- 15.1.2 act as a conduit of best practice for supply chain;
- 15.1.3 provide information for reports and input for newsletters;
- 15.1.4 maintain or liaise with the departmental person(s) responsible for maintaining the procurement forward plans for respective departments;
- 15.1.5 provide a first line information source on where to find supply chain information.

## **16. The Executive Responsibilities**

### 16.1 The Executive shall:

16.1.1 approve the award or variation of contracts where the value of the contract or variation (to the Council) is estimated to exceed officers delegated authority (in the case of Revenue Spend or Capital Spend) unless, in the case of Capital Spend the contract is for works approved as part of the capital programme which are to be provided under a framework agreement (established by the council on its own or in partnership with any other organisation) in which case, Corporate Directors and the Chief Finance Officer shall be authorised to approve such award. Revenue and Capital Spend are more particularly defined within the main Financial Regulations.

16.1.2 approve awards without performance security where the contract exceeds £5,000,000.

16.2 The Executive may delegate its responsibilities under this Rule 16 to Corporate Directors or the Chief Finance Officer.

## **17. Chief Executive Responsibilities**

17.1 The Chief Executive is responsible for making sure that Corporate Directors carry out their responsibilities under these rules and for acting or appropriately delegating where a Corporate Director is not able to carry out these responsibilities.

17.2 The Chief Executive has all the powers of the Corporate Director set out in Rules 18 and 19 below.

## **18. Corporate Director and Chief Finance Officer Responsibilities**

### 18.1 Corporate Director and Chief Finance Officer responsibilities include:

18.1.1 awarding contracts paid for using revenue money of up to £2,000,000 of Islington Council spend and contracts paid for using capital money of up to £5,000,000 of Islington Council spend

18.1.2 agreeing an amendment to a contract where the value of the amendment is up to £2,000,000 in the case of a revenue contract or £5,000,000 in the case of capital expenditure;

- 18.1.3 awarding contracts paid for using revenue money over £2,000,000 of Islington Council spend where authorised to do so under the constitution or by a specific Executive decision
- 18.1.4 awarding contracts paid for using capital money over £5,000,000 of Islington Council spend where authorised to do so under the constitution or by a specific Executive decision;
- 18.1.5 awarding contracts over £5,000,000 under a framework agreement (established by the Council on its own or in partnership with any other organisation) using capital money where the spend is part of the approved capital programme.

## **19. Corporate Director Responsibilities**

19.1 Corporate Director responsibilities include:

- 19.1.1 making sure that the Procurement Rules, Key Decision procedures and Access to Information rules are followed;
- 19.1.2 making sure the Council achieves value for money;
- 19.1.3 taking immediate action if someone breaks the Procurement Rules;
- 19.1.4 making sure proper and detailed records of all contracts are kept;
- 19.1.5 making sure a record is kept when it is decided that these Procurement Rules do not have to be followed;
- 19.1.6 making sure arrangements are in place for opening tenders (where not conducted through the Council's e-tendering portal under the responsibility of the Head of Strategic Procurement) and keeping departmental copies of tenders (in electronic soft copy or physical hard copy) safe;
- 19.1.7 making sure that the Council's corporate seal is placed on any document that needs to be 'sealed and executed' as a deed, and that where a document does not need to be sealed, it is signed by two authorised officers;
- 19.1.8 agreeing to waive security of performance on a contract up to £5,000,000 of Islington Council spend;
- 19.1.9 deciding to accept a contract with lower levels of insurance cover and to accept a contract without professional indemnity insurance;
- 19.1.10 deciding, with advice from the Head of Strategic Procurement (or their nominated representative) and the Legal Services Contracts Team (subject to rule 28.6) on whether to apply a competitive procedure with negotiation or a competitive dialogue where in response to an open or a restricted procedure only irregular or unacceptable tenders are submitted
- 19.1.11 in cases where the Public Contract Regulations do not require a specified process to be followed in respect of the procurement, agreeing to negotiate a contract direct with a completed waiver form; and

- 19.1.12 keeping a register of all contracts for their service and having all contracts duplicated on the corporate contracts database register with an official number.

## **20. Finance Responsibilities**

20.1 The finance department shall:

- 20.1.1 provide guidance to client commissioning officers on procurement implications to associated budgets where multiple departments could be affected;
- 20.1.2 commit the budget to being available for any procurement activity; and
- 20.1.3 comment on all reports for the Corporate Management Board and Executive Reports.

## **21. Legal Services Contracts Team Responsibilities**

21.1 The Legal Services Contracts Team shall:

- 21.1.1 provide advice on the Public Contract Regulations, the Procurement Rules and responsibilities to client commissioning officers;
- 21.1.2 prepare conditions of contract and associated documents to include in the tender documents in a timely manner;
- 21.1.3 advise on any legal issues arising in relation to the contract and the procurement process;
- 21.1.4 review any proposed Contractor terms and conditions at the request of the commissioning officer;
- 21.1.5 advise on and where required negotiate on behalf of the commissioning officer, amendments to the conditions of contract.

## **22. Commissioning officer Responsibilities**

22.1 Commissioning officers (officers leading on procurement) shall:

- 22.1.1 follow the Procurement Rules, decision making procedures and Access to Information rules;
- 22.1.2 in planning and conducting a Value Band iv) procurement consider, and record within the contract file, how the procurement and contract will:
  - 22.1.2.1 consult on and improve the economic, social and environmental well being of the borough and relevant partners;
  - 22.1.2.2 secure and achieve any noted economic, social and environmental improvement.

- 22.1.3 complete an Health and Safety Impact Assessment (other than where the purchase consists of system software to operate computer hardware), and London Living Wage consideration report for a Value Band ii) contract or above;
- 22.1.4 complete an Environmental Impact Assessment, and Risk Assessment for a Value Band iv) contract;
- 22.1.5 get a corporate contract database register number from the Strategic Procurement Team for all Value Band ii) contract or above;
- 22.1.6 instruct the Legal Services Contracts Team in good time to prepare, or give advice on, all terms and conditions;
- 22.1.7 notify Democratic Services and write appropriate reports needed by the Executive and to submit these in time to meet deadlines in both the committee schedules and procurement timetable;
- 22.1.8 ensure resources are in place to manage the let contract;
- 22.1.9 ensure there is sufficient budget for the contract;
- 22.1.10 seek legal advice when terminating a contract and/or withholding payments; and
- 22.1.11 ensure a minimum of one contract review per annum. This is to ensure the quality of the service and to promote continuous improvement.

### **23. Strategic Procurement Team Responsibilities**

23.1 The Strategic Procurement Team shall:

- 23.1.1 review the Procurement Rules and associated policies and documentation;
- 23.1.2 maintain a repository of skills and expertise to provide procurement advice;
- 23.1.3 support commissioning officers when going out to tender with an appropriate level of advisory support, examining options available to the commissioning officer in light of procurement best practice and legislation and to advise commissioning officers to liaise with Democratic Services regarding the council's decision making processes;
- 23.1.4 liaise with the Legal Services Contracts Team to assist in ensuring that all the advice provided and procedures being followed are legally compliant;
- 23.1.5 provide procurement and spend information for statistical purposes and return for the governmental organisations.

## **D – Procurement Administrative Process**

### **24. Quotations**

- 24.1 All quotations for Value Band ii) and iii) must be received in a written format of formal letter quotation, facsimile, email or catalogue and based on a written statement of needs and have a written justification under value for money for selection of provider;
- 24.2 All quotations for Value Band ii) and above should have formal terms and conditions as prepared or agreed by the Legal Services Contracts Team, unless the Legal Services Contracts Team provides exemption to those conditions.

### **25. Selection Criteria**

- 25.1 In accordance with the Regulations and with guidance from the Strategic Procurement Team, selection criteria may only relate to:
  - 25.1.1 Exclusion grounds;
  - 25.1.2 Suitability to pursue a professional activity;
  - 25.1.3 economic and financial standing;
  - 25.1.4 technical and professional ability.
- 25.2 The Council operates a selection questionnaire to ensure contractors meet these conditions where permitted by the Public Contract Regulations.
- 25.3 Any deviation from the council's standard selection questionnaire must be reported to the Head of Strategic Procurement for approval and subsequent reporting by the Head of Strategic Procurement to the Crown Commercial Service.
- 25.4 Organisations found guilty of conducting fraud, such as 'cover pricing', will not normally be considered. Organisations shall be required to make declarations in regards to professional and business conduct, including Blacklisting, to the satisfaction of the Council before being invited to tender or tenders assessed.

### **26. Award Criteria**

- 26.1 All award criteria must be linked to the subject matter of the contract, ensure the possibility of effective competition and be accompanied by specifications. The award conditions should be documented in the procurement documents including any weighting to be applied. Contractors assessed against these criteria are entitled to have access to their results and feedback, records must be kept of these results in line with retention procedures held by Strategic Procurement for matters in relations to procurement.
- 26.2 Tenders can only be awarded against the following criteria: most economically advantageous tender, in accordance with the Public Contract Regulations.

26.3 All award criteria should be published in the tender advert, unless otherwise specifically agreed by the Head of Strategic Procurement. In all cases the award criteria shall be included within the procurement documents in accordance with the Regulations.

## **27. Invitations to Tender**

27.1 All invitations to tender must include:

- 27.1.1 a description of the requirements with enough detail to allow the tenderer to make a competitive offer (a specification or term brief);
- 27.1.2 a requirement for tenderers to declare that they have not given the tender content and price to any other organisation (unless if necessary in confidence, such as the tenders' subcontractors, with prior authorisation);
- 27.1.3 a requirement for tenderers to fill in fully and sign all tender documents (electronically signed by return for e-tenders);
- 27.1.4 a statement that tenders are put forward at the tenderer's expense;
- 27.1.5 a list of the award criteria and the scoring/weighting system;
- 27.1.6 if the tender is being returned by post this must be agreed by the Head of Strategic Procurement and a statement that no tender will be considered unless it is enclosed in a sealed envelope or container which has the word 'tender' followed by the contract name, but no other name or mark showing who sent it;
- 27.1.7 a statement that tenders sent by post, fax or e-mail will only be considered and accepted by the Council with the authority of the Head of Strategic Procurement (or their representative);
- 27.1.8 how any pricing mistakes discovered in the tender will be dealt with;
- 27.1.9 statement that the Council can recover costs from the cancellation of any contract in the event the Contractor should offer, agree to offer or provide an officer, member or person associated with the Council, partner or its agent an inducement or reward in respect of a contract;
- 27.1.10 a statement that we do not have to accept the lowest tender, or indeed any tender.

## **28. Putting Tenders Forward**

- 28.1 Officers should sufficiently prepare in advance for procurement processes to allow for European Directive and council Key Decision or other decision making timescales.
- 28.2 Tenders should normally be received through the Council's e-tendering portal. Posted, emailed and fax tenders may only be used with the express consent of the Head of Strategic Procurement (or their representative).

- 28.3 All intentions to seek tenders must be notified to the Strategic Procurement Team in writing including title, estimated annual value, contract length and commissioning officer (or responsible officer if different).
- 28.4 Mini-competitions from framework agreements are not tenders, but should be notified to Strategic Procurement whenever these are value band iv).
- 28.5 Mini-competitions in value band iv) from framework agreements should be conducted through the Council's e-tendering portal unless otherwise agreed by the Head of Strategic Procurement (or their nominated representative).
- 28.6 All procurement activity where a third party provider is running the process, regardless of value, should be notified to the Head of Strategic Procurement (or their nominated representative) to determine the appropriateness of the procurement process.
- 28.6 All mini-competitions from framework agreements where a third party provider is running the quotation process, regardless of value, should be notified to the Head of Strategic Procurement (or their nominated representative) to determine the appropriateness of the procurement process.
- 28.7 Copies of the assessment will be required to be supplied to the Council whenever a third party has conducted procurement on the Council's behalf.

## **29. Receiving and Opening tenders**

- 29.1 Each tender received must be:
- 29.1.1 recorded with the date and time it was received;
  - 29.1.2 kept in a safe place; and
  - 29.1.3 reported to the Strategic Procurement Team.
- 29.2 All tenders not conducted through the Council's e-tendering portal must be by agreement of the Head of Strategic Procurement and be opened in the presence of a Tender Opening Panel (TOP). The TOP must be made up of at least two officers, one of whom should be the commissioning client officer.
- 29.3 Contracts estimated over the thresholds mentioned in 2.2 must have a member of the Strategic Procurement Team on the TOP.
- 29.4 Tenders should be through the electronic e-tendering portal managed by Strategic Procurement when/wherever possible. When opening electronic tenders, all tenders must be opened at the same time.
- 29.5 Tenders received after the set time for receiving them, but before the TOP has begun opening them, may be opened and then considered only if agreed by the Head of Strategic Procurement (or his nominated representative) agree that it is appropriate to do so.
- 29.6 Tenders received after the TOP has begun opening tenders "late tenders" will not be considered unless specifically agreed by the Head of Strategic Procurement (or his

representative) or are for land/building property purchases. This applies equally to tenders received through the Council's e-tendering portal. Tenders received late and not to be considered will be returned or the relevant bidder written to as indicated by the Head of Strategic Procurement (or his representative).

- 29.7 All tenders opened by the TOP will be evaluated in a timely manner against the advertised award conditions.
- 29.8 All extensions to tender return dates must be authorised by the Head of Strategic Procurement (or his representative).
- 29.9 Errors or matters of ambiguity in tenders should be highlighted to the Head of Strategic Procurement (or his representative) to decide whether an extension is appropriate for satisfactory return of bids.

### **30. Negotiation**

- 30.1 The negotiated procedure, either with or without competition, may be used in accordance with the provisions of the Regulations and only where agreed by the Head of Strategic Procurement (or their representative) and Legal Services Contracts Team to ensure compliance with the Regulations.
- 30.2 A Corporate Director can decide in consultation with the Head of Strategic Procurement (or their nominated representative) that a contract should be awarded by post-tender negotiation (discussions after tenders have been received), subject to the Regulations.
- 30.3 Negotiations must be carried out by at least two (2) senior officers, at least one of whom is a Corporate Director nominated representative. Corporate Directors are responsible for the actions of the people they have nominated.
- 30.4 Negotiations must be fully minuted and the actions agreed by both parties.

### **31. Awarding Tenders**

- 31.1 The commissioning officer must prepare a contract award report for any every contract which is in value band ii) or above and keep that report on the contract file. More guidance is available from Strategic Procurement but the report must normally include:
  - 31.1.1 an introduction and summary of the requirement;
  - 31.1.2 outcomes, efficiencies and savings as a consequence of award;
  - 31.1.3 chosen procurement route and justified options discounted;
  - 31.1.4 length of arrangement including any extension options;
  - 31.1.5 criteria against which the contractor was selected and subsequently awarded;
  - 31.1.6 the make up of the project team, noting any Member involvement;



- 31.1.7 the estimated value/actual value for the life of the contract;
  - 31.1.8 dates and information regarding previous tendering in the case of a recurring procurement;
  - 31.1.9 pre tender assessment information;
  - 31.1.10 copies of any documentation required under Commissioning Officer Responsibilities within these Procurement Rules.
- 31.2 The Commissioning officer must write to the successful bidder telling them that the Council has accepted their offer and to the unsuccessful bidders telling them that the Council has not accepted their offers including in both cases their evaluation scores and the score of the winning tender(s) at the same time, published through the Council's e-tendering portal unless agreed by the Head of Strategic Procurement;
- 31.3 Tenders awarded in line with the Regulations must be notified that the Council will accept the successful tender as long as no objections are raised by any of the unsuccessful bidders during the ten (10) day appeal period where applicable;
- 31.4 The Contract must not be signed until the ten (10) day standstill period has passed without objection where applicable;
- 31.5 The successful Contractor must not commence work until the contract has been signed in line with Section A above.

## **32. Keeping records**

- 32.1 The Commissioning officer's department must keep:
- 32.1.1 successful contract files for twelve (12) years after the end of the contract for all sealed contracts;
  - 32.1.2 successful contract files for six (6) years after the end of the contract for all other contracts;
  - 32.1.3 unsuccessful contract files for two (2) years.

## **33. Contract Management**

- 33.1 A record of all contract amendments and variation orders (orders to amend contracts) must be issued in writing and sent electronically to Strategic Procurement;
- 33.2 Commissioning officers must file a copy of every variation order in the contract file highlighting any risk to their relevant manager and any other affected department.

# LOCAL CODE OF CORPORATE GOVERNANCE

# Local Code of Corporate Governance

## What is Corporate Governance?

Governance is about how an organisation such as a local authority ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

It comprises the systems, processes, cultures and values, by which the organisation is directed and controlled and through which it accounts to, engages with and, in the case of a local authority, leads the community.

Islington Council aims to meet the best practice standards of “Delivering Good Governance in Local Government Framework”, the guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE), which have been taken into account in preparing this document.

Good governance leads to good management, good performance and good stewardship of public money. It therefore enables Islington Council to implement effectively its vision in accordance with its values and to engage effectively with its citizens and service users and ensure good outcomes for them.

## Roles and Responsibilities

Overall responsibility for corporate governance rests with the Council and in particular the Leader of the Council and Chief Executive.

The Audit Committee and the Standards Committee (which is responsible for standards of member conduct) will receive reports concerning the effectiveness of the Council’s corporate governance arrangements.

The Corporate Governance Group will include in its membership the Monitoring Officer, the Chief Finance Officer and the Head of Internal Audit and will be responsible for monitoring and providing assurance on the governance process and making reports to the Audit Committee and Standards Committee as appropriate.

Members will:

- Focus on the purpose of the authority and on outcomes for the community;
- Work effectively with officers to achieve a common purpose, whilst understanding the clearly defined different functions and roles;
- Promote the values of the authority and demonstrate the values of good governance by upholding high standards of conduct and behaviour;
- Take informed and transparent decisions which are subject to effective scrutiny;
- Develop their own capacity and capability;
- Engage with local people and other stakeholders.

## The Principles of Governance

Islington Council provides many different services and undertakes many different functions.

Four key business roles for local authorities have been defined by CIPFA/SOLACE as:

- Effective partnership and community leadership;
- Provision of high quality services;
- Stewardship and value for money; and
- Building communities.

Islington Council operates through a governance framework which brings together and reflects legislative requirements, governance principles and good management processes. The Council will apply six core principles identified by CIPFA/SOLACE in performing its key roles and other duties as a local authority. These core principles are:

1. Focusing on the purpose of Islington Council and on outcomes for the community and creating and implementing a vision for the local area;
2. Members and officers working together to achieve a common purpose with clearly defined functions and roles;
3. Promoting values for Islington Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
5. Developing the capacity and capability of members and officers to be effective;
6. Engaging with local people and other stakeholders to ensure robust accountability.

Supporting each of the six principles is a series of supporting principles, each of which in turn translates into a range of specific requirements which are reflected in this Code.

## Islington Council's Commitment to an Effective Governance Framework

Islington Council will develop and promote an effective governance framework that will demonstrate the following attributes:

1. A clear vision of the Council's purpose and intended outcomes for citizens and service users that is clearly communicated, both within the Council and to external stakeholders;
2. Arrangements for review of the Council's vision and its implications for the Council's governance arrangements;
3. Arrangements for measuring the quality of council services provided (including those delivered in partnership) and ensuring they are delivered in accordance with Islington Council's objectives and values and represent the best use of resources;
4. Clearly defined and documented roles and responsibilities for executive, non-executive, scrutiny and officer functions with clear delegation arrangements and protocols for effective communication;

5. Codes of conduct defining standards of behaviour for members and staff in place which conform with appropriate ethical standards and are communicated and embedded across the Council;
6. Procedural rules and supporting manuals and guidance (which are reviewed and updated as appropriate) which support transparency in decision making, define how Islington Council takes decisions and its processes and controls to manage risks while using its legal powers to the full benefit of the Islington community;
7. Clear identification and communication to staff of documents forming part of the Council's regulatory framework and related guidance;
8. An Audit Committee as defined in CIPFA's Audit Committees – A Practical Guide for Local Authorities 9200 and a Standards Committee;
9. Arrangements to ensure compliance with relevant laws and regulations, internal policies and procedures and to ensure that expenditure is lawful with all reports considered for legal issues before submission to members;
10. Well publicised arrangements for whistle-blowing and for receiving and investigating complaints from the public in place;
11. Arrangements to provide the resources, training and other support for members and senior officers in relation to their roles, including their governance roles;
12. Clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and open consultation and encouraging individuals from all sections of the community to engage with, contribute to and participate in the work of Islington Council;
13. Governance arrangements with respect to partnerships and other group working which incorporate good practice as identified by the Audit Commission's report on the governance of partnerships and are reflected in the authority's overall governance arrangements.

## Sources of assurance

Management from across the organisation will provide the primary source of assurance and the Corporate Governance Group will ensure there are appropriate assurance gathering arrangements in place to enable those assurances to be mapped against the six core principles identified in this Code. An effective internal audit function will also be a significant source of assurance.

Further assurances from a wide range of external sources including:

- Inspections;
- External audit (Annual Accounts);

Islington Council will undertake regular, at least annual, reviews of their governance arrangements to ensure continuing compliance and such reviews will be reported within the Council to the Audit Committee.

An Annual Governance Statement on the extent to which the Council complies with this Code and how it has monitored the effectiveness of its governance arrangements will be prepared and reported externally with the statement of accounts.

To ensure that the process of preparing the governance statement will, in itself, add value to the corporate governance and internal control framework of the Council, the statement will be prepared in accordance to “Delivering Good Governance in Local Government Framework”, published by CIPFA/SOLACE.