

Overview and Scrutiny Committee

Date and Time - **Monday 24 January 2022 – 6:30pm**

Venue - **Council Chamber, Town Hall, Bexhill-on-Sea**

Councillors appointed to the Committee:

P.N. Osborne (Chairman), Mrs V. Cook (Vice-Chairman), J. Barnes, J.J. Carroll, C.A. Clark, S.J. Coleman, B.J. Drayson (ex-officio), Mrs D.C. Earl-Williams, S.J. Errington, P.J. Gray, C.A. Madeley, C.R. Maynard and M. Mooney.

Substitute Members: L.M. Langlands, G.F. Stevens and R.B. Thomas.

AGENDA

1. MINUTES

To authorise the Chairman to sign the minutes of the meeting of the Overview and Scrutiny Committee held on 22 November 2021 as a correct record of proceedings.

2. APOLOGIES AND SUBSTITUTES

The Chairman to ask if any Member present is substituting for another Member and, if so, to declare his/her name as substitute Member and the name of the absent Member.

3. ADDITIONAL AGENDA ITEMS

To consider such other items as the Chairman decides are urgent and due notice of which has been given to the Head of Paid Service by 12 Noon on the day of the meeting.

4. DISCLOSURE OF INTERESTS

To receive any disclosure by Members of personal and disclosable pecuniary interests in matters on the agenda, the nature of any interest and whether the Member regards the personal interest as prejudicial under the terms of the Code of Conduct. Members are reminded of the need to repeat their declaration immediately prior to the commencement of the item in question.

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**Rother District Council's aspiring to deliver
an Efficient, Flexible and Effective Council; Sustainable Economic Prosperity;
Stronger, Safer Communities; and a Quality Physical Environment.**

5. **KEY PERFORMANCE TARGETS 2022/23** (Pages 1 - 6)
6. **RECOMMENDATIONS OF THE OFF-STREET CAR PARKS TASK AND FINISH GROUP** (Pages 7 - 18)
7. **DRAFT REVENUE BUDGET 2022/23 PROPOSALS** (Pages 19 - 32)
8. **FINANCIAL PROCEDURE RULES UPDATE** (Pages 33 - 78)
9. **WORK PROGRAMME** (Pages 79 - 80)

Malcolm Johnston
Chief Executive

Agenda Despatch Date: 14 January 2022

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**Rother District Council's aspiring to deliver
an Efficient, Flexible and Effective Council; Sustainable Economic Prosperity;
Stronger, Safer Communities; and a Quality Physical Environment.**

Rother District Council

Report to: Overview and Scrutiny Committee

Date: 24 January 2022

Title: Key Performance Targets 2022/23

Report of: Ben Hook – Director of Place and Climate Change

Ward(s): N/A

Purpose of Report: To consider the proposals for measuring the Council's Corporate Performance for 2022/23.

Officer

Recommendation(s): It be **RESOLVED**: That the Overview and Scrutiny Committee review the current performance targets as set out in Appendix A and that new KPIs are agreed and recommended to Cabinet.

This report is to agree the set of measurements that will help the Overview and Scrutiny Committee monitor the performance and delivery of key plans and make appropriate recommendations for actions and amendments to Cabinet, when necessary.

Introduction

1. Managing performance to deliver the best outcomes within the resources available is a core function for Rother District Council. Members are requested to select a small set of corporate Key Performance Indicators (KPIs) and agree their target levels of performance for the next financial year. The purpose of the reported KPI set is to manage the performance of the authority at a focused and prioritised level.

Current KPIs

2. The current KPIs are themed on the four priority areas of the emerging corporate plan. In addition, there was one additional theme added by the Overview and Scrutiny Committee (OSC) in 2021. The themes are:
 - a. Housing and Communities (five indicators)
 - b. Economic Development and Poverty (three indicators)
 - c. Waste Collection (one indicator)
 - d. Additional income (two indicators)
 - e. Planning (two indicators)

Several other indicators are used to inform the qualitative narrative. This gives the OSC Members the ability to scrutinise more effectively and pass on any recommendations they have as a result to Cabinet. Full details of the proposed KPIs can be found at Appendix A.

3. Aside from the above thirteen measurements to be reported quarterly, other indicators informing Heads of Service, Directors and the Chief Executive of performance would be reported by exception to the OSC where they are exceeding or significantly missing their target.
4. The current KPIs have been criticised by various Members, both of this Committee and others, as being more reflective of performance of the district rather than the performance of the Council and matters that are within the Council's direct control. Therefore, as part of their considerations, Members of the Committee will want to review the existing KPIs.
5. Members will need to consider whether the five themes are still relevant when considering the priorities of the Council as set out in the Corporate Plan.

Corporate Plan

6. Whilst the KPI set are important indicators of organisational performance against the objectives and ambitions laid out in the Corporate Plan, they are not the only mechanism by which this delivery is being monitored. Projects described in the Corporate Plan are monitored through the Corporate Programme, for which a programme board has been established, whilst lower profile activities are monitored through the organisation's various service plans, which are agreed with portfolio holders. An annual report will also be presented to the OSC for an update on all activity and completion of Corporate Plan targets.

Environment Strategy

7. The Rother Environment Strategy 2020-2030 was adopted in September 2020. This sets out the activities and actions that are being taken in response to the Council's Climate Emergency Declaration of 2019. It had been intended that the net carbon footprint for both the district and the Council be key performance indicators in future years. At their meeting of 10 January 2022, Cabinet agreed that the performance of the organisational carbon reduction programme should be the remit of the Climate Change Steering Group. The OSC may also wish to monitor this within their remit, however it is unlikely that the performance against the baseline will be updated any more frequently than annually. A baselining exercise is currently being undertaken and will be ready for inclusion in the KPI set if the Committee choose to do so.

Conclusion

8. This report sets out the existing five themes and 13 performance indicators for 2021/22. Members of the Committee will need to consider if they feel that these themes remain relevant and whether they require amending for 2022/23. Members will also need to consider what aspects of Council operations should be monitored within these themes.
9. The Committee should agree the themes and KPIs they wish to monitor in the financial year 2022/23 and recommend these to Cabinet.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	External Consultation	No
Environmental	Yes	Access to Information	No
Risk Management	Yes	Exempt from publication	No

Chief Executive:	Malcolm Johnston
Report Contact Officer:	Joanne Wright (Policy Officer)
e-mail address:	Joanne.wright@rother.gov.uk
Appendices:	A – Proposed Performance Indicators 2022/23
Relevant Previous Minutes:	N/A
Background Papers:	N/A
Reference Documents:	N/A

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OSC PERFORMANCE INDICATORS 2021/22

Housing and Communities

INDICATOR	PURPOSE AND DESCRIPTION	CURRENT TARGET
1. Number of households in TA (Lower is better)	Monitors demand on the housing service, the local economy and effectiveness of moving households into permanent accommodation and the delivery of the Housing and Homelessness Strategy. Number of all households in temporary accommodation (TA) on the last day of the quarter, when measured.	60 households
2. Average Length of stay in TA (Lower is better)	Monitors the effectiveness of moving households into permanent accommodation and the delivery of the Housing and Homelessness Strategy. Measures the average length of time (in weeks) that individuals or families were in temporary accommodation.	15 weeks
3. Number of households on the housing register (Lower is better)	Monitors the delivery of the Housing and Homelessness Strategy and the Council's Corporate Plan. Measures the number of households on the Housing Register on the last day of the month, when measured	1,200 households
4. Net additional homes built in the district (Higher is better)	Monitors the delivery of new homes and the delivery of the Housing and Homelessness Strategy and Local Plan. This indicator measures the number of dwelling completions over one year. Measures newly built new homes and gains from change of use such as conversions, minus any loss of dwellings through demolition, change of use, etc. at the time of measurement.	301 homes is the supply target 484 (local plan target)
5. Number of affordable homes delivered (gross) (higher is better)	Monitors the delivery of affordable housing units and the delivery of the Housing and Homelessness Strategy and Local Plan. Measures the number of completed new affordable and social housing homes within Rother that have been reported to the Council. This count includes homes waiting for occupation.	106 is the supply target 121 (local plan target)

Economic Development and Poverty

INDICATOR	PURPOSE AND DESCRIPTION	CURRENT TARGET
6. Number of Council Tax reduction Claimants (Lower is better)	Monitors the demand on the benefits service and state of the local economy. Measures the total number of council tax reduction claimants (Pensioner and Working-Age) in receipt of a reduced council tax bill at the time of measurement.	6,960 (3,919 working age, 3,041 pensionable age)
7. Council Tax collection rates (Higher is better)	Monitors the effectiveness of collecting income. Measures the percentage of Council Tax collected of the estimated collectable debt received in the year.	98.30%
8. Business Rates collection rates (Higher is better)	Monitors the effectiveness of collecting income. Measures the percentage of business rates collected of the estimated collectable debt received in the year.	98.00%

Waste Collection

INDICATOR	PURPOSE AND DESCRIPTION	CURRENT TARGET
9. Waste re-used, composted & recycled (Higher is better)	Monitors the effectiveness of the waste collection service and is part of the Environment Strategy. The percentage of collected household waste which has been sent by the authority for either reuse, recycling, composting or anaerobic digestion.	52%

Additional Income

INDICATOR	PURPOSE AND DESCRIPTION	CURRENT TARGET
10. Asset income total (Higher is better)	Monitors the effectiveness of collecting income and part of the medium-term financial strategy. The amount of overall income from investment assets at the time of measurement.	£1,850,000
11. Additional Income Generation (Higher is better)	Monitors the effectiveness of generating income and part of the medium-term financial strategy. The amount of additional income generation through increased or new fees for discretionary services at the time of measurement.	£107,000

Planning

INDICATOR	DESCRIPTION	CURRENT TARGET
12. Major Applications: days to process (Lower is better)	Monitors the efficiency of planning procedures and meeting a national government standard. The average number of calendar days taken to determine 'major' housing development planning applications from the date of receipt to the date of the decision taken.	91 days
13. Minor Applications: days to process (Lower is better)	Monitors the efficiency of planning procedures. The average number of calendar days to determine 'minor' housing development planning applications from the date of receipt of the application to the date of the decision taken.	56 days

Rother District Council

Report to: Overview and Scrutiny Committee

Date: 24 January 2022

Title: Recommendations of the Off-Street Car Parks Task and Finish Group

Report of: Head of Service Neighbourhood Services

Ward(s): All

Purpose of Report: To summarise the work of the Off-Street Car Parks Task and Finish Group and outline the Group's Final Recommendations to the Overview and Scrutiny Committee.

Officer

Recommendation(s): It be **RESOLVED**: That Cabinet be requested to consider:
That:

- 1) the formal response to East Sussex County Council regarding the impact of Civil Parking Enforcement across the district and to inform their annual review, attached at Appendix A to the report, be approved;
- 2) car park charges be suspended in The Polegrove, Bexhill and Rye Salts for 12 months and then either reinstated or removed according to levels of use;
- 3) on-street directional signage for long stay car parks be reviewed on a continual basis as business as usual; and
- 4) recommendations on changes to car park charges remain within the annual 'fees and charges' report as part of the overall setting of the Council budget;

AND

It be **RESOLVED**: That: the OSCPT&FG be reconvened at a later date to review usage at Manor Gardens car park and ESCC's response to the CPE annual review, and the Terms of Reference be amended accordingly.

Introduction

1. This report summarises the work of the Off-Street Car Parks Task and Finish Group (OSCPT&FG) in reviewing the impact of the introduction of Civil Parking Enforcement (CPE) on the use of Rother District Council (RDC) car parks during the last six months and pulls together further recommendations to be approved for submission to the Overview and Scrutiny Committee (OSC) on 24 January 2022.
2. The report also represents the culmination of the work commenced in October 2020, flowing from evidence gathering, stakeholder engagement and car park data from the OSCPT&FG's work over the last 12 months.

Background

3. In September 2020, East Sussex County Council (ESCC) introduced CPE. CPE introduces a variety of restrictions to parking throughout Rother District, including charging to certain on-street parking locations in Bexhill, Rye and Battle, resident parking permits on certain roads, limited parking hours and daily enforcement of double yellow lines.
4. A Civil Parking Enforcement Task and Finish Group (CPET&FG) was formed previously to consider the viability of implementing CPE in the district. In 2018, the group recommended that a review be carried out six months after the introduction of CPE (Minute OSC17/51 refers). As CPE was introduced at the end of September 2020, it was therefore proposed to re-establish the CPET&FG in April 2021 and their work would help inform the 12-month ESCC led annual review expected in February 2022.
5. The Council operates its designated car parks under the District of Rother (Off Street) Parking Places Order 2020 (PPO). The PPO provides a framework under which the Council can manage its car parks effectively and enforce the regulations contained within the Order, including enforcing the Standard Charge Notice when necessary. The Order makes provision for a daily tariff of car park charges in designated car parks, the revenue from which is used to meet operational, maintenance and enforcement costs.
6. In September 2020, Cabinet agreed to amend the PPO 2020 to introduce charges to certain free car parks that fall directly within those CPE areas where on-street charges have been introduced (Minute CB20/45 refers). It was also agreed that those free car parks that are near areas where on-street charges apply should also have charges introduced.
7. Following the changes in paragraphs 3 and 6 above, it was agreed that there is a need to monitor both the impact of CPE on the Council's off-street car parks, alongside the impact of introducing charges to certain car parks.
8. Subsequently, the OSCPT&FG was established in October 2020 to monitor the impact of CPE on the level of use of Council owned off-street car parks and consider any changes to charges, hours of operation and permits, whilst taking into account the need to generate sufficient revenue to maintain the car parks.
9. The OSCPT&FG met on four occasions during the six months to March 2021 to receive a number of presentations from officers advising on monthly car park income data and the current car park usage compared to previous years (data available on request). The OSCPT&FG reported to the OSC on 26 April 2021, recommending various changes to car park operations for onward recommendation to Cabinet. Cabinet were supportive of the OSC's recommendations which were subsequently actioned (Minute CB21/06 refers).
10. It was also agreed by the OSC in April 2021 (Minute OSC20/57 refers) that the OSCPT&FG should continue its work for a further six months and progress be reviewed by OSC in January 2022, along with a report to ESCC regarding RDC's response to CPE.

Task and Finish Group's last six months' activities

11. Since April 2021, the OSCPT&FG has met on four occasions to receive several presentations from officers advising on monthly car park income data and the current car park usage compared to previous years (data available on request).
12. As the first 'call for evidence' identified from the responses that it was too early in the easing of COVID-19 restrictions to make proper judgements regarding the impact of CPE, a second 'call for evidence' opened on Monday 3 September 2021 and closed on 8 October 2021, a period of six weeks, to give people a further opportunity to make comments. Invitations were issued again to the businesses and organisations previously invited to submit evidence. 17 responses were received, and a full report of the responses is available on request.
13. As well as reviewing the 'call for evidence', discussions of the Group centred on monitoring the use of car parks since the three 'long stay' car parks were in place and since the chargeable hours were brought in line across the district. Further work focused on cost and level of parking permits, impact on sports club parking and Manor Gardens car park.
14. It was noted by Members that a more normal level of car park use was gradually returning since COVID-19 lockdown was lifted in several phases from 8 March 2021, but that car park use was only now returning to near pre-COVID-19 levels.

Summary of last six months' evidence

15. As referred to in paragraph 12 above, the second 'call for evidence' from town and parish councils, local businesses, community groups and sports clubs elicited a total of 17 responses, compared to the 40 responses received from the first 'call for evidence'.
16. Of the 17 responses received, 14 organisations gave a response to one or more of the Task and Finish Group's five questions. Three organisations had no further comments to make but acknowledged the invitation. Most organisations said there was no impact from CPE or did not reply to the questions. There were several reports regarding the operational impact on some organisations ranging from charging in car parks e.g. Manor Gardens, the introduction of CPE in general and 'residents only' zones for on-street parking.
17. The car park data analysis during the last six months are summarised as follows: -
 - Overall, the number of car park tickets sold has now risen to near pre-COVID-19 pandemic levels and this is reflected in the revenue collected. It is therefore felt that the evidence collected is a reliable reflection of CPE impact.
 - There is a small but clear increase in trend across the district of cars remaining in the car parks for longer. The majority continue to park for between 0 to 3 hours, but all-day parking has increased over the six-month period.

- The effect of ‘staycation’ on car park use during the summer was seen mostly in Camber car parks; to a slightly lesser extent in Rye and Bexhill; and there is no such evidence in Battle.
- There has been a small increase in the numbers of permits in use since new signage promoting their availability was installed in relevant car parks. Maximum take up has been achieved in Eversley Road and Manor Gardens car parks (Bexhill). The number of available Manor Gardens permits will be reviewed once the cash payment machine is in place. De La Warr car park is close to its maximum number.
- ‘Long stay’ car parks have seen an increase in use overall. Wainwright Road car park (Bexhill) use has increased to the extent that the increase has covered the loss brought about by the recent reduction in charges; as yet this is not the case for Gibbets Marsh (Rye) and Lower Market (Battle) car parks, but the revenue is trending upwards and is expected to cover losses in the near future.
- Although evidence does not exist for the level of use of Manor Gardens car park prior to the introduction of charges, anecdotally the car park does not appear to be used any more than previously, however the ticket sales generated does indicate a good level of use and it remains to be seen if levels of use increase once a cash payment machine is installed in November 2021.
- Previously free car parks adjacent to ‘on-street’ parking where charges were introduced in October 2020 have generally not seen a large increase in use e.g. Galley Hill Top and Galley Hill Bottom (Bexhill).

Results of last 12 months’ activity

18. There are continuing signs that more people are returning to the car parks following the reduction in usage seen during 2020, as there were 52,838 visitors to car parks in September 2019 versus 50,307 in September 2021 (excluding Camber Western as no data was available in 2019). Whilst this is still a reduction in usage, the figures are much closer than comparisons of the earlier months of the year and in line with the patterns seen in the July-August data.
19. The number of visitors choosing the mobile phone App RingGo as a payment option continues to rise year on year. In particular an increase in the rate was witnessed after the first lockdown as RingGo provides customers with a totally contactless option.
20. The Council has seen an increase in visitors staying “all day” in many of its car parks since the introduction of CPE; however, most visitors’ duration of stay remains between 0 to 3 hours. There has been no evidence to suggest a particular car park is being overwhelmed with longer-stay users since CPE was introduced.
21. The introduction of the three long-stay car parks has resulted in a small increase of usage in all three, and Lower Market and Gibbet Marsh car parks continue to show an upward trend in visitor numbers and revenue month on month.
22. CPE has had a positive impact on the three town centres in terms of congestion and turnover of ‘on-street’ parking bays, but has had some adverse impact on certain streets adjacent to the restricted zones and which residents and business have fed back to ESCC for considering future mitigations.

23. The chargeable hours for Council owned car parks have been made uniform across the district, making easier access for residents.
24. Comments regarding Manor Gardens have been considered and a cash payment machine was installed in November 2021, and in common with a few similar locations, a moratorium is in place for school 'drop offs' and 'pick ups' and local Doctors' surgery flu clinics. The number of permits available will be reviewed once the payment machine has been in place for a few months.
25. A distinction in the annual charge has been made for 'nominated permits' whereby the cost for a 'long stay' car park permit is now cheaper to encourage use.
26. Signs have been erected in relevant car parks to show the availability of permits; the number of permits in a car park has been reviewed to ensure fair access for all users.
27. Discussions were had regarding the use of car parks adjacent to sports clubs and it was agreed that a recommendation be put forward to suspend charges at the Polegrove (Bexhill) and Rye Salts car parks temporarily and to monitor the level of parking over a period of 12 months. The risk to free parking in these car parks is that they may become overwhelmed by non-sports users.

Civil Parking Enforcement overview and response to East Sussex County Council

28. With reference to paragraph 3 above and following the OSC meeting in April 2021, the OSCPT&FG's Terms of Reference were amended in order to commence work on considering the impact of the CPE scheme across Rother District in preparation for the first annual review of CPE led by ESCC, which closed on 30 September 2021.
29. During the period October 2020 and September 2021, ESCC reports: -
 - a total of 2,219 valid resident on-street parking permits were issued across Rother District;
 - 7,028 Penalty Charge Notices were issued;
 - 854 warning notices were issued; and
 - that there are nine full time Civil Enforcement Officers (CEO) on the enforcement team; up to six CEOs working throughout any one day; CEOs work both weekends and evenings, and flexible hours according to local needs and special event days.
30. Councillors were asked to encourage residents to give their feedback directly to the ESCC CPE review website, and officers used social media and MyAlerts to remind residents to respond before the deadline. This proved successful as ESCC confirmed they received almost 1,000 responses to their annual review, a response far in excess of the usual response expected of 300. Residents' requests ranged from new permit restrictions to new pay and display areas and additional yellow lines.

31. ESCC reported that it will take time to collate and assess this number of responses and that as a result it will take longer than the normal 14 months for any changes to be implemented, depending on process and legislation required.
32. Members of the parking team have carried out compliance checks and usage surveys across Rother since the start of the scheme; this information will also be used in the first review of restrictions.
33. Points noted to be included in Rother's formal response to ESCC to be considered as part of their annual review are:
 - Overall, CPE has been well received in the town centres and feedback from the Police is positive.
 - It was noted that reduced levels of town centre congestion and parking issues are evident anecdotally, with improved availability of short-term parking on central urban streets due to restricted waiting times.
 - On-street tariffs are felt to be fair and reasonable.
 - Consideration be given to increasing the number of enforcement officers on peak visitor days, particularly in Camber.
 - Hours of enforcement be flexible to cover special events later into the evenings.
 - Seasonal enforcement be considered for Herbrand Walk Bexhill, Camber and Military Road Rye.
 - Streets with time-limited bays were inefficient and costly to enforce, as officers must note time of parking and return to monitor. Therefore, consideration be given to extending the number of resident permit bays and decreasing number of time limited bays.
 - Consideration be given to resolving inappropriate and displacement parking both within and outside the restricted zones in particular Brockley Road; Wickham Avenue, Millfield Rise, Belle Hill, Amherst Road, Cantelupe Road and Woodville Road, Bexhill; Military Road, Rye.
 - Make 'time limited' free parking bays all two hours across the district.
 - Consideration be given to roads surrounding Egerton Park, Bexhill being given restricted parking, and a coach drop-off point and disabled parking near to the drop kerb area outside Bexhill museum.
 - Ticehurst Village and Hurst Green be considered for future extension to the CPE scheme.
 - Enforcement of inappropriate parking on 'yellow lines' be increased in villages, in particular Etchingham and Burwash where commuter parking at railway stations causes frequent congestion.

Recommendations to the Overview and Scrutiny Committee

34. It is recommended that:
 - i. Cabinet be requested to approve the formal response to East Sussex County Council regarding the impact of Civil Parking Enforcement across the district and to inform their annual review, attached at Appendix A to the report;

- ii. car park charges be suspended in The Polegrove, Bexhill and Rye Salts for 12 months and then either reinstated or removed according to levels of use;
- iii. on-street directional signage for long stay car parks is reviewed on a continual basis as business as usual;
- iv. the OSCPT&FG be reconvened at a later date to review usage at Manor Gardens car park and ESCC's response to the CPE annual review, and the Terms of Reference be amended accordingly; and
- v. recommendations on changes to car park charges remain within the annual 'fees and charges' report as part of the overall setting of the Council budget.

Financial Implications

- 35. Loss of revenue from the suspension of charges at The Polegrove - approximately £850 per annum and Rye Salts approximately £850 per annum

Legal Implications

- 36. There is no impact on Rother District Council (Off -Street) Parking Places Order 2020 (PPO) but the proposed name change of Manor Barn Gardens car park to Manor Gardens car park will need to form part of a future variation to the PPO.

Environment

- 37. Local congestion is reduced, and the environment improved by a reduction in noise and air pollution in urban areas.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	Consultation	No
Environmental	No	Access to Information	No
Sustainability	No	Exempt from publication	No
Risk Management	No		

Chief Executive:	Malcolm Johnston
Report Contact Officer:	Deborah Kenneally
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Appendices:	Appendix A – Letter to ESCC Appendix B – Amended Terms of Reference
Relevant previous Minutes:	OSC17/51 CB20/45 CB21/06 OSC20/57
Background Papers:	N/A
Reference Documents:	N/A

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Letter to ESCC CPE

Dear Sir/Madam,

Civil Parking Enforcement Review

I write to you as the Head of Service Neighbourhood Services for Rother District Council (RDC) and as lead officer for RDC Off-Street Car Parks Task and Finish Group (OSCP T&FG). The OSCP T&FG was established in October 2020 to review the impact of the introduction of Civil Parking Enforcement (CPE) on council owned car parks across the district, and to inform the East Sussex County Council (ESCC) CPE annual review on general issues that have been raised directly to the group by stakeholders regarding on-street parking.

Since its inception, the OSCP T&FG has met on more than eight occasions throughout the last twelve months to consider car park data, including levels of revenue, visitor numbers, and most popular hours of use. In addition, two 'calls for evidence' have been completed, inviting town and parish councils, local businesses, community groups and sports clubs to comment on if and how off-street car parking used by their community, stakeholders and staff may have been impacted by the introduction of on-street CPE.

RDC is aware that ESCC invited RDC residents and stakeholders to submit their own comments and requests for changes to the existing CPE restrictions, and we understand ESCC is in the process of reviewing nearly one thousand comments to establish commonalities of requests and determine future changes to on-street parking.

RDC would like to add their observations on a formal basis for consideration during the above review as follows:

- Overall, CPE has been well received in the town centres and feedback from the Police is positive.
- It was noted that reduced levels of town centre congestion and parking issues are evident anecdotally, with improved availability of short-term parking on central urban streets due to restricted waiting times.
- On-street tariffs are felt to be fair and reasonable.
- Consideration be given to increasing the number of enforcement officers on peak visitor days, particularly in Camber.
- Hours of enforcement be flexible to cover special events later into the evenings.
- Seasonal enforcement be considered for Herbrand Walk Bexhill, Camber and Military Road Rye.
- Streets with time-limited bays were inefficient and costly to enforce, as officers must note time of parking and return to monitor. Therefore,

consideration be given to extending the number of resident permit bays and decreasing number of time limited bays.

- Consideration be given to resolving inappropriate and displacement parking both within and outside the restricted zones in particular Brockley Road; Wickham Avenue, Millfield Rise, Belle Hill, Amherst Road, Cantelupe Road and Woodville Road, Bexhill; Military Road, Rye.
- Make 'time limited' free parking bays all two hours across the district.
- Consideration be given to roads surrounding Egerton Park, Bexhill being given restricted parking, and a coach drop-off point and disabled parking near to the drop kerb area outside Bexhill museum.
- Ticehurst Village and Hurst Green be considered for future extension to the CPE scheme.
- Enforcement of inappropriate parking on 'yellow lines' be increased in villages, in particular Etchingham and Burwash where commuter parking at railway stations causes frequent congestion.

RDC look forward to receiving the details of the ESCC review in due course and I trust our comments above will add weight to the requested changes to CPE that the Council feels will further improve the success of the scheme.

Regards,

Deborah Kenneally
Head of Services Neighbourhood Services

Rother District Council

OFF-STREET CAR PARKS TASK AND FINISH GROUP

**Terms of Reference****Aims and Origin**

- To review the level of use of Manor Gardens car park since a payment machine was installed in October 2021.

To review East Sussex County Council's (ESCC) response to the Civil Parking Enforcement (CPE) first annual review which ended on 30 September 2021. On behalf of Rother District Council provide a draft written response to ESCC's improvements to the CPE scheme for approval.

In September 2020 ESCC introduced Civil Parking Enforcement (CPE). CPE introduced charging to certain on-street parking locations throughout Bexhill, Rye and Battle, along with restrictions to residents and visitors parking in other streets without charges. On-street charging will not apply to other areas of the district, but other restrictions such as yellow lines may apply.

The introduction of CPE was felt likely to increase the use off-street car parks under the Council's ownership. Increased usage would have an impact on the accessibility of car parks for local businesses and residents as well as increase the maintenance and enforcement costs to the Council.

The Off-Street Car Parks Task & Finish Group (OSCP T&FG) reviewed data regarding levels of car park use and consumer feedback over the last 12 months and made various recommendations which have been implemented following agreement by Overview and Scrutiny Committee and approval by Cabinet. It is considered that this work is now complete other than monitoring the level of use at Manor Gardens car park following the installation of the payment machine.

It was also felt likely that on-street parking restrictions introduced as part of CPE scheme would result in displacement parking and increased congestion of roads without parking restrictions.

Residents, businesses and the community at large were invited to submit feedback to ESCC on suggested changes to the scheme. Following the first 12 months

since implementation of CPE and ESCC's subsequent review of the feedback, it is appropriate for OSCP T&FG to review ESCC's proposed changes to engender improvements to the current scheme.

Scope

- a) Review data regarding levels of use of Manor Gardens car park before and after the payment machine was installed in October 2021.
- b) Review ESCC's response to the CPE annual review and consider their proposed changes to improve the scheme.

Desired Outcome

- Evidence of the effective and appropriate levels of use in Manor Gardens car park.
- Improved use of 'charged for' on street parking
- Reduced congestion on unrestricted roads to support delivery of services such as waste collections and community buses.
- Improved parking availability for residents on unrestricted roads.
- Local environment improved by a reduction in noise and air pollution.

Timescale

- OSCP T&FG to reconvene in October 2022
- Report back to OSC – February 2023

Membership

Minimum of 6 Members - TBC

Officer Lead

Deborah Kenneally

Quorum

Two

Rother District Council

Report to:	Overview and Scrutiny Committee
Date:	24 January 2022
Title:	Draft Revenue Budget 2022/23 Proposals
Report of:	Antony Baden – Chief Finance Officer
Ward(s):	All
Purpose of Report:	To receive the draft Revenue Budget 2022/23 referred from Cabinet at its meeting held on Monday 10 January 2022. The report and recommendations arising are reproduced below and the Minutes of that meeting (Appendix 1) should be read in conjunction with this report.
Officer Recommendation(s):	It be RESOLVED : That the comments of the Overview and Scrutiny Committee be considered by Cabinet when setting the 2022/23 Draft Revenue Budget at its meeting on 7 February 2022.

Introduction

1. The Council is required to set a balanced budget each year. The Local Government Finance Act 1992 requires the Council to estimate revenue expenditure and income for the forthcoming year from all sources, including contributions from reserves, in order to determine its net budget requirement.
2. This report updates Members on the second phase of the budget process, which is to prepare the draft Revenue Budget for 2022/23 by outlining the likely financial position and the key issues Members need to consider. Appendix A details the summary draft Revenue Budget, Appendix B gives summary information for each service area and Appendix C details the main changes from the 2021/22 Budget. Appendix D summarizes the Council's Revenue Reserves position.
3. All Budgets are shown at "Net Operational Expenditure Levels" and exclude central costs and support service recharges. This ensures Members are provided with a clear identifiable core cost for each service.

Budget Assumptions

4. As the Section 151 Officer, the Chief Finance Officer confirms that, in accordance with Section 25 of the Local Government Act 2003, these estimates have been prepared on a robust basis. The following assumptions were made when calculating the draft budget:
 - a. **Inflation** – increases of between 1.8% and 2% have been applied to non-pay and income budgets except for contracts where specific indices are applied, (see paragraph 15 below);

- b. **Salaries** – an increase of 1% has been applied, with effect from September 2022;
- c. **Transfers** – the use of transfers between existing budgets has been applied to enable funding is re-directed to priority areas;
- d. **Income** – where applicable, income budgets have been increased in line with the fees and charges approved by Cabinet on the 8 November 2021.

Government Grant Settlement

- 5. The draft Local Government Finance Settlement (LGFS) was announced by the Government on the 16 December 2021 and applies to 2022/23 only. It does not give the Council any indication of future funding streams.
- 6. Each year the Government sets the Council's Core Spending Power (CSP) in the LGFS. It is an estimate of the resources required to fund services across the district and notably includes income the Council collects from Council Tax. The table below shows that the 2022/23 CSP is £11.4 million, which is an increase of 6% (£0.7 million) on the 2021/22 figure:

	£ M
Core Spending Power 2021/22	10.7
Settlement Funding Assessment (SFA)	2.4
Compensation for under-indexing	0.2
Council Tax	8.0
New Homes Bonus Grant (NHB)	0.5
Rural Services Delivery Grant (RSD)	0.1
Lower Tier Services Grant (LTSG)	0.1
Services Grant	0.2
Core Spending Power 2022/23	11.4

- 7. The SFA consists of the Council's share of business rates income and Revenue Support Grant (RSG). The baseline funding figure of £2.4 million is unchanged from 2021/22 although there is a small increase of £0.2 million due to the freezing of the business rates multiplier in the LGFS. Furthermore, because our expected share of business rates income exceeds £2.4 million the Council continues not to receive any RSG.
- 8. The MTFP did not include any New Homes Bonus (NHB) in the forecast as the Department for Levelling Up, Housing and Communities (DLUHC) (previously known as the Ministry of Housing, Communities and Local Government (MHCLG)) had given no prior indication that this source of funding would continue beyond 2021/22. However, the LGFS includes about £0.5 million. It also includes funding of £0.2 million for Rural Services Delivery (RSD) and Lower Tier Services Grant (LTSG) grants, which have been continued from 2021/22, as well as a one-off grant of £0.2 million to fund general services pressures.
- 9. The Local Council Tax Support, Benefits Administration and Homelessness Preventions grants do not form part of the Council's CSP calculation. Paragraphs 22 to 25 give more information about grant funding.

Review of Cost Pressures

10. In the Medium-Term Financial Plan (MTFP) forecast reported to Cabinet on the 13 December 2021 Members were advised of several cost pressures that may affect the Council's budget. These have been reviewed as part of the second phase of the budget process and are discussed in paragraphs 11 to 16 below.
11. **Homelessness** – Members approved an increase of £250,000 in the 2021/22 base budget in response to the high levels of demand experienced in the previous year. The Temporary Accommodation (TA) acquisition programme has successfully secured several properties across the district and this has reduced the cost of TA to the Council, but demand remains high. Furthermore, the costs associated with the discretionary placement of rough sleepers will continue into 2022/23 and place further pressure on this budget. Therefore, it is proposed to retain the additional £250,000 provision within the base budget.
12. **Planning Appeals** – This provision includes the costs unchanged from the MTFP forecast.
13. **Net Financing Costs** – These have been subject to very minor changes since the MTFP forecast.
14. **Staffing Costs** – These have been reviewed to assess the impact of the 1.25% increase in the employer's national insurance contribution rate, which is effective from April 2022 and other changes. As a result, the budgets have been increased in overall terms by £242,000.
15. **Non-Pay Inflation** – As previously reported the Chief Finance Officer reviewed inflation budgets to assess the impact of the current economic data and inflation on large contracts. Inflation on energy budgets has been estimated at 4.2% and has increased costs by over £22,000. More significantly, the Refuse Collection and Street Cleansing contract is aligned to the September consumer price index. As a result, it is subject to an uplift of 5%, which equates to an increase of £255,000.
16. **COVID-19 impact** – No further changes have been made to the budget at this stage although uncertainty continues to exist over the potential impact of the pandemic. Future lockdowns may have a negative impact on the budget. Officers will continue to monitor the situation throughout the financial year and update Members via the Quarterly Revenue Budget Monitoring reports.

Budget Contingency

17. For 2022/23 only it is proposed to establish a contingency of £200,000. This budget will be controlled by the Chief Finance Officer in consultation with the Chief Executive and used to fund unexpected events that have not been included in the 2022/23 budget and are too big to be mitigated within existing budgets. Examples would include further significant inflation increases, judicial reviews and emergency building maintenance works.

Financial Stability Programme

18. There have been no changes to the savings targets previously reported but Members are reminded of the importance of delivering them and the risks

associated with non-delivery. For example, if only 50% of the savings are delivered, Reserves would fall to an unsustainably low level and if only 25% are delivered, the Council would run out of Reserves during 2025/26. In either case, the Council would be forced to cut statutory services and stop providing some non-statutory services altogether. The Chief Finance Officer may also be obliged to issue a section 114 notice should he conclude that the Council cannot balance its budget in-year.

Business Rates (National Non-Domestic Rates)

19. Since the MTFP report the Chief Finance Officer has received a letter confirming that the Secretary of State has retained the East Sussex Business Rates Pool for 2022/23. This will be discussed with the section 151 officers from the other pool member authorities before the final budget phase is concluded but it is anticipated that it will remain financially advantageous for the Council to remain in the pool.

Council Tax

20. The 2022/23 council tax base has been calculated at 38,626.8 and shows an increase of 1,020 Band D equivalents since December 2020. The main reasons for the change are as follows:
 - a. An increase of 356.0 in chargeable dwellings since December 2020;
 - b. A projected increase of 399.8 in dwellings from new developments;
 - c. A reduction in the take up of the Council Tax Reduction Scheme, (the number of claimants increased in 2020/21 due to the impact of lockdown), which has increased chargeable dwellings by 291.9.
21. The draft settlement confirms that the 2022/23 council tax referendum principles for shire districts, like Rother, will allow an increase in council tax of £5 or 2% whichever is the highest. The draft Revenue Budget assumes that the Council will increase Council Tax by the maximum allowed before a referendum is required. To ensure the Council remains within this limit, including Special Expenses, an increase of £4.67 to £193.38 has been assumed for Band D property. This is subject to agreement by Full Council and will increase Council Tax income by £373,000 to an estimated total of £7.47m.

Non-Specific Revenue Grants

22. The Council received notification of several government grants as part of the LGFS announcement and it will also receive other non-specific grants. These are listed below along with the expected amounts:
 - a. New Homes Bonus - £467,000;
 - b. Services Grant - £164,000;
 - c. Lower Tier Services Grant - £107,000;
 - d. Rural Services Delivery Grant - £64,000;
 - e. Local Council Tax Support Grant (LCTS) - £150,000;
 - f. Benefits Administration Grant (BAG) - £228,000;
 - g. Homelessness Grant – Preventions (HPG) - £470,000.

Grants receivable in 2022/23 only - £738,000

23. The total amount of grant funding is expected to be £1.653 million. As mentioned previously the LGFS is a one-year settlement and it is unclear whether NHB funding (£467,000) will continue beyond 2022/23. However, the DLUHC have stated their commitment to address the scheme as part of the Fair Funding Review so there is a strong possibility that it will exist in some form or another. The Services grant is a one-off sum, which the Council will not receive after 2022/23. The LTSG was introduced in 2021/22 and although the DLUHC has indicated that it will be addressed as part of the Fair Funding Review, there is no specific commitment to continue funding after 2022/23.

Grants expected to continue beyond 2022/23 - £912,000

24. The Council receives a small grant in relation to RSD. It is anticipated that this will be carried over into 2022/23.
25. The Local Council Tax Support, Benefits Administration and Homelessness Preventions grants do not form part of the Council's CSP but are an established component of its funding envelope. The allocations for the first two grants are yet to be notified but it is anticipated that funding levels will be like those previously reported. The Homelessness Preventions grant has been notified at £470,000, which includes £8,000 to address the costs of homelessness arising as a result of domestic abuse.

Revenue Reserves

26. The draft Revenue Budget for 2022/23 proposes the use of £3.670m from reserves. Of this, £0.374m will be used to support capital expenditure with the other £3.296m being used to support revenue expenditure.
27. The total Revenue Reserves balance by the end of March 2023 is estimated to be £6.144m. Over the five-year financial forecast period Reserves are predicted to fall to a minimum of £4.4m by 2024/25, rising to £5.901m by 2026/27. In 2023/24 to 2025/26 Reserves will fall below the minimum level of £5m level previously agreed by Members, before exceeding it again in 2026/27.

Collection Fund Surplus/Deficit

28. The Collection Fund will be reviewed during the third phase of the budget process and reported to Cabinet at the 7 February 2022 meeting.

Budget Consultation

29. The budget consultation is due to close in January 2022 and interim results will be reported to the Overview and Scrutiny Committee at their meeting on the 24 January 2022.

Conclusion

30. As previously reported the Council's ability to deliver a balanced budget heavily depends on strong financial management and the successful delivery of the FSP. It is highly likely that its resources will need to be reorganised if the priorities and objectives of the Corporate Plan are also to be achieved. To this end, the Council will need to maintain a suitable level of Reserves and continue to operate within the approved budget each financial year to prevent further unplanned calls on reserves. Failure to do so will impact on the Council's ability to meet its statutory obligations.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	Consultation	Yes
Environmental	No	Access to Information	No
Risk Management	No	Exempt from publication	No

Chief Executive	Malcolm Johnston
Report Contact Officer:	Antony Baden, Chief Finance Officer
e-mail address:	Antony.Baden@rother.gov.uk
Appendices:	Appendix A - Draft Revenue Budget – 2022/23 to 2026/27 Appendix B - Revenue Budget Summary - Cost of Services Appendix C - Main changes in net cost of services between 2021/22 and 2022/23 Appendix D - Revenue Reserves
Relevant Previous Minutes:	None.
Background Papers:	Local Government Settlement 2022/23
Reference Documents:	None.

DRAFT REVENUE BUDGET - 2022/23 TO 2026/27

Appendix A

	Original 2021/22 Budget £ (000)	Revised 2021/22 Budget £ (000)	Projected 2021/22 Outturn at Qtr 2 £ (000)	2022/23 Budget £ (000)	2023/24 Budget £ (000)	2024/25 Budget £ (000)	2025/26 Budget £ (000)	2026/27 Budget £ (000)
Corporate Core	2,034	2,028	2,022	2,173	2,028	2,028	2,028	2,028
Environmental Services	658	609	522	670	611	611	611	611
Strategy and Planning	1,090	1,043	1,780	1,338	1,043	1,043	1,043	1,043
Acquisitions, Transformation and Regeneration	(297)	127	(378)	(76)	(835)	(1,518)	(1,862)	(1,916)
Housing and Community Services	8,739	8,186	8,665	8,211	7,938	7,938	7,938	7,938
Resources	3,350	3,293	3,509	3,307	3,295	3,295	3,295	3,295
Total Cost of Services	15,574	15,286	16,120	15,623	14,081	13,397	13,054	12,999
Net Financing Costs	1,101	1,101	278	1,542	1,550	1,558	1,566	1,552
Salaries turnover & Inflation	(288)	0	0	0	40	40	47	47
Financial Stability Programme - Savings and Income generation	(632)	(632)	(158)	(635)	(2,137)	(2,197)	(2,197)	(2,197)
Budget Contingency	0	0	0	200	0	0	0	0
Net Cost of Services	15,755	15,755	16,240	16,730	13,534	12,798	12,469	12,401

	Original 2021/22 Budget £ (000)	Revised 2021/22 Budget £ (000)	Projected 2021/22 Qtr 2 £ (000)	2022/23 Budget £ (000)	2023/24 Budget £ (000)	2024/25 Budget £ (000)	2025/26 Budget £ (000)	2026/27 Budget £ (000)
Income								
Special Expenses	(692)	(692)	(692)	(702)	0	0	0	0
Business Rates & Section 31 Grants	(3,747)	(3,747)	(3,747)	(3,747)	(3,747)	(3,747)	(3,747)	(3,747)
Non-Specific Revenue Grants	(1,653)	(1,653)	(2,045)	(1,650)	(934)	(956)	(979)	(1,003)
Council Tax Requirement (Rother only)	(7,097)	(7,097)	(7,097)	(7,470)	(7,759)	(8,086)	(8,414)	(8,741)
Other Financing								
Collection Fund (Surplus)/Deficit	134	134	134	134	134	134	0	0
Total Income	(13,054)	(13,054)	(13,447)	(13,435)	(12,306)	(12,656)	(13,140)	(13,491)
Contribution from Reserves/Funding Gap	2,700	2,700	2,793	3,296	1,229	142	(671)	(1,090)

Revenue Budget Summary - Cost of Services

Revenue Budget Summary - Cost of Services	Revised Budget 2021/22	Budget 2022/23		
		Gross Expenditure	Income	Net Expenditure
	£	£	£	£
Acquisition, Transformation and Regeneration	124,495	2,285,470	(2,361,960)	(76,490)
Environmental Services, Licensing and Community Safety	608,210	2,723,310	(2,053,060)	670,250
Corporate Core	2,027,940	2,199,610	(26,740)	2,172,870
Housing and Community	8,189,635	12,601,680	(4,390,250)	8,211,430
Resources	3,292,410	22,623,845	(19,316,750)	3,307,095
Strategy and Planning	1,042,720	2,331,750	(994,000)	1,337,750
Total	15,285,410	44,765,665	(29,142,760)	15,622,905

Acquisitions, Transformation and Regeneration	Revised Budget 2021/22	Budget 2022/23		
		Gross Expenditure	Income	Net Expenditure
	£	£	£	£
Economic Development and Regeneration	(1,049,215)	1,022,880	(2,288,070)	(1,265,190)
De La Warr Pavilion Client	485,890	488,500		488,500
Programme and Policy Office	235,920	221,790		221,790
Transformation	309,540	345,560	(20,000)	325,560
Director of Place and Climate Change	142,360	206,740	(53,890)	152,850
Total	124,495	2,285,470	(2,361,960)	(76,490)

Environmental Services, Licensing and Community Safety	Revised Budget 2021/21	Budget 2022/23		
		Gross Expenditure	Income	Net Expenditure
	£	£	£	£
Food and Safety	269,330	1,061,670	(800,020)	261,650
Licensing	2,690	800,690	(769,960)	30,730
Pollution	327,000	847,350	(483,080)	364,270
Head of Service	9,190	13,600		13,600
Total	608,210	2,723,310	(2,053,060)	670,250

Corporate Core	Revised Budget 2021/22	Budget 2022/23		
		Gross Expenditure	Income	Net Expenditure
	£	£	£	£
Chief Executive Office	229,600	364,900		364,900
Communications	51,490	51,660		51,660
Democratic and Electoral Services	617,030	618,770		618,770
Emergency Planning	31,720	32,670		32,670
Facilities	391,560	378,730		378,730
Human Resources	289,930	331,170	(26,740)	304,430
Internal Audit	151,010	155,740		155,740
Legal Services	265,600	265,970		265,970
Total	2,027,940	2,199,610	(26,740)	2,172,870

Revenue Budget Summary - Cost of Services

	Revised Budget 2021/22	Budget 2022/23		
		Gross Expenditure	Income	Net Expenditure
Housing and Community				
	£	£	£	£
Customer Services	527,280	486,460		486,460
Housing	1,749,280	2,837,740	(1,068,560)	1,769,180
Neighbourhood Services and Contracts	5,570,475	8,909,770	(3,321,690)	5,588,080
Property and Maintenance Services	250,850	274,650		274,650
Head of Service	91,750	93,060		93,060
Total	8,189,635	12,601,680	(4,390,250)	8,211,430

	Revised Budget 2021/22	Budget 2022/23		
		Gross Expenditure	Income	Net Expenditure
Resources				
	£	£	£	£
Financial Services	1,631,870	1,670,825	(9,060)	1,661,765
Information Communication Technology	912,730	1,035,680	(60,000)	975,680
Revenues and Benefits	633,040	19,916,460	(19,247,690)	668,770
Assistant Director, Resources	114,770	880		880
Total	3,292,410	22,623,845	(19,316,750)	3,307,095

	Revised Budget 2021/22	Budget 2022/23		
		Gross Expenditure	Income	Net Expenditure
Strategy and Planning				
	£	£	£	£
Building Control	56,540	56,910		56,910
Business Support and Land Charges	131,530	326,000	(194,000)	132,000
Development Management	163,460	1,295,250	(760,000)	535,250
Enforcement	115,000	115,740		115,740
Planning Strategy	477,860	529,510	(40,000)	489,510
Head of Service	98,330	8,340		8,340
Total	1,042,720	2,331,750	(994,000)	1,337,750

MAIN CHANGES IN NET COST OF SERVICES BETWEEN 2021/22 AND 2022/23

	£'000	£'000
Revised Revenue Budget 2021/22		15,755
Draft Revenue Budget 2022/23		16,730
Net Increase in Cost of Services		976

Analysis of Variations**Expenditure**

Reduction in staff recharges to capital projects	56
Roll forward of Levelling Up Fund grant not spent in 2021/22	(109)
Savings on new photocopier contract	(13)
Removal of one-off provision to fund new car parking machines	(48)
Reduction in business rates on public conveniences	(52)
Removal of one-off financial support to the Leisure contractor	(130)
Reduction in business rates due to commercial property voids	(10)
Reduction in Postage costs	(26)
Increased in the Waste Collection base contract cost	50
Increased in the Street & Beach Cleansing base contract cost	72
Increased system software contract costs	33
Additional resources to process planning applications backlog	62
Planning Appeals	300
Increase in Net Financing Costs	442
Establishment of a central Budget Contingency	200
Recovery of temporary accommodation running costs	(86)
Increase in Garden Waste collection income	(203)
Increase Property Investment Strategy rental income	(139)
Increased income from Car Parking operations	(25)
Increased fee income from Licensing	(14)
Reduced pension fund top up payment	(20)
Inflation	639
Other Minor Changes	(3)

Total Increase in Cost of Services	976
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Revenue Reserves

Reserves	Quarter 2	2022/23	2023/24	2024/25	2025/26	2026/27
	2021/22 Forecast £ (000)	Budget £ (000)				
Earmarked Reserves and General Reserves - Opening Balance	13,209	9,814	6,144	4,729	4,400	4,941
Use of Reserves	(3,395)	(3,670)	(1,415)	(329)	0	0
Contribution to Reserves	0	0	0	0	541	960
Total Reserves	9,814	6,144	4,729	4,400	4,941	5,901
<u>Use of/Contribution to Reserves</u>						
To balance the Revenue Budget	(2,793)	(3,296)	(1,229)	(142)	671	1,090
To fund Capital Expenditure	(602)	(374)	(186)	(187)	(130)	(130)
Total	(3,395)	(3,670)	(1,415)	(329)	541	960

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Minutes of the Cabinet Meeting – 10 January 2022**CB21/67. DRAFT REVENUE BUDGET 2022/23 PROPOSALS**

Consideration was given to the report of the Chief Finance Officer on the preparation of the draft Revenue Budget for 2022/23. The report outlined the likely financial position, cost pressures and key issues that Members needed to consider as part of the budget setting process. Appended to the report were details of the summary draft Revenue Budget, the summary information for each service area, main changes from the 2022/23 budget, the Council's revenue reserves and identified savings and additional income.

The following assumptions had been made in calculating the draft Revenue Budget:

- inflation of between 1.8% and 2% had been applied except for contracts where specific indices were applied;
- salaries had been assumed to increase by 1% from September 2022;
- the use of transfers between existing budgets had been applied enabling funding to be re-directed into priority areas; and
- increased income in line with increases agreed by Cabinet on 9 November 2021.

The following key issues were highlighted:

- the draft Local Government Finance Settlement announced by Government in December applied to 2022/23 only and did not guarantee any future funding streams; the Council's Core Spending Power had been set at £11.4m, an increase of £0.7m from 2021/22;
- an additional £738k in various one-off grants and New Homes Bonus that had not been expected had been announced; the Government had stated a commitment to address these grants (with the exception of the Services Grant of £164k) going forward as part of its Fair Funding Review;
- the East Sussex Business Rates Pool for 2022/23 would be retained;
- the 2022/23 council tax base had been calculated at 38,626.8 and showed an increase of 1,020 Band D equivalents mostly due to an increase in chargeable dwellings, new developments and reduction in Council Tax Reduction Scheme claimants;
- the council tax referendum principle for Rother would allow an increase in council tax of £5 or 2% whichever was the highest; it had been assumed that the Council would increase council tax by the maximum allowed before a referendum was required;
- for 2022/23, to ensure the Council remained within the referendum limit, it was assumed that an increase of £4.67 to £193.38 would be agreed for a Band D property, resulting in additional income of £373,000;

- it would be essential to deliver the savings identified as part of the Financial Stability Programme (FSP), or risk the increased use of reserves, cutting statutory services and stopping providing some non-statutory services altogether; and
- £3.670m of reserves would be used in order to meet specific costs (capital and service expenditure).

The cost pressures that may affect the Council's finances were highlighted within the report and these included homelessness demands, planning appeals, staffing costs, non-pay inflation and the continued impact of COVID-19.

It was proposed to establish a budget contingency of £200,000 for 2022/23 to be controlled by the Chief Finance Officer in consultation with the Chief Executive and used to fund unexpected events that had not been included in the 2022/23, i.e. further significant inflation increases, judicial reviews and emergency building maintenance works.

The budget consultation was currently ongoing and due to close on 31 January 2022 and 91 responses had been received to date; interim results would be reported to the Overview and Scrutiny Committee at their meeting on the 24 January 2022.

Members were keen to ensure that the FSP was delivered in order to protect discretionary services, which included the devolvement of services to parish and town councils across the district; it was essential that this work commenced as soon as possible to enable savings to be made in 2023/24. There were other items such as support to the Bexhill Town Forum that could be removed from the 2022/23 Budget and these would be considered and proposed in the final budget report to Cabinet in February.

(Cabinet Agenda Item 6).

Rother District Council

Report to: Overview and Scrutiny Committee

Date: 24 January 2022

Title: Financial Procedure Rules Update

Report of: Assistant Director Resources

Purpose of Report: To review and update the Council's Financial Procedure Rules to reflect business changes and the new Council staffing structure

Officer

Recommendation(s): **Recommendation to COUNCIL:** That, subject to the concurrence of the Audit and Standards Committee:

- 1) the revised Financial Procedure Rules set out at Appendix A be approved and adopted; and
- 2) The Chief Executive be granted delegated authority to make minor changes consequent to the finalisation of the Council staffing restructure.

This report was considered by the Audit and Standards Committee in December 2021 and the minute and resulting recommendation is reproduced at Appendix B. The Audit and Standards Committee approved with recommendations subject to the value threshold for the Council's major service contracts being amended to £250,000 from a £500,000 limit in rule G35 and the Chief Finance Officer rewording rules U8 and U9 to reflect the dual roles of officers in these circumstances.

Introduction

1. The Council's staff restructure is ongoing and is expected to be completed by March 2022. The Council Financial Procedure Rules (FPRs) have been updated to reflect the changes to the senior management team. For the purposes of the update it has been assumed that 3rd tier officers are known as Heads of Service. As the restructure progresses, this may not be the case and it is sensible to give the Chief Executive delegated authority to update the FPRs as necessary.
2. It is also an opportune time to make any other changes to the rules to improve the operational efficiency of the Council and to clarify any rules that are out of date or no longer applicable. The Council's Procurement Procedure Rules (PPRs) are also being reviewed to take account of changes to procurement regulations and will be subject to a future report.
3. The functions of the Audit and Standards Committee provide for the Committee to maintain an overview of the Council's Constitution in respect of procurement procedure rules, financial procedure rules and codes of conduct and behaviour (other than the Code of Conduct for Members). However, any changes to the Constitution currently are required to go to Council via the Overview and

Scrutiny Committee. The revised FPRs will therefore be submitted to the OSC in the new year for ratification.

Main Changes to the FPRs

4. The most significant change that is proposed to the FPRs relates to the approval and reporting arrangements for the writing out of the accounts (write off) of debts that cannot be or are unlikely to be collected, as shown in section Q. The thresholds for requesting Member approval to the write off are proposed to be increased significantly which will reduce the reporting to Members and increase internal process efficiency. However, it is proposed that these increased thresholds are restricted to those circumstances where the Council effectively has no choice but to write off, e.g. in the event of liquidation of a company or a debt relief order is granted to the debtor. The Council is not a preferred debtor and therefore where the debtor has no assets or funds, there is little chance of recovering monies owed. There is a requirement to report to Cabinet the total write offs made in a year under the various categories to ensure transparency.
5. Rule G35 has also been updated to better reflect its original intention regarding the need to carry out a review by Members of the specifications for the Council's major service contracts, such as Waste Collection. As such the value threshold has been increased to an annual cost of £500,000. It is also proposed amend the process and that the initial review should now be undertaken by Cabinet who will then pass to the Overview and Scrutiny Committee for their views and recommendations back to Cabinet. Previously contract specifications should have been reported to Overview and Scrutiny Committee first.
6. A new section, U, has been added to cover the responsibilities for Officers when establishing a subsidiary company. This does not extend to the detailed requirements of the company, which would form part of their own internal governance arrangements.

Environmental Considerations

7. The Council's financial and procurement activities have an impact on the environment. The Council's procurement strategy has previously been updated to ensure alignment with the Council's ambitions regarding climate change.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	Consultation	No
Environmental	Yes	Access to Information	No
Risk Management	Yes	Exempt from publication	No
Chief Executive:	Malcolm Johnston		
Report Contact Officer:	Tony Baden		
e-mail address:	antony.baden@rother.gov.uk		
Appendices:	Appendix A – Financial Procedure Rules Appendix B – Audit and Standards Minute Extract		
Relevant Previous Minutes:	None		
Background Papers:	None		
Reference Documents:	None		

Part 4 - 6

Financial Procedure Rules

1. FINANCIAL MANAGEMENT

A. Financial Management Standards

Why is this important?

All staff and Members have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

General

A.1 The inclusion of items in the approved revenue estimates shall constitute authority to incur such expenditure save to the extent to which the Council shall have placed a reservation on any item or items. Expenditure on such reserved items may be incurred only when Council approval is given following a report by an officer of the Corporate Management Team to Cabinet.

Responsibilities of the Chief Finance Officer

A.2 To ensure proper professional practices are adhered to and to act as head of profession in relation to the standards, performance and development of finance staff throughout the Authority.

A.3 To be responsible for providing the Council, Cabinet and Committees with advice on all financial and economic matters.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and Heads of Service¹

A.4 To promote the financial management standards set by the Chief Finance Officer in their departments and to monitor adherence to the standards and practices, liaising as necessary with the Chief Finance Officer.

A.5 To promote sound financial practices in relation to the standards, performance and development of staff in their services.

A.6 To be responsible for the accountability and control of staff and for the security, custody and control of all resources including plant, buildings, materials, cash and stores within their services.

A.7 To be responsible for informing the Chief Finance Officer of all contracts, agreements, etc. involving financial implications for the Council, and to also forward to the Chief Executive, Deputy Chief Executive or Director - Place and Climate Change all consents, approvals, regulations, circulars, etc. in any way relating to finance.

¹ Including all 3rd tier officers/managers

B. Managing Expenditure**(a) Virement****Why is this important?**

The scheme of virement is intended to enable Cabinet, Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and Heads of Service and their staff to manage budgets with a degree of flexibility within the overall budget and policy framework determined by the Council, and therefore to optimise the use of resources.

General

- B.1 The use of virement must not create additional liability. Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and Heads of Service are expected to exercise their discretion in managing their budgets responsibly and prudently.
- B.2 Where an approved budget is a lump-sum budget or contingency 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 purposes for which it has been established. Earmarked Reserves are considered to be part of the approved budget and therefore its use will not be treated as a virement provided it is used for the purposes for which it has been established.

Responsibilities of Cabinet

- B.3 Cabinet may vire to other purposes amounts provided within the approved annual revenue estimates, except that where the amount of any single diversion exceeds £250,000, the approval of Council is required.

Responsibilities of the Chief Finance Officer

- B.4 To have authority to vire to other purposes amounts provided within the approved annual revenue estimates provided that the amount of any single virement shall not exceed £50,000.
- B.5 To make regular reports to Cabinet detailing all virements exceeding £25,000.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- B.6 Chief Executive, Deputy Chief Executive, Director - Place and Climate Change to have authority, within the approved revenue estimates coming under their responsibility, to vire up to £25,000 for any single diversion. Heads of Service to have authority, within the approved revenue estimates coming under their responsibility, to vire up to £10,000 for any single diversion. All virements subsequently must be notified to the Chief Finance Officer. All requests for virements over £50,000 must be submitted to the Chief Finance Officer for Cabinet and/or Council approval.

(b) Treatment of year-end balances**Why is this important?**

The treatment of year-end balances is administered by the Chief Finance Officer within guidelines set by the Council. Any variation from the scheme of virement (as set out above) requires the approval of the Council. The rules below cover arrangements for the transfer of resources between accounting years, i.e. a carry-forward. For the purposes of this scheme, a budget heading is a line in the estimates report.

Responsibilities of the Chief Finance Officer

B.7 To administer the scheme of carry-forward within the delegated authority approved by the Council.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and Heads of Service

B.8 All internal business unit surpluses shall be retained for the benefit of the Authority and their application shall require the approval of Cabinet unless legislation requires otherwise.

B.9 The carrying forward of underspendings will only be considered following a review of the Council's overall financial position.

(c) Emergency Expenditure**Why is this important?**

The Council needs to have in place a procedure for meeting immediate needs in the case of an emergency situation arising in the District.

General

B.10 The Chief Executive, or Chief Finance Officer shall have authority to approve expenditure on any item which is essential to meet any immediate needs created by an emergency or which is referable to Section 138 of the Local Government Act 1972, subject to a subsequent report to Cabinet and/or Council depending on whether or not the expenditure can be met from within the current budget framework.

B.11 The Chair or Vice-Chair of the Council together with the Leader or Deputy Leader of Council, having received a report from the Chief Executive or Chief Finance Officer, shall have power to incur expenditure which is essential to meet any immediate needs created by an emergency or which is referable to Section 138 of the Local Government Act 1972 (or other subsequent legislation) which is not otherwise authorised or where it is necessary in the Council's interest to settle legal proceedings which have been commenced against the Council. A subsequent report shall be submitted to Cabinet and/or Council depending on whether or not the expenditure can be met from within the current budget framework.

C. Accounting Policies

Why is this important?

The S151 Officer is responsible for the preparation of the Authority's statement of accounts, in accordance with proper practices as set out in the format required by the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice* (CIPFA/LASAAC), for each financial year ending 31 March.

Responsibilities of the Chief Finance Officer

- C.1 To select suitable accounting policies and to ensure that they are applied consistently. The accounting policies are set out in the statement of accounts, which is prepared as at 31 March each year.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- C.2 To adhere to the accounting policies and guidelines approved by the Chief Finance Officer.

D. Accounting Records and Returns

Why is this important?

Maintaining proper accounting records is one of the ways in which the Authority discharges its responsibility for stewardship of public resources. The Authority has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of the Authority's resources.

Responsibilities of the Chief Finance Officer

- D.1 To maintain satisfactory accounting arrangements for all financial transactions of the Council in consultation where necessary with the Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*.
- D.2 To separate the duties of officers providing information about sums due to or from the Authority and calculating, checking and recording these sums from those of the officers responsible for collecting or disbursing them.
- D.3 To ensure that employees with the duty of examining or checking the accounts of cash transactions are not themselves engaged in these transactions.
- D.4 To make proper arrangements for the external audit of the Authority's accounts in accordance with the latest applicable Accounts and Audit Regulations.
- D.5 To ensure that all claims for funds including grants are made by the due date.
- D.6 To prepare and publish the audited accounts of the Authority for each financial year, in accordance with the statutory timetable and with the requirement for the Audit and Standards Committee to approve the statement of accounts before the statutory deadline.

- D.7 To administer the Authority's arrangements for underspendings to be carried forward to the following financial year.
- D.8 To ensure the proper retention of financial documents in accordance with the requirements set out in the Authority's document retention schedule.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- D.9 To consult and obtain the approval of the Chief Finance Officer before making any changes to accounting records and procedures.
- D.10 To comply with the principles outlined in paragraphs D.2 and D.3 above, when allocating accounting duties.
- D.11 To maintain adequate records (as determined by the Chief Finance Officer) to provide a management trail leading from the source of income/expenditure through to the accounting statements.
- D.12 To supply information required to enable the statement of accounts to be completed in accordance with guidelines issued by the Chief Finance Officer.

E. The Annual Statement of Accounts

Why is this important?

The Authority has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. The Audit and Standards Committee is responsible for approving the statutory annual statement of accounts.

Responsibilities of the Chief Finance Officer

- E.1 To select suitable accounting policies and to apply them consistently.
- E.2 To make judgements and estimates that are reasonable and prudent.
- E.3 To comply with the Statement of Recommended Practice (SORP).
- E.4 To sign and date the statement of accounts, stating that it presents fairly the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March.
- E.5 To draw up the timetable for final accounts preparation and to advise staff and external auditors accordingly.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- E.6 To comply with accounting guidance provided by the Chief Finance Officer and to supply the Chief Finance Officer with information when required.

2. FINANCIAL PLANNING

F. Performance Plans and Strategies

Why is this important?

It is good practice for local authorities to publish forward or business plans, including corporate performance plans, and community plans. The purpose of these plans is to explain overall priorities and objectives, current performance, and proposals for further improvement and demonstrate good Use of Resources and Value for Money. Rother District Council has chosen to base its performance framework on a pyramid of connected plans.

The *Corporate Plan* sets out the Council's vision and objectives.

The *Annual Performance Plan* sets out key targets for improvement.

Service Plans set out the key activities and improvements for each Rother Service on an annual basis.

Individual Action Plans, based on the Performance Appraisal Scheme, set out individual staff members objectives on an annual basis.

Responsibilities of the Chief Executive

F.1 To advise and supply the financial information that needs to be included in performance plans and strategies etc. in accordance with statutory requirements and agreed timetables.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

F.2 To contribute to the development of performance plans.

F.3 To contribute to the development of corporate and service targets and objectives and performance information.

F.4 To ensure that performance plan information is monitored sufficiently frequently to allow corrective action to be taken if targets are not likely to be met.

G. Budgeting

(a) *Format of the budget*

Why is this important?

The format of the budget determines the level of detail to which financial control and management will be exercised. The format shapes how the rules around virement operate, the operation of cash limits and sets the level at which funds may be reallocated within budgets.

Responsibilities of the Chief Finance Officer

G.1 To advise Cabinet on the format of the budget that is to be approved by the Council.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

G.2 To comply with accounting guidance provided by the Chief Finance Officer.

(b) *Revenue budget preparation, monitoring and control*

Why is this important?

Budget management ensures that once the budget has been approved by the Council, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the Authority to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.

By continuously identifying and explaining variances against budgetary targets, the Authority can identify changes in trends and resource requirements at the earliest opportunity. The Authority itself operates within an annual cash limit, approved when setting the overall budget. To ensure that the Authority in total does not overspend, each service is required to manage its own expenditure within the cash-limited budget allocated to it. For the purposes of budgetary control by managers, a budget will normally be the planned income and expenditure for a service area or cost centre.

Responsibilities of the Chief Finance Officer

G.3 To submit reports to Cabinet and to the Council, in consultation with the Chief Executive, where the Deputy Chief Executive, Director - Place and Climate Change or *Heads of Service* is unable to balance expenditure and resources within existing approved budgets under his / her control.

G.4 To prepare and submit reports on the Authority's projected income and expenditure compared with the budget to Corporate Management Team (CMT), Cabinet and Overview and Scrutiny Committee (or delegated sub-committee thereof) on a regular basis.

G.5 To establish an appropriate framework of budgetary management and control that ensures that:

- (a) budget management is exercised within annual cash limits unless the Council agrees otherwise;
- (b) each Head of Service has available timely information on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities;
- (c) expenditure is committed only against an approved budget head;
- (d) all officers responsible for committing expenditure comply with relevant guidance, Financial Procedure Rules and Procurement Procedure Rules
- (e) each cost centre has a single named manager, determined by the relevant Head of Service. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making processes that commits expenditure; and

- (f) significant variances from approved budgets are investigated and reported by budget managers in accordance with the monitoring timetable.

G.6 To administer the Authority's scheme of virement (Refer to section B(a)).

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

G.7 To consult with the Chief Finance Officer with respect to any matter which is liable materially to affect the finances of the Council before any provisional or other commitment is incurred or before reporting thereon.

G.8 To maintain budgetary control within their departments, in adherence to the principles in G.3 above, and to ensure that all income and expenditure are properly recorded and accounted for.

G.9 To ensure that an accountable budget manager is identified for each item of income and expenditure under the control of the Head of Service (grouped together in a series of cost centres). As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure.

G.10 To ensure that spending remains within the service's overall cash limit, and that individual budget heads are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast and to report these to the Chief Finance Officer in accordance with the monitoring timetable. This regulation shall also apply to any action or decision, which will give rise to a reduction in income.

G.11 To ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and is operating effectively within the guidelines set down by the Chief Finance Officer.

G.12 To ensure prior approval by the Council for new proposals outside of the budget and policy framework, of whatever amount, that:

- (a) create financial commitments in future years;
- (b) change existing policies, initiate new policies or cease existing policies; and
- (c) materially extend or reduce the Authority's services.

G.13 To ensure compliance with the scheme of virement (See section B(a))

G.14 To agree with Corporate Management Team, where it appears that a budget proposal, including a virement proposal, may impact materially another services area, prior to any action being taken.

(c) Budgets and medium-term planning**Why is this important?**

The authority is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with carefully weighed priorities. The budget is the financial expression of the Authority's plans and policies.

The revenue budget must be constructed so as to ensure that resource allocation properly reflects the service plans and priorities of the Council. Budgets (spending plans) are needed so that the Authority can plan, authorise, monitor and control the way money is allocated and spent. It is illegal for an authority to budget for a deficit.

Medium-term planning (or a three-to-five-year planning system) involves a planning cycle in which managers develop their own plans. As each year passes, another future year will be added to the medium-term plan. This ensures that the Authority is always preparing for events in advance.

Responsibilities of the Chief Finance Officer

- G.15 To prepare and submit reports on budget prospects for Cabinet, including resource constraints set by the Government. Reports should take account of medium-term prospects, where appropriate.
- G.16 To determine the detailed form of revenue estimates and the methods for their preparation.
- G.17 To prepare and submit reports to Cabinet on the budget and policy framework, identifying, where appropriate, the implications for the level of Council tax to be levied. After making any necessary amendment, Cabinet shall submit them to the Overview and Scrutiny Committee for comment. Following receipt of these comments, Cabinet shall submit the proposals to the Council for approval with a recommendation of the Council Tax to be levied for the ensuing financial year.
- G.18 To advise on the medium-term implications of spending decisions.
- G.19 To encourage the best use of resources and value for money by working with the Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service* to identify opportunities to improve economy, efficiency and effectiveness; by encouraging good practice in conducting financial appraisals of development or savings options, and in developing financial aspects of service planning.
- G.20 To ensure reports are made to the Council on Cabinet proposals in accordance with their responsibilities under Section 151 of the Local Government Act 1972.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- G.21 To prepare detailed draft revenue and capital budgets for consideration, in consultation with the Chief Finance Officer, to be submitted to Cabinet, and thereafter consulted with the appropriate committee.

- G.22 To prepare budgets that are consistent with any relevant cash limits, with the Authority's annual budget cycle and with guidelines issued by Cabinet. The format should be prescribed by the Chief Finance Officer in accordance with the Council's general directions.
- G.23 To integrate financial and budget plans into service planning, so that budget plans can be supported by financial and non-financial performance measures.
- G.24 When drawing up draft budget requirements, to have regard to the budget requirements as set out by the Chief Finance Officer.

(d) Capital programmes

Why is this important?

Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the Authority, such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs. This means that capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

General

- G.25 The inclusion of any item with an estimated value less than £100,000 within the approved capital expenditure programme shall constitute authority to incur such expenditure.
- G.26 Cabinet may vire to other purposes money from one project to another in the approved capital expenditure programme, except that where the amount of any single diversion exceeds £100,000, the approval of the Council is required.

Responsibilities of the Chief Finance Officer

- G.27 To have authority to vire money from one project to another within the approved capital expenditure programme provided that the amount of any single diversion shall not exceed £50,000.
- G.28 To prepare capital estimates jointly with the Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*, in accordance with the procedure set out in the Capital Strategy and to report them to Cabinet for approval. Cabinet will make recommendations on the capital estimates and on any associated financing requirements to the Council.
- G.29 To be responsible for ensuring that the Chief Finance Officer has adequate procedures in place to properly control capital spending.
- G.30 To prepare and submit reports to Corporate Management Team, Cabinet and Overview and Scrutiny Committee (or delegated sub-committee) on the projected income, expenditure and resources compared with the approved estimates.
- G.31 To issue guidance concerning capital schemes and controls, for example, on project appraisal techniques. The definition of 'capital' will be determined by the

Chief Finance Officer having regard to government regulations and accounting requirements.

- G.32 To obtain authorisation from Council for individual schemes where the estimated expenditure exceeds the capital programme provision.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- G.33 To comply with guidance concerning capital schemes and controls issued by the Chief Finance Officer.

- G.34 To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued by the Chief Executive.

- G.35 Before procuring a service contract which is estimated to exceed £500,000 per annum in value or amount, to firstly report to Cabinet the draft specification, likely cost and form of tendering; Cabinet will then ask Overview and Scrutiny Committee to review and comment on the draft specification to be recommended to Cabinet for final approval; and to ensure that the proposal is included on the Council's Forward Plan of Key Decisions, if appropriate.

- G.36 Prepare a return for the quarterly capital monitoring group in accordance with the agreed timetable, of estimated final costs of schemes in the approved capital programme for submission to Corporate Management Team.

- G.37 To consult with the Chief Finance Officer when a potential overspending or significant underspending is identified on a capital scheme which is under their control.

- G.38 To ensure that adequate records are maintained for all capital contracts.

- G.39 To proceed with projects only when there is adequate approved provision in the capital programme and with the agreement of the Chief Finance Officer, where required.

- G.40 If at any time it is believed that the cost of any capital scheme is likely to exceed the estimate as shown in the approved capital expenditure programme by more than £25,000 of the approved amount, the Chief Finance Officer shall report the anticipated overspend to Cabinet. For variations under £25,000 but exceeding 10% of the approved capital scheme cost, these shall be reported to Chief Finance Officer.

- G.41 To ensure that credit arrangements, such as leasing agreements, are not entered into without the prior approval of the Chief Finance Officer and, if applicable, approval of the scheme through the capital programme.

H. MAINTENANCE OF RESERVES

Why is this important?

The Local Authority must decide the level of general reserves it wishes to maintain before it can decide the level of Council tax. Reserves are maintained as a matter of prudence. They enable the Authority to provide for unexpected events and thereby

protect it from overspending, should such events occur. Reserves for specific purposes may also be maintained, such as the purchase or renewal of capital items.

Responsibilities of the Chief Finance Officer

H.1 To advise Cabinet and/or the Council on prudent levels of reserves for the Authority, and to take account of the advice of the external auditor in this matter.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

H.2 To ensure that reserves are used only for the purposes for which they were intended.

3. RISK MANAGEMENT AND CONTROL OF RESOURCES

J. Risk Management

Why is this important?

All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the organisation and to ensure the continued financial and organisational well-being of the organisation. In essence it is, therefore, an integral part of good business practice. Risk management is concerned with evaluating the measures an organisation already has in place to manage identified risks and then recommending the action the organisation needs to take to control these risks effectively.

It is the overall responsibility of the Audit and Standards Committee to approve the Authority's risk management strategy, and together with the Corporate Management Team promote a culture of risk management awareness throughout the Authority.

Responsibilities of the Chief Finance Officer

J.1 To include all appropriate employees of the Authority in a suitable fidelity guarantee insurance.

J.2 To be responsible for arranging all necessary insurance cover and keeping appropriate records.

Responsibilities of the Head of Internal Audit

J.3 To prepare and promote the Authority's risk management policy statement and ensure the Corporate Risk Register is maintained and regularly reported to Audit and Standards Committee.

J.4 To advise the Corporate Management Team on the identification and evaluation of risk and suggest improvements to controls.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- J.5 To notify the Chief Finance Officer immediately of any loss, liability or damage that may lead to a claim against the Authority, together with any information or explanation required by the Chief Finance Officer or the Authority's insurers.
- J.6 To identify the key strategic and operational risks facing Council services and to document them in a risk register. The likelihood and potential impact of each risk shall be evaluated and recorded in the register along with the measures taken to reduce the risks to an acceptable level. Risk registers shall be maintained for both corporate and service level risks and their content regularly reviewed and updated. Separate risk registers shall also be kept for major projects.
- J.7 To ensure that there are regular reviews of risk within their departments.
- J.8 To notify the Chief Finance Officer promptly of all new risks, equipment, properties or vehicles that require insurance and of any alterations affecting existing insurances.
- J.9 To consult the Chief Finance Officer and the Monitoring Officer on the terms of any indemnity that the Authority is requested to give.
- J.10 To ensure that employees, or anyone covered by the Authority's insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.
- J.12 To ensure that a Business Continuity Plan exists and is maintained and followed as appropriate.

K. Internal Controls

Why is this important?

The Authority is complex and therefore requires internal controls to manage and monitor progress towards strategic objectives and to monitor compliance with statutory obligations.

The Authority faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks.

Responsibilities of the Chief Finance Officer

- K.1 To put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- K.2 To ensure that the principles of internal control as defined by the Chief Finance Officer shall be observed as far as practicable in the allocation of all accounting duties, and to be responsible for maintaining these principles for all areas of work under their control.

- K.3 To manage processes to check that established controls are being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risks.
- K.4 To review existing controls in the light of changes affecting the Authority and to establish and implement new controls in line with guidance from the Chief Finance Officer and Head of Internal Audit. Heads of Service shall not remove existing controls without consultation with the Head of Internal Audit.
- K.5 To ensure staff have a clear understanding of the consequences of lack of internal control.

L. Audit Requirements

(a) Internal audit

Why is this important?

The requirement for an internal audit function for local authorities is implied by Section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit Regulations 2015 (SI 2015/184), Regulation 5, more specifically require that a “relevant authority must undertake an effective Internal Audit to evaluate the effectiveness of risk management, control and governance processes, taking into account public sector internal auditing standards or guidance

Accordingly, internal audit is an independent and objective appraisal function established by the Authority for reviewing the system of internal control. It examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

Responsibilities of the Chief Finance Officer

- L.1 To maintain an adequate and effective internal audit of all financial activities of the Council to the satisfaction of the Chief Finance Officer, which shall be carried out independently of the management and be operated in accordance with, the Public Sector Internal Audit Standards as interpreted by, amended or supplemented by nationally approved guidance on professional practice. The Head of Internal Audit, in carrying out these activities on behalf of the Chief Finance Officer, shall have a direct right of access to the Audit and Standards Committee, and/or Cabinet and Council if the circumstances so warrant.
- L.2 To ensure that the Head of Internal Audit shall have authority to visit any Council establishment and have access to such records and documents as required. They shall also have authority to visit any premises, after reasonable notice has been given, where a Contractor who is subject to these Procedure Rules and/or Procurement Procedure Rules is carrying out or performing a Service Contract. They may require the production of cash, stores and other Council property, and shall be entitled to receive such explanations as they considers necessary.
- L.3 To approve the annual audit plans prepared by the Head of Internal Audit, which take account of the characteristics and relative risks of the activities involved.

- L.4 To regularly review, appraise and report upon the adequacy of all financial systems together with the control of the Council's assets and interests and shall submit an Annual Governance Report thereon to the Audit and Standards Committee.

Responsibilities of Head of Internal Audit

- L.5 To prepare a risk-based annual audit plan ensuring good coverage of the Council's key financial risks and to report a summary of all internal audit activity to the Audit and Standards Committee on a quarterly basis.
- L.6 To report their overall opinion on the Council's control environment, together with a summary of the work that supports that opinion, to the Audit and Standards Committee on an annual basis
- L.7 To ensure that effective procedures are in place to investigate promptly any fraud or irregularity.
- L.8 To ensure that there is effective liaison between internal and external audit.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- L.9 To ensure that internal auditors are given access at all reasonable times to all premises, personnel, documents, records and assets that the auditors consider necessary for the purposes of their work.
- L.10 To ensure that internal auditors are provided with any information and explanations that they seek in the course of their work.
- L.11 To consider and respond promptly to recommendations in audit reports.
- L.12 To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.
- L.13 The Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service* or Contractor who is subject to these Procedure Rules, shall notify the Chief Finance Officer or Head of Internal Audit immediately of any circumstances which suggest the possibility of any irregularity affecting cash, stores or other property of the Council, or any other suspected irregularity in the exercise of the functions of the Authority.
- L.14 To ensure that new systems for maintaining financial records, or records of assets, or significant changes to such systems, are discussed with and agreed by the Head of Internal Audit prior to implementation.

(b) *External Audit*

Why is this important?

The Local Government Finance Act 1982 set up the Audit Commission, which until 31 March 2015 was responsible for appointing external auditors to each local authority in England and Wales. The Council opts in to the contract management arrangements operated by the Public Sector Audit Appointments Ltd under the local audit framework established by the Local Audit and Accountability Act 2014.

The external auditor has rights of access to all documents and information necessary for audit purposes.

The code of audit practice issued in April 2020 sets out the auditor's objectives to review and report upon the financial aspects of the audited body's corporate governance arrangements and also the audited body's financial statements including arrangements to secure the economic, efficient and effective use of resources.

Responsibilities of the Chief Finance Officer

- L.15 To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets that the external auditors consider necessary for the purposes of their work.
- L.16 To ensure there is effective liaison between external and internal audit.
- L.17 To work with the external auditor and advise the Council, Audit and Standards Committee, Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service* on their responsibilities in relation to external audit.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- L.18 To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets which the external auditors consider necessary for the purposes of their work.
- L.19 To ensure that all records and systems are up to date and available for inspection.

M. Preventing Fraud and Corruption

Why is it this important?

The Authority will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Authority. The Authority's expectation of propriety and accountability is that elected Members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices. The Authority also expects that individuals and organisations (e.g. suppliers, contractors, service providers) with whom it comes into contact will act towards the Authority with integrity and without thought or actions involving fraud and corruption.

Responsibilities of the Chief Finance Officer

- M.1 To maintain adequate and effective internal control arrangements.
- M.2 To ensure that all suspected irregularities are reported to the Head of Internal Audit

Responsibilities of the Head of Internal Audit

- M.3 To develop and maintain an anti-fraud and anti-corruption policy.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- M.4 To ensure that all suspected irregularities or financial improprieties are reported to the Head of Internal Audit or Chief Finance Officer who will advise on the most appropriate course of action.
- M.5 To be responsible for maintaining the internal control system and the prevention and detection of fraud and other illegal acts.
- M.6 To instigate the Authority's disciplinary procedures where the outcome of an Internal Audit or similar investigation indicates improper behaviour.

Responsibilities of the Monitoring Officer

- M.7 To maintain and regularly update the officer register of gifts and hospitality (all officers) and the officer register of interests (management grade holders).

N. Assets

(a) *Security of Property (Tangible and Intangible Assets)*

Why is this important?

The Authority holds assets in the form of property, computers, equipment, furniture and other items worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.

Responsibilities of the Chief Finance Officer

- N.1 To ensure that an Asset Register is maintained in accordance with good practice for all fixed assets with a value in excess of £10,000. The function of the asset register is to provide the Authority with information about fixed assets so that they are:
- safeguarded,
 - used efficiently and effectively, and
 - adequately maintained.
- N.2 To receive the information required for accounting, costing and financial records from each Head of Service.
- N.3 To ensure that assets are valued in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC)*.

Responsibilities of Director - Place and Climate Change

- N.4 To maintain a property database for all land and property currently owned or used by the Authority. Any use of property by a service or establishment other than for direct service delivery should be supported by documentation identifying terms, responsibilities and duration of use.

- N.5 To be responsible for maintaining a terrier of Council properties.
- N.6 To ensure that upon the termination of any lease, concession, grazing right or other agreement, a report upon the future use of the property shall be submitted to Cabinet unless a relevant delegation is in place.
- N.7 To be responsible for ensuring that all title deeds are held in a secure manner.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and Heads of Service

- N.8 To be responsible for the security and safe keeping of all cash, equipment, stores and other property under his / her control in accordance with procedures approved by the Chief Finance Officer.
- N.9 To keep inventories (as per proforma attached as Appendix 1) of Council-owned plant, equipment, furniture etc. in a manner approved by the Chief Finance Officer, where the value exceeds £50. Attractive and portable items such as computers, cameras and video recorders should be identified with security markings as belonging to the Authority.
- N.10 To notify the Chief Finance Officer of all new assets acquired for insurance and asset register purposes.
- N.11 To consult the Chief Finance Officer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- N.12 To ensure cash holdings on premises are kept within insured limits.
- N.13 To ensure that keys to safes and similar receptacles are held securely by those responsible at all times; loss of any such keys must be reported to the Chief Finance Officer as soon as possible.
- N.14 To make arrangements for the disposal of surplus assets or writing-off of stores and inventory items subject to approval in writing by the Chief Finance Officer. Such disposals must be recorded and should normally be by competitive tender or public auction unless the Chief Finance Officer agrees otherwise in writing.
- N.15 To ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the Authority in some way.
- N.16 To be responsible for the recording and control of assets, stocks, stores and inventories in his / her service and to notify the Chief Finance Officer of any discrepancies.
- N.17 To regularly review and physically check all assets, stocks, stores and inventories at least annually, or otherwise as agreed by the Chief Finance Officer.

N.18 To make sure that all assets are only used in the course of the Authority's business, unless the Chief Executive, Deputy Chief Executive, Director - Place and Climate Change or relevant *Head of Service* concerned has given permission otherwise.

(b) Intellectual property

Why is this important?

Intellectual property is a generic term that includes inventions and writing. If these are created by the employee during the course of employment, then, as a general rule, they belong to the employer, not the employee.

Certain activities undertaken within the Authority may give rise to items that may be patentable, for example, software development. These items are collectively known as intellectual property.

Responsibilities of the Chief Finance Officer

N.19 To develop and disseminate good practice through the Authority's intellectual property procedures.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and Heads of Service

N.20 To ensure that controls are in place to ensure that staff do not carry out private work in Council time and that staff are aware of an employer's rights with regard to intellectual property.

O. Treasury Management, Banking and Petty Cash

Why is this important?

Many millions of pounds pass through the Authority's books each year. This led to the establishment of codes of practice. These aim to provide assurances that the Authority's money is properly managed in a way that balances risk with return, but with the overriding consideration being given to the security of the Authority's capital sum.

General

O.1 The Council has adopted CIPFA's "Treasury Management in the Public Services: Code of Practice (the Code) as described in Section 4 of that Code.

O.2 Accordingly, the Council has created and will maintain, as the cornerstones of effective Treasury Management:

- A Treasury Management Policy Statement (TMPS), stating the policies and objectives of its treasury management activities.
- Suitable Treasury Management Practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives.

- O.3 To be responsible for all necessary borrowings, repayments of loans and investments which shall be within the Council's policy and in the name of the Council.
- O.4 All money in the hands of the Council shall be aggregated for the purposes of treasury management and be under the control of the Chief Finance Officer.
- O.5 To report to Audit and Standards Committee and Cabinet on the treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close in the form prescribed in its TMPs.
- O.6 To be responsible for the implementation and monitoring of the Council's treasury management policies and practices and for the execution and administration of delegated treasury management decisions and to act in accordance with the Council's Policy Statement, TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
- O.7 To be responsible for the operation and terms of all the Council's banking, giro and investment accounts and for the ordering, use and control of cheques, payment forms and other payment media.
- O.8 To advance such sums by way of imprest accounts as they deems reasonable and to approve the nature and amounts of payments which can be made from the account and the records which need to be kept.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- O.9 To follow the instructions on banking and imprest accounts issued by the Chief Finance Officer.
- O.10 To ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of the Council, following consultation with the Chief Finance Officer.
- O.11 To arrange for all trust funds to be held, wherever possible, in the name of the Authority. All officers acting as trustees by virtue of their official position shall deposit securities, etc., relating to the trust with the Chief Finance Officer, unless the deed otherwise provides.
- O.12 To arrange, where funds are held on behalf of third parties, for their secure administration, approved by the Chief Finance Officer, and to maintain written records of all transactions.
- O.13 To ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.
- O.14 To ensure that employees operating an imprest account:
 - (a) obtain and retain vouchers to support each payment from the imprest account. Where appropriate, an official receipted VAT invoice must be obtained;

- (b) make adequate arrangements for the safe custody of the imprest account;
- (c) produce upon demand by the Chief Finance Officer cash and all vouchers to the total value of the imprest amount;
- (d) record transactions promptly;
- (e) reconcile and balance the account at least monthly; reconciliation sheets to be signed and retained by the imprest holder;
- (f) provide the Chief Finance Officer with a certificate of the value of the account held at 31 March each year;
- (g) ensure that the petty cash float is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made; and
- (h) on leaving the Authority's employment or otherwise ceasing to be entitled to hold an imprest advance, an employee shall account to the Chief Finance Officer for the amount advanced to them.

4. FINANCIAL SYSTEMS AND PROCEDURES

P. General

Why is this important?

Services have many systems and procedures relating to the control of the Authority's assets, including purchasing, costing and management systems. Services are reliant on computers for their financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.

The Chief Finance Officer, who has a professional responsibility to ensure that the Authority's financial systems are sound, should therefore be notified of any new developments or changes.

Responsibilities of the Chief Finance Officer

- P.1 To make arrangements for the proper administration of the Authority's financial affairs, including to:
- (a) issue advice, guidance and procedures for officers and others acting on the Authority's behalf;
 - (b) determine the accounting systems, form of accounts and supporting financial records;
 - (c) establish arrangements for audit of the Authority's financial affairs;
 - (d) approve any new financial systems to be introduced; and

- (e) approve any changes to be made to existing financial systems.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- P.2 To ensure that accounting records are properly maintained and held securely.
- P.3 To consult with the Chief Finance Officer concerning controls on new systems and on proposed changes to existing systems.
- P.4 To ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the Chief Finance Officer.
- P.5 To ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained.
- P.6 To incorporate appropriate controls to ensure that, where relevant:
 - (a) all input is genuine, complete, accurate, timely and not previously processed;
 - (b) all processing is carried out in an accurate, complete and timely manner; and
 - (c) output from the system is complete, accurate and timely.
- P.7 To ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice.
- P.8 To ensure that systems are documented and staff trained in operations.
- P.9 To establish a scheme of delegation identifying officers authorised to act upon the Chief Executive, Deputy Chief Executive or Director - Place and Climate Change behalf in respect of payments, income collection and placing orders, including variations, and showing the limits of their authority.
- P.10 To ensure that the list of officers included in the “purchasing roles” document produced from the financial system is correct, before approval by the Chief Finance Officer, on an annual basis and as otherwise may be required as a result of changes in staff.
- P.11 To ensure that, where appropriate, computer systems are registered in accordance with Data Protection / General Data Protection Regulation legislation and that staff and Members are aware of their responsibilities in accordance with the Council’s Data Protection Policy.
- P.12 To ensure that the Council’s ICT Strategy covering the future use of computing facilities, is followed.
- P.13 To ensure that standards and guidelines set out in the Council’s ICT Policy, governing the use and security of information and communications technology facilities, and in particular intranet, email and copyright, designs and patents legislation are followed.

Q. Income and Expenditure

(a) Income

Why is this important?

Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly. It is preferable to obtain income in advance of supplying goods or services as this improves the Authority's cashflow and also avoids the time and cost of administering debts.

Responsibilities of the Chief Finance Officer

- Q.1 To be responsible for maintaining a system for recording and collecting all credit income.
- Q.2 To approve all arrangements for the collection, receipt, recording, banking and safe-keeping of Council income.
- Q.3 To satisfy himself regarding the arrangements for the control, order and supply of all receipt forms, order books or tickets and similar items issued direct to the departments.
- Q.4 For local taxation debts to delegate to the Revenues and Benefits Head of Service or equivalent to agree write off of debts up to £100,000 for the following reasons:
- (a) Insolvency – Liquidation and Bankruptcy
 - (b) Debt Relief Orders
 - (c) Individual Voluntary Arrangement
 - (d) Absconded – no trace of debtor including no longer residing in UK
 - (e) Adjustments required to Council tax accounts relating to administrative error in awarding discounts under the Council Tax Reduction Scheme, up to the value of the error.
 - (f) Uneconomic to collect – dormant debts of £100 or less
- Q.5 For Housing Benefit Overpayment debts to delegate to the Revenues and Benefits Head of Service to write off Debts up to £25,000. For all other amounts and types of debt, the Chief Finance Officer to agree write offs up to £100,000. Write off of debts above £100,000 require the prior approval of Cabinet.
- Q.6 To submit as part of the annual financial outturn report to Cabinet, a summary of all debts written off during the financial year by type of debt, i.e. local taxation (council tax and business rates, housing benefit and sundry debts).
- Q.7 To approve the waiver or variation of any charge in respect of individual transactions and to seek approval of Cabinet to waivers or variations in excess of the approved write-off limit.
- Q.8 To ensure that appropriate accounting adjustments are made following write-off action. To cancel any debt that has been raised in error and make the necessary accounting adjustments. Such changes are not to be treated as a write off and are not subject to the approval and reporting limitations set out

above. The Chief Finance Officer must maintain adequate records to justify taking such action.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- Q.9 To review all scales of charges annually in conjunction with the Chief Finance Officer or at such other times as the Chief Finance Officer deems necessary. No alteration to such scales may be made, or new scales introduced, except upon a report by the appropriate officer to Cabinet unless such powers of alteration have been previously delegated to an officer.
- Q.10 To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.
- Q.11 To establish and initiate appropriate recovery procedures, in connection with the Chief Finance Officer, including legal action where necessary, for debts that are not paid promptly. The Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service* have a responsibility to assist the Chief Finance Officer in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the Authority's behalf.
- Q.12 To be responsible for making satisfactory and secure arrangements for the order, control and supply of all receipt forms, order books or tickets and similar items obtained direct from the Reprographics Unit.
- Q.13 To issue official receipts or to maintain other documentation for income collection.
- Q.14 To ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded.
- Q.15 To hold securely receipts, tickets and other records of income for the appropriate period as specified by the Chief Finance Officer.
- Q.16 To lock away all income, tickets etc., to safeguard against loss or theft, and to ensure the security of cash handling all to be within agreed insurance safe limits.
- Q.17 To ensure that income is paid fully and promptly into the Cashiers or appropriate authority bank account in the form in which it is received. Appropriate details should be recorded on to paying-in slips to provide an audit trail.
- Q.18 To ensure income is not used to cash personal cheques or other payments.
- Q.19 To supply the Chief Finance Officer with details relating to work done, goods supplied, services rendered or other amounts due, to enable the Chief Finance Officer to record correctly the sums due to the Authority and to ensure accounts are sent out promptly.

- Q.20 Revisions to the rent payable under the terms of any lease, concession or grazing right or other agreement shall be approved by Cabinet following a report to them unless specifically delegated to an Officer to determine.
- Q.21 To keep a record of every transfer of money between employees of the Authority. The receiving officer must sign for the transfer and the transferor must retain a copy.
- Q.22 To recommend to the Chief Finance Officer all debts to be written off and to keep a record of all sums written off up to the approved limit. Once raised, no bona fide debt may be cancelled, except by full payment or by its formal writing off. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt.
- Q.23 To notify the Chief Finance Officer of all debts, which it is recommended are written off.
- Q.24 To record all sums written off and to adhere to the requirements of the latest applicable Accounts and Audit Regulations.
- Q.25 To notify the Chief Finance Officer of outstanding income not invoiced relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Chief Finance Officer and not later than 15 April.

(b) Ordering and paying for work, goods and services

Why is this important?

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

General

- Q.26 For all procurement related rules please refer to the Council's Procurement Procedure Rules. For procurement of capital items please additionally refer to section G. Budgeting (d) capital programmes.

Responsibilities of the Chief Finance Officer

- Q.27 To ensure that all the Authority's financial systems and procedures are sound and properly administered and to approve any changes to existing financial systems and to approve any new systems before they are introduced.
- Q.28 To approve the form of Official Order to be used.
- Q.29 To ensure that a budgetary control system is established that enables commitments incurred by placing orders to be shown against the appropriate budget allocation so that they can be taken into account in budget monitoring reports.

- Q.30 To make payments from the Authority's funds on the Head of Service's authorisation that the expenditure has been duly incurred in accordance with Financial Procedure Rules.
- Q.31 To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order.
- Q.32 To make payments to contractors on the certificate of the appropriate Head of Service, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.
- Q.33 To ensure compliance with relevant transparency requirement as detailed in Appendix 3.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- Q.34 To ensure that purchase orders in the Council's finance system are used for all goods and services, other than the exceptions specified by the Chief Finance Officer.
- Q.35 To ensure that orders are only used for goods and services provided to the department and that staff are aware that they must not use official orders to obtain goods or services for their private use.
- Q.36 To ensure that only those staff agreed by them and authorised by the Chief Finance Officer under P.10 authorise orders, maintain an up-to-date list of such authorised staff, identifying in each case the limits of their authority and to supply a copy to the Chief Finance Officer.
- Q.37 To ensure that before authorising an order the responsible officer shall be satisfied that the Council's Financial Procedure Rules and Procurement Procedure Rules have been followed throughout the procurement exercise.
- Q.38 To ensure that goods and services are checked on receipt to verify that they are in accordance with the order. This check should, where possible, be carried out by a different officer from the person who authorised the order. Appropriate entries should then be made in inventories or stores records.
- Q39 To ensure their departments comply with the requirements of the relevant Transparency requirements detailed in Appendix 3.

Invoices without Orders

- Q.40 To ensure that payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment, confirming:
- (a) that the goods or services have been received;
 - (b) that the invoice has not previously been paid.
 - (c) that expenditure has been properly incurred and is within budget provision except expenditure under the provision of Q.30;
 - (d) that prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices;
 - (e) that tax has been correctly accounted for;
 - (f) that the invoice is correctly coded;

- (g) that discounts have been taken where available; and
- (h) that appropriate entries will be made in accounting records.

Q.41 To ensure that:

- (a) the receipt of goods or services,
- (b) the checking of the prices and arithmetic, and
- (c) the authorisation for payment of invoices are carried out by different persons.

Q.42 to ensure that any invoice received without a PO will be returned to the supplier for a PO to be added. Where this is not possible due to the nature of the services supplied (e.g. utility bills) ensure the invoice is checked and the relevant coding added and returned to the Accounts Payable Team.

Q.43 Where goods or services have been paid for in advance, the Chief Executive, Deputy Chief Executive, Director - Place and Climate Change or relevant *Heads of Service* shall be responsible for ensuring that the goods or services are subsequently received and that any subsequent invoice is clearly marked "paid" and sent to the Chief Finance Officer to support the original payment.

Q.44 To be responsible for maintaining a system to prevent duplicate payments of invoices.

Q.45 To ensure that payments are not made on a photocopied or faxed invoice or a statement unless certified by the Chief Finance Officer.

Q.46 To ensure that loans, leasing or rental arrangements are not entered into without prior agreement from the Chief Finance Officer.

Q.47 To notify the Chief Finance Officer of outstanding expenditure relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Chief Finance Officer and, in any case, not later than 30 April.

Q.48 With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the Chief Finance Officer the systems and procedures to be adopted in relation to financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status.

Q.49 To notify the Chief Finance Officer immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.

Q.50 To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the document retention schedule.

(c) *Payments to employees and members*

Why is this important?

Staff costs are the largest item of expenditure for most authority services. It is therefore important that payments are accurate, timely, made only where they are due for services to the Authority and that payments accord with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for and that Members' allowances are authorised in accordance with the scheme adopted by the Council.

Responsibilities of the Head of Human Resources

- Q.51 To be responsible for the calculation and payment of salaries, wages and all other emoluments unless other arrangements are agreed by the Chief Finance Officer.
- Q.52 To record and make arrangements for the accurate and timely payment of tax, superannuation and other deductions.
- Q.53 To make arrangements for payment of all travel and subsistence claims to staff.
- Q.54 To make arrangements for paying Members travel or other allowances upon receiving the prescribed form, duly completed and authorised.
- Q.55 To ensure that there are adequate arrangements for administering superannuation matters on a day-to-day basis.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- Q.56 To ensure appointments are made in accordance with the procedure rules of the Authority and approved establishments, grades and scale of pay and that adequate budget provision is available including provision for equipment and training where appropriate.
- Q.57 To notify the Head of Human Resources of all appointments, terminations or variations which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Head of Human Resources
- Q.58 To be responsible for the accuracy of all information passed to the Head of Human Resources, which is used for making such payments to staff.
- Q.59 To send an up-to-date list of the names of officers authorised to approve or sign timesheets, etc., to the Head of Human Resources, together with specimen signatures if required.
- Q.60 All overtime must be agreed in advance in writing by the relevant Head of Service.
- Q.61 To ensure that payroll transactions are processed only through the payroll system. The Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service* should give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis. HM Revenue and Customs applies a tight definition for employee status, and in cases of doubt, advice should be sought from the Head of Human Resources.

Q.62 To certify travel and subsistence claims and other allowances. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the Authority, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications and that the Head of Human Resources is informed where appropriate.

Q.63 To ensure that the Head of Human Resources is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system.

Q.64 To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule.

(d) Appointment of Consultants

Why is this important?

The cost of consultants is considered to be an expensive commitment. It is important that a proper decision is taken before these are engaged.

General

Q.65 Appointments of consultants should be made in accordance with Procurement Procedure Rules.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and Heads of Service

Q.66 The appropriate Head of Service must consult with the Head of Human Resources on fees to be paid to and the insurance status of any consultants before the appointment is made.

Q.67 It shall be a condition of the appointment of any consultant who is responsible to the Council for services in respect of works on its behalf that in relation to those works they shall:

- (a) comply with the Council's Financial Procedure Rules relating to Financial Systems and Procedures and also the Council's Procurement Procedure Rules as though they were an Officer of the Council;
- (b) at any time the carrying out of the works, produce to the appropriate Head of Service, or his / her representative, on request, all the records maintained by him in relation to the works; and
- (c) on completion of the works, transmit all such records or copies thereof to the appropriate Head of Service.

R Taxation

Why is this important?

Like all organisations, the Authority is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all officers to be aware of their role.

Responsibilities of the Head of Human Resources

- R.1 To complete all HM Revenue and Customs returns regarding PAYE by the appropriate deadlines.

Responsibilities of the Chief Finance Officer

- R.2 To complete monthly returns of VAT inputs and outputs to HM Revenue and Customs by the appropriate deadlines.
- R.3 To provide details to HM Revenue and Customs regarding the construction industry tax deduction scheme.
- R.4 To maintain up-to-date guidance for authority employees on taxation issues in the accounting manual and the VAT tax manual.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- R.5 To ensure that the correct VAT liability is attached to all income due in liaison with the Chief Finance Officer and that all VAT recoverable on purchases complies with HM Revenue and Customs regulations.
- R.6 To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.
- R.7 To ensure that all persons employed by the Authority are added to the Authority's payroll and tax deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency.
- R.8 To follow the guidance on taxation issued by the Chief Finance Officer.

S Trading Accounts

Why is this important?

Trading accounts have become more important as local authorities have developed a more commercial culture. Under the CIPFA best value accounting code of practice, authorities are required to keep trading accounts for services provided on a basis other than straightforward recharge of cost.

Responsibilities of the Chief Finance Officer

- S.1 To advise on the establishment and operation of trading accounts and business units.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- S.2 To consult with the Chief Finance Officer where a business unit wishes to enter into a contract with a third party where the contract expiry date exceeds the remaining life of their main contract with the Authority. In general, such

contracts should not be entered into unless they can be terminated within the main contract period without penalty.

- S.3 To observe all statutory requirements in relation to business units, including the maintenance of a separate revenue account to which all relevant income is credited and all relevant expenditure, including overhead costs, is charged, and to produce an annual report in support of the final accounts.
- S.4 To ensure that the same accounting principles are applied in relation to trading accounts as for other services or business units.
- S.5 To ensure that each business unit prepares an annual business plan.

5. EXTERNAL ARRANGEMENTS

T Partnerships

Why is this important?

Partnerships are likely to play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. Local authorities are working in partnership with others – public agencies, private companies, community groups and voluntary organisations. Local authorities still deliver some services, but their distinctive leadership role is to bring together the contributions of the various stakeholders. They therefore need to deliver a shared vision of services based on user wishes.

Local authorities will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Local authorities will be measured by what they achieve in partnership with others.

General

- T.1 The main reasons for entering into a partnership are:
- (a) the desire to find new ways to share risk;
 - (b) the ability to access new resources;
 - (c) to provide new and better ways of delivering services.
- T.2 A partner is defined as either:
- (a) an organisation (private, public or third sector*) undertaking, part funding or participating as a beneficiary in a project, or
 - (b) a body whose nature or status give it a right or obligation to support the project.
 - (c) an individual whose contribution gives them a right or obligation to support the project.
- *third sector – this incorporates voluntary or community groups and social enterprise.*
- T.3 Partners participate in projects by:
- (a) acting as a project deliverer or sponsor, solely or in concert with others;
 - (b) acting as a project funder or part funder; or
 - (c) being the beneficiary group of the activity undertaken in a project.
 - (d) planning and/or monitoring partnership deliverables and outcomes.

T.4 Partners have common responsibilities:

- (a) to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation;
- (b) to act in good faith at all times and in the best interests of the partnership's aims and objectives;
- (c) be open about any conflict of interests that might arise;
- (d) to encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors;
- (e) to hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature; and
- (f) to act wherever possible as ambassadors for the project.

Responsibilities of the Chief Finance Officer

T.5 To advise on effective controls that will ensure that resources are not wasted for e.g.:

- (a) Terms of Reference
- (b) Clear forward plans
- (c) Monitoring reports

T.6 To advise on the key elements of funding a project. They include:

- (a) a scheme appraisal for financial viability in both the current and future years;
- (b) risk appraisal and management;
- (c) resourcing, including taxation issues;
- (d) audit, security and control requirements; and
- (e) carry-forward arrangements.

T.7 To ensure that the accounting arrangements are satisfactory.

T.8 To maintain a register of all partnerships entered into with external bodies in accordance with procedure specified by the Chief Finance Officer.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

T.9 To notify the Chief Finance Officer of any partnership entered into in the format agreed by the Chief Finance Officer.

T.10 To ensure that, before entering into partnerships, a risk management appraisal has been prepared for the Chief Finance Officer.

T.11 To ensure that such agreements and arrangements do not impact adversely upon the services provided by the Authority.

T.12 To ensure that all agreements and arrangements are properly documented.

T.13 To provide appropriate information to the Chief Finance Officer to enable a note to be entered into the Authority's statement of accounts concerning material items.

U Subsidiary Companies

Why is this important?

Increasingly Councils are creating wholly or partly owned companies in order to deliver specific priorities, such as housing. The use of companies gives greater freedoms to operate and trade than would be the case if delivered directly by the Council. However it is important that the Council as shareholder maintains an oversight of the operations of the company(ies) to ensure that public funding is not at put at unacceptable levels of risk.

Responsibilities of the Chief Finance Officer

- U.1 to ensure suitable accounting arrangements are in place.
- U.2 to ensure the company adopt suitable procurement procedures to ensure best value.
- U.3 to ensure that any taxation implications resulting from the operations of the company are properly considered and managed.
- U.4 to ensure the recovery of costs of services delivered to the company by the Council.
- U.5 to ensure proper funding agreements are in place as required to ensure the security and recovery of the funding.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- U.6 to notify the Chief Finance Officer of the expected creation of a company by the Council as sole or joint shareholder.
- U.7 to assess the level of risk on the Council as a result of establishing the company.
- U.8 to ensure a proper business plan is in place for the Company and accepted by the Council.
- U.9 to ensure adequate governance arrangements are in place.
- U.10 to ensure an adequate Service Level Agreement is in place covering all services provided to the company by the Council.

V External Funding

Why is this important?

External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Authority. Local authorities are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers. Funds from external agencies such as the National Lottery provide additional resources to enable the Authority to deliver services to the local community. However, in some instances, although the scope for external funding has

increased, such funding is linked to tight specifications and may not be flexible enough to link to the Authority's overall plan.

Responsibilities of the Chief Finance Officer

- V.1 To ensure that all funding notified by external bodies is received and properly recorded in the Authority's accounts.
- V.2 To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.
- V.3 To ensure that all specified audit requirements are met.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- V.4 To ensure that all claims for funds are made by the due date.
- V.5 To ensure that the project progresses in accordance with the agreed project plan and that all expenditure is properly incurred and recorded and to ensure that all expenditure complies with any terms and conditions attached to grant funding.

W Work For Third Parties

Why is this important?

Current legislation enables the Authority to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work is minimised and that such work is *intra vires* (i.e. legal).

Responsibilities of Chief Finance Officer

- W.1 To issue guidance as appropriate with regard to the financial aspects of third party contracts.

Responsibilities of Chief Executive, Deputy Chief Executive, Director - Place and Climate Change and *Heads of Service*

- W.2 To ensure that the approval of Cabinet where necessary is obtained before any negotiations are concluded to work for third parties.
- W.3 To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Chief Finance Officer.
- W.4 To ensure that appropriate insurance arrangements are made.
- W.5 To ensure that the Authority is not put at risk from any bad debts.
- W.6 To ensure that no contract is subsidised by the Authority.
- W.7 To ensure that, wherever possible, payment is received in advance of the delivery of the service.

- W.8 To ensure that the service/unit has the appropriate expertise to undertake the contract.
- W.9 To ensure that such contracts do not impact adversely upon the services provided for the Authority.
- W.10 To ensure that all contracts are properly documented.
- W.11 To provide appropriate information to the Chief Finance Officer to enable a note to be entered into the statement of accounts.

EXAMPLES OF INCOME/EXPENDITURE RECORDS

Income

- **Payments Received by Post** – Post opening must be performed in the presence of another person. All cash received should be recorded in a book and witnessed by a second person. Cheques should be listed and totalled with each item cross-referenced to the relevant customer account. A separate record must also be kept of post-dated cheques and any items returned to the payee for amendment.
- **Receipt Books** – All copy receipts should be retained in the book of issue. The top copy of any spoiled receipts should also be retained to ensure that they can be accounted for. All receipts should be dated, show the payee name, amount received, method of payment (i.e. cash or cheque) and contain sufficient information for the transaction to be traced to the relevant customer account/file.
- **Other Receipts** – Copy receipts should be attached to any relevant documentation and filed in a logical order for future reference. For example, the copy receipt might be kept in the customers file or retained separately with other receipts in date order. All receipts should be dated, show the payee name, amount received, method of payment and contain sufficient information for the transaction to be traced to the relevant customer account/file.
- **Income Returns** – All income returns should be dated and retained in date/number order. The items recorded on the return should contain sufficient information for each transaction (or group of transactions) to be traced to the relevant receipt numbers of customer accounts.

Expenditure

- **Payment of Invoices** – Each Service should maintain a summary record of all invoices passed for payment. This may take the form of a paper record or computer spreadsheet. Only the briefest of information needs to be kept for each invoice but the following details should be kept as a minimum:
 - Purchase order number (where applicable)
 - Supplier name
 - Invoice date
 - Invoice number
 - Brief description of goods/services
 - Invoice total
 - Date passed for payment

Any previous entries for the same supplier should be referred to before each invoice is processed to ensure that the same goods/services are not paid for twice.

**OVERVIEW OF PROCUREMENT RELATED TRANSPARENCY REQUIREMENTS
APPLICABLE TO UK LOCAL AUTHORITIES**

1. Expenditure exceeding £500		
Minimum requirements	Recommended	Required by
<p>QUARTERLY Publish details of each individual item of expenditure that exceeds £500, including items of expenditure, consistent with Local Government Association guidance, such as:</p> <ul style="list-style-type: none"> • individual invoices • grant payments • expense payments • payments for goods and services • grants • grant in aid • rent • credit notes over £500 • transactions with other public bodies. <p>For each individual item of expenditure the following information must be published:</p> <ul style="list-style-type: none"> • date the expenditure was incurred • local authority department which incurred the expenditure • beneficiary • summary of the purpose of the expenditure • amount • Value Added Tax that cannot be recovered • merchant category (eg. computers, software etc). 	<ul style="list-style-type: none"> • Publish information on a monthly instead of quarterly basis, or ideally, as soon as it becomes available and therefore known to the Authority (commonly known as ‘real-time’ publication) • Publish details of all transactions that exceed £250 instead of £500 (same individual information items) • Publish the total amount spent on remuneration over the period being reported on • Classify expenditure using the Chartered Institute of Public Finance and Accountancy Service Reporting Code of Practice to enable comparability between local authorities. 	<p>Local Government Transparency Code 2015</p>

2. Government Procurement Card transactions

Minimum requirements	Recommended	Required by
<p>QUARTERLY Publish details of every transaction on a Government Procurement Card. For each transaction, the following details must be published:</p> <ul style="list-style-type: none"> • date of the transaction • local authority department which incurred the expenditure • beneficiary • amount • Value Added Tax that cannot be recovered • summary of the purpose of the expenditure • merchant category (eg. computers, software etc). 	<p>Publish all transactions on all corporate credit cards, charge cards and procurements, including those that are not a Government Procurement Card (same individual information items).</p>	<p>Local Government Transparency Code 2015</p>

3. Invitations to Tender over £5,000

Minimum requirements	Recommended	Required by
<p>QUARTERLY Publish details of every invitation to tender for contracts to provide goods and/or services with a value that exceeds £5,000. For each invitation, the following details must be published:</p> <ul style="list-style-type: none"> • reference number • title • description of goods and/or services sought • start, end and review dates • local authority department responsible. 	<p>Place on Contracts Finder, as well as any other local portal, every invitation to tender or invitation to quote for contracts to provide goods and/or services with a value that exceeds £10,000.</p> <p>Publish:</p> <ul style="list-style-type: none"> • information on a monthly instead of quarterly basis, or ideally, as soon as it is generated and therefore becomes available (commonly known as 'real-time' publication) • every invitation to tender for contracts to provide goods and/or services with a value that exceeds £500 instead of £5,000 • details of invitations to quote where there has not been a formal invitation to tender • details of invitations to tender or invitations to quote that are 	<p>Local Government Transparency Code 2015</p>

	likely to be issued in the next twelve months	
4. Contracts, commissioned activity, purchase orders and other legally enforceable agreements with a value which exceeds £5,000		
Minimum requirements	Recommended	Required by
<p>QUARTERLY</p> <p>Publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000.</p> <p>For each contract, the following details must be published:</p> <ul style="list-style-type: none"> • reference number • title of agreement • local authority department responsible • description of the goods and/or services being provided • supplier name and details • sum to be paid over the length of the contract or the estimated annual spending or budget for the contract • Value Added Tax that cannot be recovered • start, end and review dates • whether or not the contract was the result of an invitation to quote or a published invitation to tender • whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number. 	<p>Publish:</p> <ul style="list-style-type: none"> • all contracts in their entirety where the value of the contract exceeds £5,000 • company registration number at Companies House • details of the geographical (eg. by ward) coverage of contracts entered into by the local authority • details of performance against contractual key performance indicators • information disaggregated by voluntary and community sector category (eg. whether it is registered with Companies House, charity or charitable incorporated organisation, community interest company, industrial and provident society, housing association, etc) • details of existing waste collection contracts, at the point they first publish quarterly contract information under Part 2 of the Code. 	<p>Local Government Transparency Code 2015</p>
5. Publication on Contracts Finder of Advertised contract opportunities with values of £25,000 and above		
Minimum requirements		Required by
<p>A contracting authority must publish information about the opportunity on Contracts Finder, regardless of what other means it uses to advertise the opportunity.</p> <p>It must do so within 24 hours of the time when it first advertises the contract award opportunity in any other way.</p> <p>The following details must be published:</p> <ul style="list-style-type: none"> • The time by which any interested economic operator must respond if it wishes to be considered 		<p>Public Contract Regulations 2015 (Chapter 8, para 110)</p>

<ul style="list-style-type: none"> • How and to whom such an economic operator is to respond • Any other requirements for participating in the procurement • Internet address where relevant contract documents are accessible free of charge (where offered) 		
6. Publication of information on Contracts Finder about contracts awarded (value £25,000 and above)		
Minimum requirements	Required by	
<p>The contracting authority shall, within a reasonable time, publish on Contracts Finder at least the following:</p> <ul style="list-style-type: none"> • The name of the contractor • The date on which the contract was entered into • The value of the contract • Whether the contractor is a SME or VCSE <p>The contracting authority may withhold information from publication in certain circumstances</p>	<p>Public Contract Regulations 2015, (chapter 8, para 112)</p>	
7. Grants to voluntary, community and social enterprise organisations		
Minimum requirements	Recommended	Required by
<p>ANNUALLY</p> <p>Publish details of all grants to voluntary, community and social enterprise organisations. This can be achieved by either:</p> <ul style="list-style-type: none"> • tagging and hence specifically identifying transactions which relate to voluntary, community and social enterprise organisations within published data on expenditure over £500 or published procurement information or, • by publishing a separate list or register. <p>For each identified grant, the following information must be published as a minimum:</p> <ul style="list-style-type: none"> • date the grant was awarded • time period for which the grant has been given • local authority department which awarded the grant • beneficiary • beneficiary's registration number • summary of the purpose of the expenditure • amount. 	<ul style="list-style-type: none"> • Publish information on a monthly instead of annual basis where payments are made more frequently than a single annual payment, or ideally, as soon as the data becomes available and therefore known to the Authority (commonly known as 'real-time' publication). • information disaggregated by voluntary and community sector category (eg. whether it is registered with Companies House, charity or charitable incorporated organisation, community interest company, industrial and provident society, housing association etc). 	<p>Local Government Transparency Code 2015</p>

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Extract from Audit and Standards Committee – 6 December 2021

AS21/37. FINANCIAL PROCEDURE RULES UPDATE

Members received the report of the Assistant Director Resources detailing updates to the Council Financial Procedure Rules (FPRs) to reflect changes made to the senior management team and to improve the operational efficiency of the Council and clarify any rules that were out of date or no longer applicable. Any changes to the Constitution currently were required to go to Council via the Overview and Scrutiny Committee (OSC). The revised FPRs would therefore be submitted to the OSC in the new year for ratification.

The most significant change that was proposed to the FPRs related to the approval and reporting arrangements for the writing out of the accounts (write off) of debts that cannot be or are unlikely to be collected, as shown in section Q. The thresholds for requesting Member approval to the write off were proposed to be increased significantly, which would reduce the reporting to Members and increase internal process efficiency. However, it was proposed that these increased thresholds were restricted to those circumstances where the Council effectively had no choice but to write off, e.g. in the event of liquidation of a company or a debt relief order is granted to the debtor. There was a requirement to report to Cabinet the total write offs made in a year under the various categories to ensure transparency. Members requested that further information be provided concerning the scale of higher-level debts that had been written off in the past, which the Chief Finance Officer (CFO) would provide by way of email after the meeting.

Rule G35 had also been updated to better reflect its original intention regarding the need to carry out a review by Members of the specifications for the Council's major service contracts, such as Waste Collection. As such, the value threshold had been increased to an annual cost of £500,000. It was also proposed to amend the process and that the initial review should be undertaken by Cabinet who would then pass to the Overview and Scrutiny Committee for their views and recommendations back to Cabinet. Members expressed concerns about an increase in the value threshold to £500,000 and agreed to recommend that this be amended to £250,000.

A new section, U, had been added to cover the responsibilities for officers when establishing a subsidiary company. This did not extend to the detailed requirements of the company, which would form part of their own internal governance arrangements. After some discussion, it was agreed by Members to recommend that the CFO discuss rewording rules U8 and U9 with the Chief Executive, as the dual roles of officers left them in an advisory capacity in these circumstances only.

As two Members of the Audit and Standards Committee were also Board Members of Alliance Homes (Rother) Ltd (AH), Members recommended and agreed that a report be brought to the next meeting of the Committee to consider setting up a sub-committee specifically for further scrutiny and monitoring of AH.

RECOMMENDED: That, subject to the concurrence of the Overview and Scrutiny Committee:

- 1) the revised Financial Procedure Rules set out at Appendix A be approved and adopted, subject to the value threshold for the Council's major service contracts being amended to £250,000 from a £500,000 limit in rule G35 and the Chief Finance Officer to discuss rewording rules U8 and U9 with the Chief Executive to reflect the dual roles of officers in these circumstances; and
- 2) the Chief Executive be granted delegated authority to make minor changes consequent to the finalisation of the Council staffing restructure;

AND

RESOLVED: That a report on the setting up of a sub-committee of the Audit and Standards Committee to scrutinise and monitor the work of Alliance Homes (Rother) Ltd be brought to the next meeting.

(Councillor J. Barnes declared a Personal Interest in this matter as Vice-Chairman and Company Executive Director for Alliance Homes (Rother) Ltd. and in accordance with the Members' Code of Conduct remained in the meeting during the consideration thereof).

(Councillor Thomas declared a Personal Interest in this matter as Company Executive Director for Alliance Homes (Rother) Ltd. and in accordance with the Members' Code of Conduct remained in the meeting during the consideration thereof).

(Audit and Standards Committee Agenda Item 12).

OVERVIEW AND SCRUTINY COMMITTEE

WORK PROGRAMME 2021 – 2022		
DATE OF MEETING	SUBJECT – MAIN ITEM IN BOLD	Cabinet Portfolio Holder
24.01.22	<ul style="list-style-type: none"> • Draft Revenue Budget 2022/23 Proposals • Key Performance Targets 2022/23 • Recommendations of the Off-Street Car Parks Task and Finish Group • Financial Procedures Rules Update 	Dixon Field
14.03.22	<ul style="list-style-type: none"> • Crime and Disorder Committee: to receive a report from the Community Safety Partnership • Performance Report: Third Quarter 2021/22 • Revenue Budget and Capital Programme Monitoring – Quarter 3 2021/22 • Draft Anti-Poverty Strategy Proposals 	Dixon Byrne
25.04.22	<ul style="list-style-type: none"> • Final Report and Recommendations of the Constitution Review Steering Group • Call-in and Urgency Procedures • Draft Annual Report to Council 	Oliver
WORK PROGRAMME 2022 - 2023		
06.06.22	<ul style="list-style-type: none"> • Performance Report: Fourth Quarter 2021/22 • Annual Work Programme 	
18.07.22	<ul style="list-style-type: none"> • Draft Revenue Budget and Capital Programme Outturn 2021/22 	
12.09.22	<ul style="list-style-type: none"> • Performance Report: First Quarter 2022/23 • Revenue Budget and Capital Programme Monitoring – Quarter 1 2022/23 	
17.10.22	<ul style="list-style-type: none"> • Medium Term Financial Plan 2023/24 to 2027/28 • Annual Review of the Housing, Homelessness and Rough Sleeping Strategy (2019-2024) 	
21.11.22	<ul style="list-style-type: none"> • Performance Report: Second Quarter 2022/23 • Revenue Budget and Capital Programme Monitoring – Quarter 2 2022/23 	
23.01.23	<ul style="list-style-type: none"> • Draft Revenue Budget Proposals 2023/24 • Key Performance Targets 2023/24 	
13.03.23	<ul style="list-style-type: none"> • Crime and Disorder Committee: to receive a report from the Community Safety Partnership • Performance Report: Third Quarter 2022/23 • Revenue Budget and Capital Programme Monitoring – Quarter 3 2022/23 	
24.04.23	<ul style="list-style-type: none"> • Call-in and Urgency Procedures • Draft Annual Report to Council 	
ITEMS FOR CONSIDERATION		
<ul style="list-style-type: none"> • Regeneration incl Leisure Centre, Fountains, Skate Park and Accessibility of Green Spaces across the district • Corporate Plan review – referred back by Cabinet • Review of the Economic Regeneration Strategy • Peer Review 		

- Draft Corporate Customer Services Strategy Proposals
- Litter Strategy
- Progress on the Environment Strategy
- Review of the Tourism Strategy and the impact of Airbnbs – **Spring 2022**
- Impact of Airbnb and second homes in Rye/Winchelsea/Camber – **Spring 2022**
- Effectiveness of 'MyAlerts'