

30 January 2024 at 7.00 pm

Council Chamber, Argyle Road, Sevenoaks

Published: 22.01.24



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https://www.youtube.com/channel/UCIT1f_F5OfvTzxjZk6Zqn6g

Governance Committee

Membership:

Chairman, Cllr. Esler; Vice-Chairman, Cllr. Penny Cole
Cllrs. Barnes, Bayley, Clayton, Scott and Streatfeild

Agenda

There are no fire drills planned. If the fire alarm is activated, which is a continuous siren with a flashing red light, please leave the building immediately, following the fire exit signs.

	Pages	Contact
Apologies for Absence		
1. Minutes	(Pages 1 - 2)	
To agree the Minutes of the meeting of the Committee held on 6 June 2023, as a correct record.		
2. Declarations of Interest		
Any interest not already registered		
3. Actions from the previous meeting (if any)		
4. Local Government Boundary Commission for England - Electoral Review	(Pages 3 - 14)	Lee Banks Tel: 01732 227161
5. Scrutiny Committee Procedure Rules	(Pages 15 - 32)	Jim Carrington-West Tel: 01732 227286
6. Financial Regulations and Contract Procedure Update	(Pages 33 - 100)	Alan Mitchell Tel: 01732 227483
7. Review of the Scheme for Members' Allowances	(Pages 101 - 126)	Martin Goodman Tel: 01732 227245
8. Councillor Request for Approval of Absence	(Pages 127 - 130)	Philip Magee Tel: 01732 227305
9. Protocol on Webcasting and Electronic Voting	(Pages 131 - 136)	Martin Goodman Tel: 01732 227245

10. **Motions on Notice at Full Council**

(Pages 137 - 140) Martin Goodman
Tel: 01732 227245

11. **Work Plan**

(Pages 141 - 142)

EXEMPT INFORMATION

At the time of preparing this agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public.

If you wish to obtain further factual information on any of the agenda items listed above, please contact the named officer prior to the day of the meeting.

Should you need this agenda or any of the reports in a different format, or have any other queries concerning this agenda or the meeting please contact Democratic Services on 01732 227000 or democratic.services@sevenoaks.gov.uk.

GOVERNANCE COMMITTEE

Minutes of the meeting held on 6 June 2023 commencing at 7.00 pm

Present: Cllr. Esler (Chairman)

Cllrs. Bayley, Clayton and Streatfeild

Apologies for absence were received from Cllrs. Barnes, Penny Cole and Scott

Cllr. Manston was also present.

18. Minutes

Resolved: That the minutes of the meeting held on 2 February 2023 be approved and signed by the Chairman as a correct record.

19. Declarations of Interest

There were none.

20. Actions from the previous meeting

There were none.

21. Review of the Scheme for Members Allowances

The Monitoring Officer presented the report, which set out the recommendations of the Joint Independent Remuneration Panel (JIRP), following its four-yearly review of the Council's Members Allowance scheme.

The Committee suggested that a Working Group be established to consider the report. Members discussed how the Working Group would be able to receive evidence from other Councillors and have further in-depth meetings with the Members of the JIRP if necessary.

It was moved by the Chairman that a cross party Members Allowances Working Group be formed from three Members of the Governance Committee to consider the report of the JIRP and recommend a course of action based on the report of the Monitoring Officer to the next meeting of the Governance Committee.

The motion was put to the vote and it was carried.

It was confirmed that Cllr Bayley, Cllr Scott, and Cllr Clayton would attend the Working Group.

Agenda Item 1

Governance Committee - 6 June 2023

Resolved: that a cross party Members Allowances Working Group be formed from Cllr Bayley, Cllr Scott, and Cllr Clayton to consider the report of the JIRP and recommend a course of action based on the report of the Monitoring Officer to the next meeting of the Governance Committee.

22. Work Plan

The Committee discussed the possibility that the Boundary Commission report would be presented at the next meeting.

It was moved by Cllr Streatfeild, and seconded by Cllr Clayton, that Substitutions be added to the work plan to be discussed at the next meeting. The Committee discussed how allowing substitutes could better support Councillors with caring responsibilities, and also how it may devalue the responsibility of Council work. Members who wished to learn from Committees they were not appointed to could already observe meetings.

The motion was put to the vote and it was lost.

The Work Plan was noted with the following additions:

30 January 2024

- Report of the Members Allowance Working Group

THE MEETING WAS CONCLUDED AT 7:19PM

CHAIRMAN

LOCAL GOVERNMENT BOUNDARY COMMISSION FOR ENGLAND – ELECTORAL REVIEW

Governance Committee – 30 January 2024

Report of: Chief Executive

Status: For Consideration

Also considered by:

- Council – 20 February 2024

Key Decision: No

Executive Summary: The Local Government Boundary Commission for England will be undertaking an electoral review of the Sevenoaks District during 2024 and 2025. An electoral review will evaluate the number of Councillors required and review the warding patterns within the District boundary. Should there be any changes to the current arrangements recommended from the review they will be implemented at the next scheduled District Council elections in May 2027.

Contact Officer: Lee Banks, Ext. 7161

Recommendation to Governance Committee:

- (a) The timetable for the electoral review being undertaken by the Local Government Boundary Commission for England is noted; and
- (b) That Governance Committee establish a Working Group, with an agreed Membership aligned to political proportionality, to advise Council on the electoral review as it progresses.

Recommendation to Council:

- (a) The timetable for the electoral review being undertaken by the Local Government Boundary Commission for England is noted, and
- (b) It is noted that Governance Committee has formed a working group to advise Council on the electoral review as it progresses.

Reason for recommendation: To ensure that Members are informed about the electoral review and have the opportunity to be fully engaged in the process.

Agenda Item 4

Introduction and Background

- 1 The Local Government Boundary Commission for England (LGBCE) was established by Parliament under the provisions of the Local Democracy, Economic Development and Construction Act 2009. They are independent of central and local government, and political parties, and directly accountable to Parliament through a committee of MPs chaired by the Speaker of the House of Commons.
- 2 Amongst other things, the LGBCE are responsible for conducting electoral reviews. These are reviews of the electoral arrangements of local authorities, which includes the number of councillors, the names, number and boundaries of wards and the number of councillors to be elected to each.
- 3 Electoral reviews are initiated primarily to improve electoral equality. This means ensuring, so far as is reasonable, that the ratio of electors to councillors in each electoral ward, is closely matched across the District Council area.
- 4 The law requires the electoral arrangements of every principal local authority in England to be reviewed from time to time. Electoral reviews must also adhere to legislation which sets out the steps that must be taken in conducting a review, the matters on which the LGBCE must make recommendations and the factors that must be taken into account in reaching the conclusions which underpin draft and final recommendations.

Electoral Review of Sevenoaks District Council

- 5 The last electoral review of Sevenoaks District Council concluded in 2001. In general, reviews will take place about every 14 years. As a result a review of Sevenoaks District is now overdue. In addition, there are growing levels of electoral inequality between District Wards. As shown in Appendix A, eight of the 26 Sevenoaks District wards have variances of over 10% from the District average and there are variances of more than 20% in Edenbridge North & East and Dunton Green & Riverhead.
- 6 The timetable for the electoral review is provided in full as Appendix B to this report. The key dates are:
 - Commencement of the Review (Preliminary Period) – December 2023
 - Submission of council size proposals – 2 September 2024
 - LGBCE decision on Council size – 15 October 2024
 - Consultation on ward patterns – 22 October 2024 to 13 January 2025
 - LGBCE Draft Recommendations – 15 April 2025
 - Consultation on draft recommendations – 13 May 2025 to 21 July 2025
 - LGBCE Final Recommendations – 28 October 2025
 - Implementation – District Council elections 6 May 2027

- 7 A summary of the key stages of the review is set out in each of the sections that follow.

Preliminary Period – December 2023 to October 2024

- 8 The Preliminary Period commences at least 6 months in advance of formal start of review and includes informal dialogue with the Council and providing briefings for the Leader of the Council, Political Group Leaders, All Councillors and Officers.
- 9 During this period Officers are asked to calculate electoral forecasts to inform the review and the decisions that follow. The electoral forecasts follow LGBCE requirements and will provide an estimate of electors to October 2030. At the time of writing, the deadline for concluding the electoral forecast is expected to be 2 September 2024. A further update can be provided to Members following the Officer meeting being held with the LGBCE on 18 January.
- 10 The preliminary period also incorporates the deadline for the submission of proposals on Council size. Council size are submissions on the number of Councillors, for which more detail is provided in the following section.
- 11 The Preliminary Period concludes in October 2024 when the LGBCE makes it's 'minded to' decision on the number of Councillors and before the consultation on warding patterns. Prior to the commencement of consultation on warding patterns, the LGBCE may also provide a briefing for Parish Councils.

Council size – February 2024 to October 2024

- 12 The first part of the electoral review will determine the total number of councillors to be elected to the Council in the future. Ward boundaries will not be considered until this phase of the review has been completed.
- 13 The LGBCE will make a judgement on council size by considering three broad areas. These are:
- i. **Governance arrangements** – how the Council takes decisions across the broad range of its responsibilities. The aim is to ensure the council has the right number of councillors to take decisions and manage the business of the council effectively. The LGBCE will look for evidence about Cabinet and Committee responsibilities and their workloads, as well as the level of delegation to Officers.
 - ii. **Scrutiny functions** - every local authority has mechanisms to scrutinise the executive functions of the council and other local bodies. They also have significant discretion over the kind (and extent) of activities involved in that process. In considering council size, the LGBCE want to be satisfied that these responsibilities can be administered in a convenient and effective way and will want evidence about the number of councillors needed to hold the decision-makers to account and ensure the council can discharge its responsibilities to other public sector bodies and partnerships.

Agenda Item 4

- iii. **The representational role of councillors in the local community** - how Councillors engage with people, conduct casework and represent the council on local partner organisations. The LGBCE will look for evidence about how councillors interact with their communities, their caseloads and the kind of support they need to represent local people and groups.
- 14 The LGBCE recognise that local government is as diverse as the communities it serves, providing services, leadership and representation tailored to the characteristics and needs of individual areas. Their aim therefore, is to consider the evidence it is presented and recommend a council size, which is right for the local authority in question.
- 15 Further guidance on making a submission on Council size is available from the LGBCE at https://www.lgbce.org.uk/sites/default/files/2023-03/council_size_guidance_-_jan_2023.pdf
- 16 The **deadline for submissions of Council size is 2 September 2024**. The LGBCE are able to receive multiple submissions about councillor numbers from individual councillors and political groups, if Councillors are not able, or do not wish to, come to a unanimous view.
- 17 The LGBCE will analyse all of the submissions received and it will make a 'minded to' decision on council size. This decision is timetabled for 15 October 2024. 'Minded to' means that the number of councillors might go up or down by one or two if that means a better warding pattern can be proposed in the next stage of the review.
- 18 Members of Governance Committee may wish to consider how it could support the electoral review process. It is within the Committee's terms of reference "to advise the Council on all matters relating to: the overall number of Members of the District Council; the preferred number of Members for each District Council Ward; the number of Wards for the District of Sevenoaks; the names and boundaries of District Council Wards."
- 19 Members may wish to consider a Governance Committee Working Group to advise Council on each stage of the electoral review as it progresses. If Members support this proposal, it is recommended that the membership of a working group considers political balance and proportionality.
- 20 Officers would be available to support and advise the Working Group as the electoral review progresses, with technical support also available from the LGBCE as required.

Warding Patterns – October 2024 to October 2025

- 21 October 2024 marks the start of the formal period of the electoral review, beginning with a consultation on warding patterns. Following the LGBCE publishing its initial conclusions on council size on 15 October 2024 there will

be a general invitation to submit warding proposals during a 12 week consultation period.

- 22 This stage of the electoral review is important in upholding integrity in the democratic process. Fairness at local elections – that is, any elector’s vote being worth the same as another’s – is a fundamental democratic principle.
- 23 As the Sevenoaks District has full representation from Town & Parish Councils across its area, the LGBCE will provide both a briefing for those Councils and seek to build warding patterns in so far as possible on existing parish boundaries. If this cannot be achieved community governance reviews may be required to be undertaken locally following the completion of the electoral review.
- 24 The law that governs the LGBCE’s work means that they must make decisions about new warding arrangements based on three specific criteria:
 - a. **Electoral equality** – ensuring each councillor represents a similar number of electors. The starting point for this is taking the forecast electorate to 2030 and dividing this by the number of ‘minded to’ Council size determined by the LGBCE to create an average number of electors per Councillor. Warding patterns should be reviewed in seeking to create wards as close to the District average as feasible. In practice, reviews do not result in wards of mathematically equal size. This is because the approach to electoral equality must be tempered by other considerations which generally reflect the particular characteristics of an area under review, and its communities.
 - b. **Community identity** – Community identity is harder to define than electoral equality for which there is a mathematical test. It cannot be measured easily, and can mean different things to different people. It is essential, therefore, that when making a case on the basis of community identity it is explained what the community is and, more importantly, what defines it and marks it out as distinct from others. Well-argued evidence of community identity will be required if the LGBCE are to move away from equality in the number of electors each councillor represent.
 - c. **Effective and convenient local government** – an example of effective and convenient local government is to ensure that wards are internally coherent. That is to say, that there are reasonable road links across the ward so that it can be easily traversed, and that all electors in the ward can engage in the affairs and activities of all parts of it without having to travel through an adjoining ward. The impact of proposals on the workload of individual 25 councillors needs to be considered, as a ward or division may be so large in terms of its physical extent or its electorate that it prevents a councillor from effectively representing the people in it.
- 25 Should conflicting or different proposals arise through the consultation on warding patterns the LGBCE will seek to assess the relative strength of the evidence presented. Equally, they will seek to strike a balance between the

Agenda Item 4

criteria when putting together warding arrangements, and do so by assessing the evidence received over the course of the review.

- 26 The **deadline for consultation responses on warding patterns is 13 January 2025**. The LGBCE then have a period of approximately 12 weeks to evaluate the consultation responses and develop their draft recommendations. The draft recommendations will be published around 15 April 2025.
- 27 A further consultation period will follow from 13 May 2025. This is an eight week public consultation which will consider the same three criteria as set out in section 24 of this report to identify any new or additional concerns that may arise from the LGBCE's draft recommendations.
- 28 The **deadline for consultation responses on the draft warding patterns is 21 July 2025**. The LGBCE then have a final period of approximately 12 weeks to evaluate the consultation responses and develop their final recommendations.
- 29 The LGBCE reaches the conclusion on its final recommendations and publishes them on 28 October 2025.

Conclusion of the electoral review

- 30 On publication of the final recommendations in late October 2025 the Council will begin to make plans to implement the necessary arrangements to implement any revisions to wards and Council size.
- 31 Should it be necessary, community governance reviews of Town & Parish boundaries will also be carried out.
- 32 All implementation will need to be completed in good time before the District and Parish Council elections are held in May 2027.
- 33 The electoral review will formally conclude on approval of Parliament of an order laid by the LGBCE setting out the electoral arrangements for the Sevenoaks District.

Further information and guidance

- 34 A wide range of information about the electoral review process is available on the LGBCE website, at <https://www.lgbce.org.uk/changing-wards-number-councillors-council-has>
- 35 This includes a short guide for Councillors which is available at <https://online.flippingbook.com/view/84147699/>
- 36 All Councillors will also be invited to an online briefing hosted by the LGBCE. A date is still to be confirmed, but it is likely to take place by mid-February.

- 37 Throughout the electoral review process Officers and the LGBCE will be available to answer questions, with technical support for those seeking to provide submissions available from the LGBCE.
- 38 Regular updates through Governance Committee and Council will also be scheduled as the review progresses, with additional communication to all Councillors at regular intervals.

Other options Considered and/or rejected

None. The LGBCE are required to undertake an electoral review of the District Council and it is important that Members are informed and involved in the process.

Key Implications

Financial

There are no financial implications arising from the recommendations to this report.

Legal Implications and Risk Assessment Statement

The LGBCE are required by regulation to undertake an electoral review of the District Council and to follow a defined process in reaching their decisions.

Failure to engage fully in the electoral review process places a risk of an unfavourable outcome on the District and the District Council.

Equality Assessment

There are no equality impacts arising from the recommendations to this report.

However, when considering submissions through the electoral review process Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

Agenda Item 4

Community Impact and Outcomes

An electoral review provides an opportunity to deliver improved electoral equality across the District, whilst ensuring our communities continue to benefit from strong representation and support from their District Councillors.

At relevant stages through the electoral review, working with the LGBCE, residents' views will be encouraged in relation to electoral numbers and warding patterns that suit community needs.

Conclusions

The LGBCE are required to conduct an electoral review of Sevenoaks District Council, and Members are encouraged to engage fully with the process to help define the outcome for the Council and its communities.

Appendices

Appendix A – Sevenoaks District electorate data

Appendix B – Review Timetable

Background Papers

None.

Dr Pav Ramewal
Chief Executive

Sevenoaks District electorate data

Appendix 1

District Ward	Electorate	Councillors	Ward Voter Ratio	District Average Ratio	Percentage Variance
Ash And New Ash Green	4,537	3	1,512.33	1,662.63	-9.04%
Brasted, Chevening And Sundridge	4,872	3	1,624	1,662.63	-2.32%
Cowden And Hever	1,625	1	1,625	1,662.63	-2.26%
Crockenhill And Well Hill	1,560	1	1,560	1,662.63	-6.17%
Dunton Green And Riverhead	4,181	2	2,090.5	1,662.63	25.73%
Edenbridge North And East	4,195	2	2,097.5	1,662.63	26.16%
Edenbridge South And West	3,179	2	1,589.5	1,662.63	-4.40%
Eynsford	1,473	1	1,473	1,662.63	-11.41%
Farningham, Horton Kirby And South Darent	3,728	2	1,864	1,662.63	12.11%
Fawkham And West Kingsdown	4,839	3	1,613	1,662.63	-2.99%
Halstead, Knockholt And Badgers Mount	2,744	2	1,372	1,662.63	-17.48%
Hartley And Hodsoll Street	4,744	3	1,581.33	1,662.63	-4.89%
Hextable	3,260	2	1,630	1,662.63	-1.96%
Kemsing	3,250	2	1,625	1,662.63	-2.26%
Leigh And Chiddingstone Causeway	1,854	1	1,854	1,662.63	11.51%
Otford And Shoreham	3,627	2	1,813.5	1,662.63	9.07%
Penshurst, Fordcombe And Chiddingstone	1,926	1	1,926	1,662.63	15.84%
Seal And Weald	3,199	2	1,599.5	1,662.63	-3.80%
Sevenoaks Eastern	2,947	2	1,473.5	1,662.63	-11.38%
Sevenoaks Kippington	3,633	2	1,816.5	1,662.63	9.25%
Sevenoaks Northern	3,240	2	1,620	1,662.63	-2.56%
Sevenoaks Town And St. John`S	4,932	3	1,644	1,662.63	-1.12%
Swanley Christchurch And Swanley Village	4,698	3	1,566	1,662.63	-5.81%
Swanley St. Mary`S	3,286	2	1,643	1,662.63	-1.18%
Swanley White Oak	4,739	3	1,579.67	1,662.63	-4.99%
Westerham And Crockham Hill	3,514	2	1,757	1,662.63	5.68%

Source: LGBCE website

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Sevenoaks District Council: Electoral Review Timetable

These timetables outline the key dates and activities for both the Council (shown in bold) and the Commission during the review process.

Preliminary Period

Briefings	Attendees		Key Dates
	Council	LGBCE	
Initial Meeting	Council Leader Chief Executive	Chair Chief Executive	6 December 2023
Group Leader Briefing	Council Group Leaders	Lead Commissioner Review Manager Review Officer	12 December 2023
Officer Briefing	Council Officers involved in review	Review Manager Review Officer	18 January 2024
Full Council Briefing	All Councillors	Lead Commissioner Review Manager Review Officer	TBA
Parish/Town Council & Local Groups Briefing	Not required	Review Manager Review Officer	October 2024

Council Size

Activity	Involvement		Key Dates
	Council	LGBCE	
Develop council size proposal	Council Political Groups	Officers will be available to answer any technical queries on making a submission.	Feb – August 2024
Submission of council size proposals	Council Political Groups	Officers will acknowledge receipt of submissions.	2 September 2024
Commission Meeting: Council Size	Not required	Commission	15 October 2024

Agenda Item 4

Warding Patterns

Activity	Involvement		Key Dates
	Council	LGBCE	
Consultation on warding patterns	Council Political Groups General Public	Run consultation, collate & analyse responses.	22 Oct 2024 – 13 Jan 2025
Commission Meeting: Draft Recommendations	Not required	Commission	15 April 2025
Consultation on Draft Recommendations	Council Political Groups General Public	Publish draft recommendations. Run consultation, collate & analyse responses.	13 May 2025 – 21 July 2025
Commission Meeting: Final Recommendations	Not required	Commission	14 October 2025
Final Recommendations published	Not required	Publish report and maps	28 October 2025

Order

Activity	Involvement		Key Dates
	Council	LGBCE	
Order laid	Not required	Commission	Early 2026
Order made	Not required	Commission	Spring 2026
Implementation	Council	Not required	2027 election

SCRUTINY COMMITTEE PROCEDURE RULES

Governance Committee – 30 January 2024

Report of: Deputy Chief Executive and Chief Officer – Customer and Resources

Status: For consideration

Also considered by:

- Council – 20 February 2024

Portfolio Holder: Cllr. Thornton

Contact Officer: Jim Carrington-West, Ext. 7286; Martin Goodman, Ext. 7245

Recommendation to Governance Committee:

- a) That the contents of the report and appendices including Member suggestions in paragraph 5 be considered.
- b) That it be recommended to Council that the attached Appendix C (Scrutiny Committee Procedure Rules) and Part 5 (Scrutiny Function) be adopted.

Recommendation to Council: That the attached Appendix C (Scrutiny Committee Procedure Rules) and Part 5 (Scrutiny Function) be adopted.

Introduction and Background

- 1 The Scrutiny Committee discharges the functions conferred by Section 9F of the Local Government Act 2000 to support the work of the Cabinet and the Council as a whole.
- 2 The Scrutiny Committee Procedure Rules are set out in Appendix C of the Constitution here [Appendix C - Scrutiny Committee Procedure Rules](#). The functions of the Scrutiny Committee are set out in Part 5 of the Constitution here [Part 5 - Scrutiny Function](#).
- 3 The report proposes that Council adopts an updated Appendix C and Part 5, as attached to this report.
- 4 In order to compile this report, feedback was sought from Members and the Monitoring Officer following recent meetings of the Scrutiny Committee. The suggested, revised, relevant parts of the Constitution are appended to this report and are based primarily on clarifying existing procedures and assisting in the running of the Committee's business. A number of other suggestions have been put forward which would more appropriately fall to Members to consider, these are summarised below.

Agenda Item 5

Member suggestions

- 5 Following a request for any comments, the following is a generalised summary of the suggestions received from Members:

General

- Consider the need for the Scrutiny function to be reviewed regularly
- Adequate resources should be given to the Scrutiny function
- Reaffirm the role of Advisory Committees in our system

Chairing and Membership

- The Chairman could be of an opposition party
- Consider whether Members should be allowed to sit on Scrutiny and on an Advisory Committee

Call-ins

- Consider the number of Members needed for call-in
- Consider allowing call-ins by just one group
- Consider requiring a statement of reasons for call-in
- Give thought to lengthening the call-in timetable
- Confirm the need for background papers on call-in
- Consider the need for Officer or public contributions
- Consider the possible resolutions after call-in
- Consider the need for Scrutiny to give reasons for its resolution

Necessary changes

- 6 The existing documents do not reflect current corporate writing style or organisational structure. They were not fully updated when changes were made to the Local Government Act 2000 by the Localism Act 2011. With this in mind, Members are asked to approve the documents appended to this report, which differ insofar as is necessary to ensure appropriate practicality, style and consistency.
- 7 Member suggestions in relation to the call-in process and Scrutiny in general as set out above have been taken into account. However, not all suggestions could be actioned for various reasons. In particular, Members should note that through our system of Advisory Committees, all political groups in our system have considerable engagement in the formulation of policy and decision-making. Any resolution to alter the provisions relating to the Scrutiny function should take this into account. Members are also asked to note the significant existing levels of support provided to the function.

Other options Considered and/or rejected

Making no change to the current constitution is an option which will not improve and clarify procedures for the Committee as required.

Key Implications

Financial

Members should note that any proposed increase in the resources available to the Scrutiny function will require budgetary provision through a saving elsewhere.

Legal Implications and Risk Assessment Statement.

None other than the statutory provisions referenced in the report.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

Conclusions

Members are asked to agree the attached Appendices for adoption and publication.

Appendices

Appendix 1 – Revised Part 5 – Scrutiny Function

Appendix 2 - Revised Appendix C - Scrutiny Committee procedure Rules

Background Papers

Current Constitution of Sevenoaks District Council

Part 5 – Scrutiny Function:

<https://cds.sevenoaks.gov.uk/ecSDDisplayClassic.aspx?ID=2137&RPID=31658672&sch=doc&cat=13284&path=13284%2c13284&J=7>

Appendix C – Scrutiny Committee Procedure Rules:

<https://cds.sevenoaks.gov.uk/ecSDDisplayClassic.aspx?ID=2164&RPID=31658672&sch=doc&cat=13284&path=13284%2c13284&J=7>

Jim Carrington-West

Deputy Chief Executive and Chief Officer – Customer and Resources

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PART 5 - SCRUTINY FUNCTION

(Please also refer to Appendix C - Scrutiny Committee Procedure Rules)

1. Introduction

- 1.1. There is one Scrutiny Committee to discharge the functions conferred by Section 9F of the Local Government Act 2000 to support the work of the Cabinet and the Council as a whole.

2. Role and Scope

2.1 The role and scope of the Scrutiny Committee is:

- (a) to undertake and report on the Scrutiny role in relation to all matters within the Council's scope of responsibility;
- (b) to discharge the functions conferred by Section 9F of the Local Government Act 2000; and
- (c) to oversee the Council's compliance with the Police and Justice Act 2006.

3. Specific Functions

3.1 The Scrutiny Committee has the power to:-

- (a) review and scrutinise the decisions by and performance of the Cabinet and/or Committees and Council Officers in relation to individual decisions and over time;
- (b) review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas;
- (c) question members of the Cabinet and/or Committees and Chief Officers from the Council about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects;
- (d) make recommendations to the Cabinet and /or appropriate Committee and/or Council arising from the outcome of the scrutiny process;
- (e) review and scrutinise the performance of other public bodies in the area and invite reports from them by requesting them to address the Scrutiny Committee and local people about their activities and performance;
- (f) question and gather evidence from any person (with their consent); and

- (g) “call in” key decisions which have been taken but not yet implemented in accordance with Appendix C - Scrutiny Committee Procedure Rules.

4. Membership

- 4.1 The Scrutiny Committee will comprise a permanent Chairman and Vice Chairman, and 9 other elected Members, that follow the political proportionality of the Council. No Members of the Committee may be members of the Cabinet, their deputies or members of any of the Cabinet Advisory Committees. The membership of the Committee can be found at Appendix H - Membership of Council Committees, Cabinet and Advisory Committees.

APPENDIX C: Scrutiny Committee Procedure Rules

1. Introduction

- 1.1 There is a Scrutiny Committee to discharge the functions conferred by Section 9F of the Local Government Act 2000 to support the work of the Cabinet and the Council as a whole.
- 1.2 The role and scope of the Scrutiny Committee is set out in Part 5 of the Council's constitution, which also sets out the specific functions of the Scrutiny Committee to review and scrutinise decisions and performance. This includes the power to review and scrutinise the performance of other public bodies in the area, by inviting them to attend and address the Committee.
- 1.3 The Scrutiny Committee also monitors the decisions of the Cabinet and the Scrutiny Committee can "call-in" a key decision of the Cabinet which has been made but not yet implemented. It may recommend that the Cabinet reconsider its decision. It may also be consulted by the Cabinet or the Council on forthcoming decisions.
- 1.4 Scrutiny should be carried out in a constructive way and should aim to contribute to the delivery of efficient and effective services that meet the needs and aspirations of local inhabitants. The Scrutiny Committee should not shy away from the need to challenge and question decisions and make constructive criticism.

2 Who May Sit on the Scrutiny Committee

- 2.1 All Councillors except members of the Cabinet, their deputies, any member of a Cabinet Advisory Committee and the Chairman of the Council shall be eligible for appointment as members of the Scrutiny Committee. No Member may be involved in scrutinising a decision in which they have been directly involved.
- 2.2 The Council may appoint additional, non-voting members to the Committee.
- 2.3 The quorum for the Committee is one quarter of the total membership.

3 Who Chairs the Scrutiny Committee?

- 3.1 There shall be a Chairman and a Vice Chairman of the Scrutiny Committee who shall each be appointed by the Council.
- 3.2 In the absence of a Chairman the Vice Chairman can exercise the powers of the Chairman.

4 Meetings of the Scrutiny Committee

Agenda Item 5

Appendix 2

- 4.1 The Council may determine a cycle of meetings for the Scrutiny Committee. If the Council does not set a cycle the committee shall determine its own cycle of meetings. The Chairman, or in their absence the Vice Chairman, may change the date or cancel meetings or call additional meetings as they consider necessary to deal with the Committee's work programme. A meeting of the Scrutiny Committee may be called by its Chairman (or in his or her absence, the Vice Chairman) or by the Chief Executive, if he considers it necessary or appropriate.

5 Working Groups

- 5.1 The Committee may appoint smaller groups known as "Working Groups" to carry out detailed examination of particular topics for report back to them. Terms of reference and membership of a Working Group will be agreed in advance by the Scrutiny Committee. These groups will be appointed for a fixed period on the expiry of which they shall cease to exist. Only on the completion of one working group may another one start. Working groups will meet in private and any non-executive member may be a member of a working group.

6 Standing Agenda Items

- 6.1 Each ordinary meeting of the Scrutiny Committee shall consider the following business:
- (a) minutes of the last meeting;
 - (b) declarations of interest;
 - (c) responses of the Cabinet to reports of the Scrutiny Committee;
 - (d) actions from the previous meeting; and
 - (e) the Committee's work plan.

7 Work Plan

- 7.1 The Scrutiny Committee will, following consultation with the Chairman and Vice Chairman, set its own work programme and in doing so it shall consider wishes of members on that Committee who are not members of the largest political group on the Council.

8 Annual Report

- 8.1 The Scrutiny Committee must report annually to a meeting of Council, providing a summary of any work undertaken along with any recommendations made as a result.

9 Additional Agenda Items

- 9.1 The Scrutiny Committee shall also respond, as soon as its work programme permits, to requests from the Council and/or the Cabinet to review

particular areas of Council activity. Where they do so, the Scrutiny Committee shall report its findings and any recommendations back to the Cabinet and/or Council. The Council and/or the Cabinet shall consider the report of the Scrutiny Committee within the next appropriate Committee cycle.

References from Scrutiny Committee Members

- 9.2 Any member of the Scrutiny Committee may refer to the Committee any matter which is relevant to Scrutiny Committee functions. Similarly, if a sub-committee is set up, any member of that sub-committee may refer to it any matter which is relevant to its functions. Such a reference should be made in writing to the Chief Executive at least seven working days prior to the meeting at which the Member would like it considered. The request should be accompanied by sufficient information to enable the Chief Executive to advise the Committee about the nature and purpose of the item.
- 9.3 Any Member of the Council may give written notice to the Chief Executive that he wishes a local government matter relevant to the functions of the Scrutiny Committee affecting their ward, or a person who lives or works in their ward, to be included on the agenda of the Committee. Such notice should be given in writing to the Chief Executive at least ten working days prior to the meeting at which the Member would like it considered. The request should be accompanied by sufficient information to enable the Chief Executive to advise the Committee about the nature and purpose of the item.
- 9.4 The Chief Executive will exclude any reference or notice that does not meet the requirements of the legislation, regulations or the most recent guidance. If the reference or notice is not accepted, the Chief Executive shall inform the member who made the request of the rejection and the reasons for it. Upon any reference or notice, it is for the Committee to decide how to proceed and whether to include any matter within its work plan.

10 Calling Witnesses

- 10.1 Where the Committee conducts investigations the Committee may also ask people to attend to give evidence at Committee meetings. These meetings are to be conducted in accordance with Appendix P - the Kent Protocol on Overview and Scrutiny Inter-Authority Co-operation (if it applies) and the following principles:
- (a) that the investigation be conducted fairly and all members of the Committee be given the opportunity to ask questions of attendees, and to contribute and speak;
 - (b) that those assisting the Committee by giving evidence be treated with respect and courtesy; and

Agenda Item 5

Appendix 2

- (c) that the investigation be conducted so as to maximise the efficiency of the investigation or analysis.

10.2 The Scrutiny Committee may call a Member of the Executive, the Chief Executive or Senior Officers in line with paragraph 11.

11 Members and Officers Giving Account

11.1 The Scrutiny Committee may scrutinise and review decisions made or actions taken in connection with the discharge of any Council functions. As well as reviewing documentation, in fulfilling the Scrutiny role, it may request any member of the Cabinet, the Chief Executive and/or any Senior Officer to attend before it to explain in relation to matters within their remit:

- any decision or series of decisions;
- the extent to which the actions taken implement Council policy; and/or
- their performance

and it is the duty of those persons to attend if so required.

11.2 For this purpose, senior officer includes any Chief Officer, Head of Service or Service Manager. Where there are concerns about the appropriateness of the officer who should attend, the relevant Chief Officer shall discuss this with the Scrutiny Chairman or Vice Chairman with a view to achieving consensus.

11.3 Where any Member or Officer is requested to attend the Scrutiny Committee under this provision, the Chairman will inform the Chief Executive. The Chief Executive shall inform the Member or Officer, if necessary in writing, giving at least 7 working days' notice of the meeting at which they are required to attend (unless agreed otherwise). Any notice will state the nature of the item on which he or she is required to attend to give account and whether any papers are required to be produced for the Committee.

11.4 Where the account to be given to the Scrutiny Committee will require the production of a report, then the member or officer concerned will be given sufficient notice to allow for preparation of that documentation.

11.5 Where, in exceptional circumstances, the Member or Officer is unable to attend on the required date, then the Scrutiny Committee may in consultation with the Member or Officer arrange an alternative date for attendance.

12 Attendance by Others

12.1 The Scrutiny Committee may invite people other than those people referred to in the preceding paragraph to address it, discuss issues of local concern and/or answer questions. It may for example wish to hear from residents,

stakeholders and members and officers in other parts of the public sector and shall invite such people to attend.

13 Committee Investigations

- 13.1 When discussing any matter under investigation the members of the Committee shall not normally resort to formal debate unless and until it becomes clear that a recommendation can only be reached on the basis of a majority vote.
- 13.2 It shall be the duty of each Chairman of a meeting of the Committee to ensure, as far as is possible, that a consensus is reached on any matter provided that this would not have the effect of minimising the effectiveness of the recommendation.
- 13.3 Following any investigation or review the Committee shall prepare a report for submission to the Cabinet and/or Council as appropriate and shall make its report and findings public.

14 Rights of the Scrutiny Committee Members to Documents

- 14.1 In addition to their rights as Councillors, Members of the Scrutiny Committee have the additional right to documents and to notice of meetings as set out in Appendix A - Access to Information Procedure Rules. Nothing in this paragraph prevents more detailed liaison between the Cabinet and the Scrutiny Committee as appropriate depending on the matter under consideration.

15 Reports from the Scrutiny Committee

- 15.1 Once it has formed recommendations on Scrutiny reviews the Committee will prepare a formal report and submit it to the Chief Executive for consideration by the Cabinet (if the proposals are consistent with the existing Budget and Policy Framework) or to the Council (e.g. if the recommendation would require a departure from or a change to the agreed Budget and Policy Framework) as appropriate.
- 15.2 If the Scrutiny Committee cannot agree on one single final report to the Council or Cabinet as appropriate, one minority report may be prepared and submitted for consideration by the Council or Cabinet with the majority report.
- 15.3 The Council or Cabinet shall consider the report of the Scrutiny Committee within the next appropriate committee cycle of it being submitted to the Chief Executive.

16 Making sure that Scrutiny Committee Reports are Considered by the Cabinet

Agenda Item 5

Appendix 2

16.1 The agenda for Cabinet meetings shall include an item for issues arising from the Scrutiny Committee. The reports of the Scrutiny Committee referred to the Cabinet shall be included at this point in the agenda (unless they have been considered in the context of the Cabinet deliberations on a substantive item on the agenda) as soon as practicable. Where an item is not considered by the Cabinet within two months, the Cabinet will explain the reasons to the Chairman of the Scrutiny Committee as soon as practicable.

16.2 The Scrutiny Committee will have access to the Cabinet's Notice of Key Decisions and timetable for decisions and intentions for consultation. Even where an item is not the subject of detailed proposals from the Scrutiny Committee following a consideration of possible policy/service developments, it will be able to respond during the Cabinet's consultation process in relation to any Key Decision.

17 Scrutiny of Crime and Disorder Matters

17.1 Where the Committee makes a report or recommendations to a responsible authority or to a co-operating person or body in accordance with section 19(8)(b) of the Police and Justice Act 2006, the Committee shall review the responses received and monitor the action (if any) taken by the relevant authority, person or body in accordance with its powers under section 19(1) of the 2006 Act.

18 Call-In

18.1 When a Key Decision is made by Cabinet the decision notice will be published as soon as reasonably practicable and normally within two clear working days of being made.

18.2 That notice will bear the date on which it is published and will specify that the decision will come into force, and may then be implemented, on the expiry of five clear working days after the publication, unless the Committee objects to it and calls it in. This notification is included on each set of Cabinet minutes.

18.3 During that period, the Chief Executive shall call-in a Key Decision for scrutiny by the Committee if requested to do so in accordance with the call-in requirements at Annex A.

18.4 A call-in may only be made if the decision is not in line with the Council's Budget or Policy Framework or that the decision was not taken in accordance with the Constitution.

18.5 The Chief Executive shall call a meeting of the Committee on such date as he/she may determine, where possible after consultation with the Chairman of the Committee, and in any case within five clear working days of the decision to call-in or may, in consultation with the decision-taker, refer the matter direct to the next meeting of the Council for consideration.

- 18.6 Having considered the call-in of the decision, the Scrutiny Committee or Council may decide to take no further action; may refer the decision back to the decision-making person or body for reconsideration setting out in writing the nature of its concerns; or may refer the matter to the next meeting of Council.
- 18.7 If the Scrutiny Committee decides to take no further action, the decision takes effect and can be implemented immediately.
- 18.8 If the Scrutiny Committee decides to refer the decision back to the decision maker, they shall then reconsider within a further ten clear working days, amending the decision or not, before adopting a final decision. There is no power for the Scrutiny Committee to compel a particular decision.
- 18.9 If the Scrutiny Committee decides to refer the matter to the next meeting of full Council, that Council may either decide to take no further action, in which case the decision takes effect and may be implemented immediately; or may decide to refer the decision back to the decision maker with a statement of the Council's views. If Council so refers the decision back to the decision maker, they shall then reconsider within a further ten clear working days, amending the decision or not, before adopting a final decision. There is no power for the Council to compel a particular decision.
- 18.10 If following an objection to a Key Decision, the Scrutiny Committee does not lawfully convene a quorate meeting in the period set out above, the decision shall take effect on the expiry of five clear working days from the date of call-in by the Chief Executive.
- 18.11 If, a matter having been referred to Council, the Council does not convene a quorate meeting on the agreed date, the decision will become effective on the date when the Council meeting should have been held.

The Notice of Key Decisions

- 18.12 The Committee shall consider the parts of the Notice of Key Decisions after it is published and may give notice to the Chief Executive that it wishes to be consulted on any matter included within it. In such an event, the Chief Executive shall advise the Leader of the Council and shall arrange for the report to the Cabinet to be sent to every Member of the Committee as soon as it is ready for publication.
- 18.13 The Chairman or any five members of the Committee may call a meeting within five clear working days of the despatch of the report to consider the matter. The Cabinet shall not then decide on the matter until the Committee has had an opportunity to consider the report and make recommendations to the Cabinet.

Agenda Item 5

Appendix 2

18.14 If a meeting of the Committee is not summoned within five clear working days of the despatch of the report, the Cabinet shall be free to decide on the matter.

18.15 If the procedure in the above three paragraphs have been invoked by the Committee, the call-in provisions set out in the above paragraphs highlighted in bold shall not apply and any decision of the Cabinet shall not be subject to call-in.

Exceptions to Call-In

18.16 To ensure that call-in is not abused, nor causes unreasonable delay, certain limits are to be placed on its use. These are:

A) only Key Decisions (the definition of which is set out below) may be called in; and

(A "Key Decision" means an executive decision which is likely:

(i) to result in the District Council incurring expenditure which is, or the making of savings which are, significant having regard to the District Council's budget for the service or function to which the decision relates i.e. decisions which exceed £50,000 in value (but procurement decisions within the budget e.g. refuse vehicles can be undertaken within delegated powers); or

(ii) to be significant in terms of its effects on communities living or working in an area comprising 2 or more wards in the area of the District Council.)

B) 5 Members of the Council from at least two political parties are needed for a decision to be called in.

Call-in and Urgency

18.17 The call-in procedure set out above shall not apply where the decision being taken by Cabinet is urgent.

18.18 A decision will be urgent if any delay likely to be caused by the call-in process would, for example, seriously prejudice the Council's or the public's interests.

18.19 The record of the decision and notice by which it is made public shall state whether in the opinion of the decision-making person or body, the decision is an urgent one, and therefore not subject to call-in.

18.20 The Chairman of the Council must agree both that the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency. In the absence of the Chairman, the Vice-Chairman's consent shall be required.

18.21 In the absence of both the Chairman and the Vice-Chairman of the Council, the consent of the Chairman or Vice-Chairman of the Scrutiny Committee

shall be required. Decisions taken as a matter of urgency must be reported to the next available meeting of the Council, together with the reasons for urgency.

- 18.22 The operation of the provisions relating to call-in and urgency shall be monitored annually and a report submitted to Council with proposals for review if necessary.

Protocol to be followed when considering a call-in

- 18.23 Decisions may only be called-in by the Chief Executive when the criteria set out in Annex A are fulfilled and the requisite number of formal valid requests to call-in have been received. In addition to the requirements set out in Annex A and on the call-in form at Annex B, any background documents must be provided in full to the Democratic Services Team no later than two clear working days before the meeting.
- 18.24 Any non-Member of the Scrutiny Committee who has signed a request to call-in a Cabinet decision may be allowed to speak at the “call-in” meeting, although precedence will be granted to Members who sit on the Committee and any speaking by non-Members remains at the sole discretion of the Chairman.
- 18.25 At the start of the item, the Chairman should invite one of the signatories to the call-in, usually a Member of the Committee, to address the Committee to outline the reason for the call-in, and the principal points they wish the Cabinet or Portfolio Holder to answer as detailed on the call-in form (Annex B). This explanation is limited to 5 minutes.
- 18.26 Then any other Members of the Scrutiny Committee, whether or not signatories to the call-in, may speak for no more than five minutes setting out additional information they wish the Cabinet or Portfolio Holder to provide.
- 18.27 Following this, the Portfolio Holder will be given the opportunity to explain the rationale for the Cabinet’s decision. At the conclusion of this explanation, other Cabinet Members may be invited, at the Chairman’s discretion, to address the Committee.
- 18.28 The Portfolio Holder may be supported by relevant Officers or Cabinet Members to explain or answer technical, legal or financial points.
- 18.29 Following the submissions of the Portfolio Holder and any other Cabinet Member, the Committee may ask limited questions of clarification at the Chairman’s discretion.
- 18.30 The purpose of the meeting is solely to review the Cabinet’s decision and it is not appropriate to consider other matters or to debate other decisions. The motivations for any call-in are irrelevant to the business of the Scrutiny Committee.
- 18.31 If it becomes clear that further information is required that cannot be

Agenda Item 5

Appendix 2

supplied at the meeting, consideration of the matter should be deferred, either to another specially arranged meeting or the next regular meeting of a Scrutiny Committee, depending on the urgency of the situation. Currently there is no time limit on a Committee's consideration of a called-in matter.

- 18.32 At this point, the matter will move to wider discussion and/or debate by all members of the Committee present.
- 18.33 At some time during the discussions, Members of the Committee will start to form views on how to deal with the call-in. A certain amount of debate is inevitable between Members of the Committee who may well take different views from each other.
- 18.34 If a consensus view is apparent, the Chairman of the Committee may summarise the views expressed by the Committee and ask whether the Committee agrees. If there is no consensus, either the Chairman of the Committee or some other Member may propose a motion which can then be treated in the normal way, leading to a vote.
- 18.35 Neither the Council nor the Scrutiny Committee may overturn an Executive decision.

Appendix 2

ANNEX A

Criteria for call-in

1. The Chief Executive, or in his absence the Monitoring Officer, will determine whether or not a call-in is valid.
2. To be valid, a call-in must meet the criteria below:
 - a. The call-in must have been submitted by five or more Members of the Council from at least two political groups, in writing on the call-in form set out at Annex B;
 - b. The call-in must have been received at least by 5pm on the fifth working day after the Notice of Decision;
 - c. The call-in must specify the decision being objected to;
 - d. The call-in must specify reasons for the call-in request;
 - e. The call-in must not relate to a decision taken in accordance with the urgency procedures;
 - f. The call-in must specify the Portfolio holder responsible for the decision, who will be invited to attend the call-in meeting;
 - g.
3. The Chief Executive, or in his absence the Monitoring Officer, may only accept call-in requests which either:
 - a. Directly allege that the decision in question was outside or contrary to the agreed budget and policy framework; or
 - b. Directly allege that the decision was not in line with a provision of the Constitution, such provision to be explicit in the call-in request.
4. If the Chief Executive, or in his absence the Monitoring Officer, decides that a call-in is not valid, he will inform the decision maker and those requesting the call-in. The decision may be implemented in accordance with the Notice of Decision thereafter.

Agenda Item 5
Appendix 2

ANNEX B

Call-in form

Name of Member making request to call-in:	
Political group of Member making request:	
Date of Notice of Decision:	
Decision called-in:	
Reasons for request: (continue on separate sheet if necessary)	
Portfolio Holder:	
EITHER: The decision was outside or contrary to the agreed budget and policy framework:	YES/NO
OR: The decision was not in line with a provision of the Constitution:	YES (please specify the provision below)/NO
Background Papers are attached or will be sent to Democratic Services no later than 2 clear working days before the meeting	YES/NO

FINANCIAL REGULATIONS AND CONTRACT PROCEDURE UPDATE

Governance Committee – 30 January 2024

Report of: Deputy Chief Executive and Chief Officer – Finance and Trading

Status: For consideration and decision

Key Decision: No

Executive Summary:

An update to the Financial Regulations and Contract Procedure to ensure the Council's requirements going forward.

Recommendation to Governance Committee:

- (a) That it be recommended to Council that
 - i) The Financial Procedure Rules (Appendix A) be adopted with effect from 1 April 2024;
 - ii) the Contract Procedure Rules (Appendix B) be adopted with effect from 1 April 2024;

Recommendation to Council:

- (a) That
 - i) The Financial Procedure Rules (Appendix A) be adopted with effect from 1 April 2024;
 - ii) the Contract Procedure Rules (Appendix B) be adopted with effect from 1 April 2024;

This report supports the Key Aim of: Sound Financial Management of the Council Finances

Portfolio Holder: Cllr. Kevin Maskell

Contact Officer(s): Alan Mitchell, Ext. 7483

Agenda Item 6

Introduction

- 1 The tightening fiscal landscape has placed the finances of this Council under intense pressure, and it is therefore important to have a good understanding and ownership of the issues addressed by having good financial management.
- 2 Whilst the Council has done much to transform its services, shape delivery and streamline costs, for these approaches to be successful it is crucial to have good financial management embedded as part of the organisation.
- 3 Good financial management is an essential element of good governance and longer-term financial planning and the Financial Procedure Rules and Contract Procurement Rules help achieve this.
- 4 They ensure full and robust governance by setting out the processes as well as setting out responsibility that financial transactions must follow the necessary approval process and limiting the risk to the Council.
- 5 The rules are reviewed annually and presented to the Governance Committee when updates are required.

Review

- 6 The Financial Procedure Rules have not been required to be updated in recent years but in that time the Council, its services, capital programme and how it delivers them has evolved.
- 7 The Council has always operated within the Financial Procedure Rules, but it is now necessary to update the rules to reflect the way the Council now operates whilst still ensuring good financial management.
- 8 It was recognised that the previous document was very difficult to use and therefore significant emphasis was placed on making the document easier to use whilst ensuring it adhered to the appropriate legislation.
- 9 The areas that required updating included reflecting the current Strategic Management Structure, the authorisation bands, removal of parts of processes no longer required or operated and removal of processes covered by other policies or rules.
- 10 The Contract Procedure Rules were reviewed at the same time to ensure consistency within both documents but required little change.

Key Implications

Financial

All financial implications are covered elsewhere in this report.

Legal Implications and Risk Assessment Statement.

The Financial Procedure Rules and Contract Procurement Rules comply with all appropriate legislation including the CIPFA Financial Management Code, the Local Government Act 1972 and the Public Contracts Regulations 2015.

Future Changes to legislation will continue to be monitored and the rules updated as appropriate.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district or supporting the resilience of the natural environment.

Appendices

Appendix A - Financial Procedure Rules

Appendix B - Contract Procedure Rules

Background Papers

None

Adrian Rowbotham

Deputy Chief Executive and Chief Officer – Finance & Trading

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SEVENOAKS DISTRICT COUNCIL

Financial

Procedure

Rules

January 2024

Agenda Item 6

A. CONTENTS

A.	CONTENTS	2
B.	INTRODUCTION	3
C.	FINANCIAL MANAGEMENT	4
C.1	ACCOUNTING	5
C.2	MANAGING EXPENDITURE – CASH LIMIT RULES	5
C.3	TREATMENT OF YEAR END BALANCES.....	7
C.4	ACCOUNTING POLICIES.....	8
C.5	ACCOUNTING RECORDS AND RETURNS	9
D.	FINANCIAL PLANNING.....	10
D.2	BUDGETING.....	11
D.3	CAPITAL PROGRAMME	14
D.4	MAINTENANCE OF RESERVES.....	16
E.	RISK MANAGEMENT AND CONTROL OF RESOURCES	16
E.1	RISK MANAGEMENT	16
E.2	INTERNAL CONTROLS	18
E.3	INTERNAL AUDIT.....	20
E.4	EXTERNAL AUDIT	21
E.5	PREVENTING FRAUD AND CORRUPTION	22
E.6	ASSETS - SECURITY	23
E.7	Intellectual Property	26
E.8	INVENTORIES	26
E.9	STOCKS AND STORES.....	27
E.10	ASSET DISPOSAL	27
E.11	TREASURY MANAGEMENT AND BANKING	28
E.12	STAFFING	29

F. FINANCIAL SYSTEMS AND PROCEDURES.....30

F.1 CONTROL OF SYSTEMS AND PROCEDURES30

F.2 INCOME33

F.3 PROCURING AND PAYING FOR WORK, GOODS AND SERVICES.....35

F.4 PAYMENTS TO EMPLOYEES AND MEMBERS39

G. TAXATION41

H. EXTERNAL ARRANGEMENTS42

H.1 PARTNERSHIPS42

H.2 EXTERNAL FUNDING43

H.3 WORK FOR THIRD PARTIES44

I. MISCELLANEOUS - GIFTS AND HOSPITALITY.....45

B. INTRODUCTION

- i. These Rules govern the conduct of the financial transactions of the Council. Changes to these Rules will require a resolution of the full Council. The Council may, however, waive compliance with any of these Rules in a particular case or any particular class of case.
- ii. These Rules form part of the Council’s Constitution. Definitions within the Constitution apply to these Rules.
- iii. These Financial Regulations must be adhered to by all Officers and Members.
- iv. The Chief Executive and Chief Officers must ensure that all Members, Boards, Committees, Cabinet ensure their observance.

Purpose of these Financial Regulations:

- i. provide the framework for managing the Council’s financial affairs and seek to ensure that the Council conducts its affairs in a way that complies with specific statutory provisions, generally accepted accounting principles and professional good practice.
- ii. are an integral part of the stewardship of Council funds and adherence ensuring that all financial transactions of the Council are conducted in a manner which demonstrates openness, integrity, and transparency.
- iii. forms a significant part of the Corporate Governance of the Council.

Agenda Item 6

Chief Officers, Heads of Service and Managers are responsible for ensuring that all staff in their areas are aware of the existence and content of these Financial Regulations and other internal regulatory documents and that they comply with them. Non-compliance with these Financial Regulations by any staff, and with any accounting instruction notes and other corporate guidance issued by the s151 Officer, constitutes a disciplinary matter that will be pursued, as appropriate, in accordance with the Disciplinary and Dismissal Policy and Procedure.

The s151 Officer may agree to waive these Financial Regulations in order to proceed in a manner most expedient to the efficient management of the Council. Reasons must be recorded in writing.

C. FINANCIAL MANAGEMENT

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.

- i. Chief Officers, Heads of Service and Managers shall consult the s151 Officer with respect to any matter within his/her purview which is liable to affect the finances, other than provided in estimates, of the Council before any provisional or other commitment is incurred or before reporting thereon to the Cabinet.
- ii. The s151 Officer is responsible for ensuring the proper administration of the financial affairs of the Council and that financial management standards and controls are in place and are effectively monitored for compliance.

Material Decisions

- i. Where a matter may have a material effect on the finances of the Council, which is outside the approved budget, no commitment may be entered into by the Council until the relevant Chief Officer has consulted the s151 Officer and reported on it to the Strategic Management Team.
- ii. The s151 Officer has discretion, for the purposes of individual rules, to decide whether matters are "material", "significant", "substantial" or "urgent".
- iii. Where a report to the Strategic Management Team has financial implications, the relevant Chief Officer shall:
 - (a) include a section in the report covering those implications.
 - (b) consult the s151 Officer at the drafting stage.

The s151 Officer shall ensure the financial information is accurate and appropriate before the report is finalised and published.

C.1 ACCOUNTING

Why is it important?

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

- i. All accounting procedures, accounting policies, and financial records of the Council and its officers shall be as determined by the s151 Officer. Any financial procedures and records maintained in other Service areas are the responsibility of senior management and shall be subject to the approval of the s151 Officer.
- ii. The s151 Officer shall make proper arrangements for the preparation, publication, and external audit of the Council's accounts in accordance with the most recent Accounts and Audit Regulations. The Audit Committee shall approve the final version of the accounts.
- iii. Chief Officers, Heads of Service and Managers are required to maintain adequate records to provide an audit trail leading from the source of income/expenditure through to the accounting statements and to provide such information as required to enable the Statement of Accounts to be completed in accordance with the guidelines issued by the s151 Officer.

C.2 MANAGING EXPENDITURE – CASH LIMIT RULES

Why is this important?

The cash limiting rules are intended to enable the Cabinet and officers to manage budgets with a degree of flexibility within the overall policy framework determined by Council, and therefore to optimise the use of resources.

Key controls for the cash limit rules are:

- (a) the rules are administered by the s151 Officer within the rules set by the Council as part of the annual budget process.

Agenda Item 6

- (b) the overall budget is approved by the Council. Chief Officers, Heads of Service and managers are authorised to incur revenue expenditure in accordance with the estimates that make up the budget.
- (c) virements should not create additional overall budget liability. Chief Officers are expected to exercise their discretion in managing their budgets responsibly and prudently in line with the Financial Procedure Rules.

A virement is where a budget is permanently transferred from one budget line to another for a different purpose. It can be within a cost centre or between costs centres. There has to be a zero change in the budget overall and salary budgets cannot be transferred to fund non salary expenditure.

- i. The s151 Officer is to prepare jointly with the Chief Officer a report to the Cabinet where a virement is over the limit whereby it is required that Chief Officers can exercise their authority.
- ii. The table of Revenue virement limits are detailed below:

Authorisation Level	Change parameters
Chief Executive and Chief Officers (Notify s151 Officer)	Up to £100,000 for any single change within the approved revenue budgets coming under their responsibility.
s151 Officer	From £100,001 to £500,000 for any single change within the approved revenue budgets.
Cabinet	From £500,001 to £1,000,000 for any single change within the approved revenue budgets.
Council	Over £1,000,000 for any single change within the approved revenue budgets.

- iii. The table of Capital virements Limits are detailed below:

Authorisation Level	Virement Limit
s151 Officer	Up to £1,000,000 for any single virement within the approved capital expenditure programme.

Cabinet	From £1,000,001 to £2,000,000 for any single virement within the approved capital expenditure programme.
Full Council	Over £2,000,000 for any single virement within the approved capital expenditure programme.

- iv. Chief Officers are personally responsible for maintaining expenditure within the overall cash limit for their Chief Officer area.
- v. Budget Holders are responsible to the relevant Chief Officer and not directly to the Cabinet. The Council requires Chief Officers to ensure that all Budget Holders are aware of their responsibilities and are monitoring their budgets on a regular basis, to report to committee and highlight exception items, where appropriate.
- vi. An appropriate Chief Officer and Budget Holder will be identified for all budgets. Any change of Budget Holder will require approval by the s151 Officer in agreement with the relevant Chief Officer.
- vii. Any proposals to raise income by increasing fees and charges, or by imposing a new charge where none existed before, should, where possible form part of the budget process and be approved by the Cabinet or appropriate delegated authority before implementation. Such a request for approval must comply with any information requirements needed to satisfy Members.

Where it is not possible for an increase in fees and charges to form part of the budget process then a separate report should be approved by Cabinet.

C.3 TREATMENT OF YEAR END BALANCES

Why is this important?

To ensure the integrity of the budget and the financial plan, it is important that year end balances are treated in accordance with agreed policies and guidelines. 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 budget book.

- i. The key control in this area is that the appropriate accounting procedures are in operation to ensure that balances and reserves carried forward are correct.

Agenda Item 6

- ii. The s151 Officer is to ensure that balances and reserves are carried forward in accordance with accounting standards and general reserve guidelines agreed by the Council in agreement with the Chief Executive and appropriate Chief Officer.
- iii. The s151 Officer will be responsible for the authorisation and expenditure from reserves in consultation with relevant Chief Officers.
- iv. The s151 Officer is to report jointly with the relevant Chief Officer on over and underspending of 5% or £20,000 (whichever is the greater) on each service budget to Cabinet.
- v. Chief Officers, Heads of Service and Managers must adhere to the guidelines set by the s151 Officer when providing information for the finalising of the end of year accounts and provide any information required by the s151 Officer to report any budget variances to Cabinet.

C.4 ACCOUNTING POLICIES

Why is this important?

The s151 Officer is responsible for the preparation of the Council's statement of accounts, in accordance with proper practices as set out in the format required by the *Code of Practice on Local Council Accounting in the United Kingdom: A Statement of Recommended Practice* (CIPFA/LASAAC), for each financial year ending 31 March.

The key controls for accounting policies are:

- (a) systems of internal control are in place that ensure financial transactions are lawful.
- (b) suitable accounting policies are selected and applied consistently.
- (c) proper accounting records are maintained.
- (d) financial statements are prepared which present fairly the financial position of the Council and its expenditure and income.

The s151 Officer is 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 on 31 March each year.

C.5 ACCOUNTING RECORDS AND RETURNS

Why is this important?

Maintaining proper accounting records is one of the ways in which the Council discharges its responsibility for stewardship of public resources. The Council 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 Council's resources.

The key controls for accounting records and returns are:

- (a) all finance staff and budget managers operate within the required accounting standards and timetables.
- (b) all the Council's transactions, material commitments, contracts and other essential accounting information are recorded completely, accurately and on a timely basis.
- (c) procedures are in place to enable accounting records to be reconstituted in the event of systems failure.
- (d) reconciliation procedures are carried out to ensure transactions are correctly recorded.
- (e) Financial documents are retained in accordance with legislative and other requirements.

The s151 Officer is to determine accounting procedures and records for the Council. Where these are maintained outside the Finance Team, the s151 Officer should consult the Chief Officer concerned.

The s151 Officer is to arrange for the compilation of all accounts and accounting records under his/her direction and to comply as far as is practical, with the following principles when allocating accounting duties:

- (a) separating the duties of providing information about sums due to or from the Council and calculating, checking, and recording these sums from the duty of collecting or disbursing them.
- (b) employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.

Chief Officers, Heads of Service and Managers must:

- (a) ensure that all claims for funds including grants are made by the due date.
- (b) ensure the proper retention of financial documents in accordance with the requirements set out in the Council's document retention policy.
- (c) consult and obtain the approval of the s151 Officer before making any changes to accounting records and procedures.

Agenda Item 6

- (d) comply with the principles outlined above when allocating accounting duties and maintain adequate records to provide a managerial trail leading from the source of income/expenditure through to the accounting statements.
- (e) Chief Officers, Heads of Service and Managers will supply information required to enable the statement of accounts to be completed in accordance with guidelines by the s151 Officer.

D. FINANCIAL PLANNING

Why is this important?

Financial planning involves a planning cycle in which managers and Members develop plans over a period longer than one year. As each year passes, another future year will be added to the financial plan. This ensures that the Council is always preparing for events in advance.

The key controls for financial planning are:

- (a) specific budget approval for all expenditure
- (b) budget managers are consulted in the preparation of the budgets for which they will be held responsible and accept accountability within delegations set by the Cabinet for their budgets and the level of service to be delivered.
- (c) a monitoring process is in place to regularly review the effectiveness and operation of budget preparation and to ensure that any corrective action is taken.

The s151 Officer will:

- (a) advise Members on budget prospects, including resource constraints set by the Government. Reports should take account of the budget assumptions.
- (b) advise on the financial planning implications of spending decisions and encourage the best use of resources and value for money by working with Managers to identify opportunities to improve economy, efficiency, and effectiveness, and by encouraging good practice on conducting financial appraisals of development or savings options, and in developing financial aspects of service planning.
- (c) advise the Council in accordance with his/her responsibilities under section 151 of the Local Government Act 1972.

Chief Officers, Heads of Service and Managers will in consultation with the s151 Officer and in accordance with the laid-down guidance and timetable prepare detailed draft revenue and capital budgets.

When drawing up draft budget requirements, to have regard to:

- (a) spending patterns and pressures revealed through the budget monitoring process.
- (b) legal requirements
- (c) policy requirements as defined by the Council in the approved policy framework.
- (d) initiatives already under way
- (e) working within budget limits and to utilise resources allocated, and further allocate resources, in the most efficient, effective, and economic way.
- (f) Identifying opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery.

D.2 BUDGETING

Why is this important?

The format of the budget determines the level of detail to which financial control and management will be exercised. Budget management ensures that once the budget has been approved by the Council, resources allocated are used for their intended purposes, in line with the Corporate Plan???, and are properly accounted for. Budgetary control is a continuous process, enabling the Council to review and adjust its budget targets during the financial year.

The key controls for the budget format are:

- (a) the format complies with all legal requirements.
- (b) the format complies with CIPFA's Service Reporting Accounting – Code of Practice (SeRCOP)
- (c) the format reflects the accountabilities of service delivery.

Responsibility of the Cabinet and the Finance and Investment Advisory Committee

- To recommend policy on the budget format.

Responsibility of the Cabinet

- To receive, consider, agree, and submit proposals to the full Council in respect of the annual capital and revenue budgets

Agenda Item 6

and implications for the Council's reserves.

Responsibilities of the Strategic Management Team.

- To formulate and present a draft budget to the Cabinet and the Finance and Investment Advisory Committee, together with advice on the Council's finances.

Responsibilities of the Chief Finance Officer

- To advise Cabinet and the Finance and Investment Advisory Committee on the format of the budget that is to be submitted for approval by the full Council.

Responsibilities of Chief Executive and Chief Officers

- To comply with accounting guidance provided by the s151 Officer.

The key controls for the budget management are:

- (a) budget managers should be responsible only for income and expenditure that they can influence.
- (b) there is a nominated budget manager for each budget heading.
- (c) budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities.
- (d) budget managers follow an approved certification process for all expenditure.
- (e) income and expenditure are properly recorded and accounted for
- (f) performance levels/levels of service are monitored in conjunction with the budget and necessary action is taken to align service outputs and budget.

The s151 Officer will ensure budget management is exercised within annual cash limits unless the Council agrees otherwise.

The s151 Officer will establish an appropriate framework of budgetary management and control that ensures that:

- (a) each Senior Manager has available timely information on income and expenditure on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities.

- (b) all officers responsible for committing expenditure will comply with relevant guidance, and the Financial Regulations.
- (c) each budget head will have a single named manager, determined by the relevant Chief Officer. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making processes that commits expenditure.
- (d) significant variances from approved budgets are investigated and reported by budget managers regularly.

The s151 Officer will:

- (a) administer the Council's cash limit rules.
- (b) submit reports to the Cabinet, in consultation with the relevant Manager/s, where a manager is unable to balance expenditure and resources within existing approved budgets under his/her control.
- (c) The s151 Officer will prepare and submit reports on the Council's projected income and expenditure compared with the budget on a regular basis.
- (d) The s151 Officer will ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and is operating effectively.

Chief Officers will ensure:

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

Chief Officers, Heads of Service and Managers will ensure prior approval by the Council or Cabinet (as appropriate) for new proposals of whatever amount, that:

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

Agenda Item 6

Chief Officers, Heads of Service and Managers will maintain budgetary control within their services to ensure that all income and expenditure are properly recorded and accounted for.

D.3 CAPITAL PROGRAMME

Why is this important?

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

The Council is restricted in its ability to fund capital expenditure. This means that capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of resources.

The key controls for capital programmes are:

- (a) specific approval by the Council for the capital expenditure budget
- (b) expenditure on capital schemes is subject to the approval of the s151 Officer.
- (c) a process for approving capital projects and monitoring their progress.
- (d) schedules of schemes within the overall budget approved by the Council must be submitted to the Cabinet for approval.
- (e) the development and implementation of an asset management plan
- (f) accountability for each proposal is accepted by a named manager.
- (g) monitoring of progress in conjunction with expenditure and comparison with approved budget

The s151 Officer:

- (a) shall prepare capital estimates jointly with Chief Officers, Heads of Service and Managers and to report them for recommendation with the associated financing requirements to the Council.
- (b) shall prepare and submit reports to the Cabinet on the projected income, expenditure and resources compared with the approved estimates.
- (c) will issue guidance concerning capital schemes and controls, e.g., on project appraisal techniques. The definition of 'capital' will be determined by the s151 Officer having regard to government regulations and accounting requirements.

Chief Officers, Heads of Service and Managers will:

- (a) obtain, authorisation from the Cabinet for individual schemes where the estimated expenditure exceeds the capital programme provision by more than £50,000 or 10% (whichever is the greater). How does this tie in with the virement limits?
- (b) ensure that all capital proposals, above a defined cost level, have undergone a project appraisal in accordance with any guidance issued by the s151 Officer.
- (c) comply with guidance concerning capital schemes and controls issued by the s151 Officer.
- (d) prepare regular reports reviewing the capital programme for their services. They should also prepare a monthly return of schemes in the approved capital programme for submission to the s151 Officer.
- (e) ensure that adequate records are maintained for all capital contracts.
- (f) proceed with projects only when there is adequate provision in the capital programme and with the agreement of the s151 Officer, where required.
- (g) will prepare and submit reports, jointly with the s151 Officer, to Cabinet, of any variation in contract costs in line with the authorisation levels.

Agenda Item 6

- (h) prepare and submit reports, jointly with the s151 Officer, to the Cabinet, on completion of all contracts where the final expenditure exceeds the approved contract sum by more than the specified amount.
- (i) ensure that credit arrangements, such as leasing agreements, are not entered into without the prior approval of the s151 Officer and, if applicable, approval of the scheme through the capital programme.

D.4 MAINTENANCE OF RESERVES

Why is this important?

The Council 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 Council to provide for unexpected events and thereby protect it from overspending, should such events occur. Reserves for specific purposes may also be maintained.

The key controls for reserves are:

- (a) To maintain reserves in accordance with the Code of Practice on Local Council Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC) and agreed accounting policies.
- (b) For each reserve established, the purpose, usage and basis of transactions should be clearly identified.
- (c) Authorisation of expenditure from reserves by the s151 Officer

The s151 Officer will advise the Cabinet and Council on prudent levels of reserves for the Council, and to take account of the advice of the external auditor in this matter.

Chief Officers, Heads of Service and Managers will ensure that resources are used only for the purposes for which they were intended.

E. RISK MANAGEMENT AND CONTROL OF RESOURCES

E.1 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 manage the barriers that might prevent achievement of the key objectives and to secure the assets 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 Committee to approve the Council's risk management strategy and to promote a culture of risk management awareness throughout the Council. The Audit Committee reviews and monitors the Council's arrangements for risk management.

The key controls for risk management are:

- (a) procedures are in place to identify, assess, prevent, or contain material known risks, and these procedures are operating effectively throughout the Council.
- (b) a monitoring process is in place to regularly review the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuous basis.
- (c) managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives.
- (d) provision is made for losses that might result from the risks that remain.
- (e) acceptable levels of risk are determined and insured against where appropriate.
- (f) the Council has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.

The s151 Officer are responsible for:

- (a) preparing and promote the Council's risk management strategy and to effect corporate insurance cover, through external insurance and internal funding, and to negotiate all claims in consultation with other officers, where necessary.

Agenda Item 6

- (b) The s151 Officer is responsible for developing risk management controls in conjunction with other Chief Officers and Senior Managers who must also take responsibility for risk management, having regard to advice from the s151 Officer and other specialist officers.

Chief Officers must ensure there are regular reviews of risk within their services in accordance with the risk management strategy and they must notify the s151 Officer promptly of all new risks, properties or vehicles that require insurance and of any alterations affecting existing insurances.

Heads of Service and Managers:

- (a) will notify the Head of Finance immediately of any loss, liability or damage that may lead to a claim against the Council, together with any information or explanation required by the s151 Officer (why not Head of Finance?) or the Council's insurers.
- (b) Must notify the Head of Finance and the Head of Legal and Democratic Services on the terms of any indemnity that the Council is requested to give, and not to enter into such indemnity without specific approval.
- (c) Chief Officers, Heads of Service and Managers must ensure that employees, or anyone covered by the Council'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.

E.2 INTERNAL CONTROLS

Why is this important?

The Council is complex and beyond the direct control of individuals. It therefore requires internal controls to manage and monitor progress towards strategic objectives and statutory obligations.

The Council 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 the risks.

The system of internal controls is established in order to provide measurable achievement of:

- (a) efficient and effective operations
- (b) reliable financial information and reporting

- (c) compliance with laws and regulations
- (d) risk management

Key controls

The key controls and control objectives for internal control system are:

- (a) key controls should be reviewed on a regular basis and the Council should make a formal statement annually to the effect that it is satisfied that the systems of internal control are operating effectively.
- (b) managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance, and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities.
- (c) financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems.
- (d) an effective internal audit function that is properly resourced. It should operate in accordance with Public Sector Internal Audit Standards and the principles contained in the CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom and with any other statutory obligations and regulations.

The s151 Officer will assist the Council 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.

Chief Officers will 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.

Chief Officers, Heads of Service and Managers will:

- (a) review existing controls in the light of changes affecting the Council and to establish and implement new ones in line with guidance from the s151 Officer. Chief Officers should also be responsible for removing controls that are unnecessary or not cost or risk effective – e.g., because of duplication.
- (b) ensure staff have a clear understanding of the consequences of lack of control.

Agenda Item 6

E.3 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, regulation 5, more specifically require that “a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

Accordingly, internal audit is an independent and objective appraisal function established by the Council 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.

The key controls for internal audit are:

- (a) that it is independent in its planning and operation
- (b) the Audit Manager (Chief Audit Executive) has direct access to the Head of Paid Service, all levels of management and directly to elected Members.
- (c) internal auditors comply with the CIPFA’s Code of Practice for Internal Audit in Local Government in the United Kingdom.

The s151 Officer will ensure that internal auditors have the authority to:

- (a) access Council premises at reasonable times
- (b) access all assets, records, documents, correspondence, and control systems.
- (c) receive any information and explanation considered necessary concerning any matter under consideration.
- (d) require any employee of the Council to account for cash, stores, or any other Council asset under his/her control.
- (e) access records belonging to third parties, such as contractors, when required.
- (f) directly access the Head of Paid Service, the Cabinet???why? Audit Committee don’t report to Cabinet? and Audit Committee

The Audit Manager will also:

- (a) recommend the strategic and annual audits plans and take account of the characteristics and relative risks of the activities involved, for approval by the Audit Committee as appropriate.
- (b) ensure that effective procedures are in place to investigate promptly any fraud or irregularity.

Chief Officers, Heads of Service and Managers will:

- (a) ensure that internal auditors are given access at all reasonable times to premises, personnel, documents, and assets that the auditors consider necessary for the purposes of their work.
- (b) ensure that auditors are provided with any information and explanations that they seek in the course of their work.
- (c) consider and respond promptly to recommendations in audit reports in accordance with the audit protocol.
- (d) ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.
- (e) notify the s151 Officer immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Council's property or resources. Pending investigation and reporting, the Manager should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
- (f) ensure that new systems for maintaining financial records, or records of assets, or changes to systems, are discussed with and agreed by the s151 Officer prior to implementation.

E.4 EXTERNAL AUDIT

Why is this important?

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

Agenda Item 6

Our current external auditors were appointed by the Public Sector Audit Appointments limited (PSAA) in line with the procedures specified in the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015.

The s151 Officer will:

- (a) 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.
- (b) To ensure there is effective liaison between external and internal audit.
- (c) To work with the external auditor and advise the Council, Audit Committee and Chief Officers on their responsibilities in relation to external audit.

Chief Officers, Heads of Service and Managers will 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.

Chief Officers, Heads of Service and Managers will ensure that all records and systems are up to date and available for inspection.

To inform the external auditor of any single fraud as part of the management information response .

E.5 PREVENTING FRAUD AND CORRUPTION

Why is this important?

The Council will not tolerate fraud and corruption in the administration of its responsibilities whether from inside or outside the Council.

The Council's expectation of propriety and accountability is that Members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures, and practices.

The Council also expects that individuals and organisations (e.g., suppliers, contractors, service providers) with whom it comes into contact will act towards the Council with integrity and without thought or actions involving fraud and corruption.

The key controls regarding the prevention of financial irregularities are that:

- (a) the Council has an effective anti-fraud and corruption policy and maintains a culture that will not tolerate fraud or corruption.
- (b) all Members and staff act with integrity and lead by example.
- (c) high standards of conduct are promoted amongst Members by the Audit Committee
- (d) the maintenance of registers of hospitality (Members and Officers) in which any hospitality or gifts accepted must be recorded.
- (e) the maintenance of registers of interest (Members and Officers)
- (f) whistle-blowing procedures are in place and operate effectively.

The s151 Officer will:

- (a) develop and maintain an Anti-fraud and Corruption Policy and Whistleblowing Policy.
- (b) Be responsible for anti-money laundering policies and practices as the anti-money laundering officer.
- (c) maintain adequate and effective internal control arrangements.
- (d) ensure that all suspected irregularities are reported to the Audit Manager and the Head of Paid Service, as appropriate.

Chief Officers, Heads of Service and Managers will:

- (a) ensure that all suspected irregularities are reported to the Audit Manager and the Head of Paid Service, as appropriate.
- (b) instigate the Council's disciplinary procedures or reference to the s151 Officer and Monitoring Officer (for breaches of the Member Code of Conduct) where the outcome of an audit investigation indicates improper behaviour.
- (c) ensure that where financial impropriety is discovered, the s151 Officer is informed, and where sufficient evidence exists to believe that a criminal offence may have been committed, the police are called in to determine with the Crown Prosecution Service whether any prosecution will take place.
- (d) maintain any specific registers of hospitality, where relevant.

E.6 ASSETS - SECURITY

Why is this important?

Agenda Item 6

The Council holds assets in the form of property, vehicles, equipment, furniture, and other items worth 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.

The key controls for the security of resources such as land, buildings, fixed plant machinery, equipment, software, and information are:

- (a) resources are used only for the purposes of the Council and are properly accounted for.
- (b) resources are available for use when required.
- (c) resources no longer required are disposed of in accordance with the law and the regulations of the Council so as to maximise benefits.
- (d) an asset register is maintained for the Council and assets are recorded when they are acquired by the Council and this record is updated as changes occur with respect to the location and condition of the asset.
- (e) all staff are aware of their responsibilities with regard to safeguarding the Council's assets and information, including the requirements of the Data Protection Act 1998 and software copyright legislation.
- (f) all staff are aware of their responsibilities with regard to safeguarding the security of the Council's computer systems, including maintaining restricted access to the information held on them and compliance with the Council's computer e-mail and internet security policies.

The s151 Officer will ensure that an asset register is maintained in accordance with good practice for all fixed assets. The function of the asset register is to provide the Council with information about fixed assets so that they are:

- (a) Safeguarded
- (b) used efficiently and effectively.
- (c) adequately maintained.

The s151 Officer will also receive the information for accounting, costing and financial records from each Chief Officer and ensure that assets are valued in accordance with the CIPFA Code of Practice on Local Authority Accounting.

The responsible Chief Officer shall maintain a property database in a form approved by the s151 Officer for all land and property currently owned or used by the Council.

To be responsible for maintaining a register of the Council's properties, which should show:

- (a) the relevant Portfolio.
- (b) the purpose for which the property is held.
- (c) the location of the asset.
- (d) the size and plan reference.
- (e) purchase details.
- (f) records of any tenancies. and
- (g) Valuation amount and date

Where land or buildings are surplus to requirements, a recommendation for sale should be made to the s151 Officer.

Chief Officers, Heads of Service and Managers are responsible:

- a) To ensure that lessees and other prospective occupiers of Council land are not allowed to take possession or enter the land until a lease or agreement has been established.
- b) To ensure the proper security of all buildings and other assets under their control.
- c) To ensure that any health and safety issues arising from Council owned property are brought to the attention of the Environmental Health Manager.
- d) To ensure that no Council asset is subject to a personal use by an employee without proper authority.
- e) To ensure the safe custody of vehicles, equipment, furniture, stock stores and other property belonging to the Council.
- f) To ensure that the service maintains a register (inventory) of moveable assets in accordance with arrangements defined by the s151 Officer.
- g) To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.

Agenda Item 6

- h) To ensure cash holdings on premises are kept to a minimum.
- i) To ensure that keys to safes and similar receptacles are kept secure at all times; loss of any such keys must be reported to the s151 Officer as soon as possible.
- j) To record all disposal or part exchange of assets that should normally be by competitive tender or public auction, unless the s151 Officer agrees otherwise.
- k) To arrange for the valuation of assets for accounting purposes to meet requirements specified by the s151 Officer.
- l) 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 Council in some way.

E.7 Intellectual Property

Why is this important?

- a) Intellectual property is a generic term that includes inventions and writings if these are created by any employee during the course of their employment, as a general rule, they belong to the employer, not the employee.
- b) Certain activities undertaken within the Council may give rise to items that may be patentable, for example, software development. These items are collectively known as intellectual property.
- c) Responsibilities of the s151 Officer is to develop and disseminate good practice through the Council's intellectual property procedures.

E.8 INVENTORIES

Chief Officers, Heads of Service and managers will:

- a) Maintain inventories of moveable assets and record an adequate description of furniture, fittings, equipment, plant, and machinery above the value of £10,000.
- b) Carry out an annual check of all items on the inventory in order to verify location, review conditions and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as computers, cameras and video recorders should be identified with security markings as belonging to the Council.
- c) Make sure that property is only used in the course of the Council's business, unless the Chief Officer concerned has given permission otherwise.

E.9 STOCKS AND STORES

Chief Officers, Heads of Service and managers will:

- a) Make arrangements for the care and custody of stocks and stores in the Chief Officer.
- b) Ensure stocks are maintained at reasonable levels and are subject to a regular independent physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion.
- c) Investigate and recommend removal from the Council's records (i.e., write off) discrepancies as necessary, or to obtain Cabinet approval in line with delegation regarding the writing off of debt. What are the delegation limits?
- d) Seek Cabinet approval to the write-off of redundant stocks and equipment in excess of £10,000.

E.10 ASSEST DISPOSAL

Why is this important?

It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and the regulations of the Council.

Agenda Item 6

Assets for disposal are identified and are disposed of at the most appropriate time, and only when it is in the best interests of the Council, and best price is obtained, bearing in mind other factors, such as environmental issues. For items of significant value, disposal should be by competitive tender or public auction.

These procedures protect staff involved in the disposal from accusations of personal gain.

The s151 Officer will advise on best practice for disposal of assets and ensure appropriate accounting entries are made to remove the value of disposed assets from the Council's records and to include the sale proceeds, if appropriate.

Chief Officers, Heads of Service and Managers will arrange for the disposal of surplus or obsolete materials, stores, or equipment, in accordance with agreed procedures and will ensure that income received for the disposal of an asset is properly banked and coded. Sale Proceeds over £10,000 are deemed to be capital receipts and the Head of Finance should be notified so that the correct accounting treatment can be applied.

E.11 TREASURY MANAGEMENT AND BANKING

Why is this important?

Many millions of pounds pass through the Council's books each year. This led to the establishment of codes of practice. These aim to provide assurances that the Council'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 Council's capital sum.

Key controls

The key controls for Treasury Management are that the Council's borrowings and investments comply with the Treasury Management in the CIPFA: Code of Practice and with the Council's Treasury Management Strategy as approved by the Council.

The s151 Officer will:

- a) Arrange the borrowing and investments of the Council in such a manner as to comply with the CIPFA Code of Practice on Treasury Management and the Council's treasury management strategy.
- b) Report at least two times a year on treasury management activities to the Cabinet including a mid-year and a year-end report. Furthermore, the Council will maintain a Treasury Management Strategy (TMS) as detailed below.
 - A Treasury Management Strategy (TMS), stating the policies and

objectives of its treasury management activities. (Shown in Appendix 1 to these rules.)

- c) Operate bank accounts as are considered necessary – opening or closing any bank account shall require the approval of the s151 Officer.
- d) Ensure that all investments of money are made in the name of the Council or in the name of approved nominees.
- e) Ensure that all securities that are the property of the Council or its nominees and the title deeds of all property in the Council's ownership, are held in the appropriate custody.
- f) Effect all borrowings in the name of the Council.
- g) Act as the Council's registrar of stocks, bonds, and mortgages and to maintain records of all borrowing of money by the Council.

Maximum limits for cash holdings and guidance around record keeping shall be agreed with the s151 Officer. Limits shall not be exceeded without his/her express permission.

Chief Officers, Heads of Service and Managers will:

- a) 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 s151 Officer.
- b) Only use cash for transactions when approved by the s151 Officer.

E.12 STAFFING

Why is this important?

In order to provide the highest level of service, it is crucial that the Council recruits and retains high calibre, knowledgeable staff, qualified to an appropriate level.

- i. The key controls for staffing are:
 - a) an appropriate workforce strategy
 - b) procedures are in place for forecasting staffing requirements and cost.
 - c) controls are implemented that ensure that staff time is used efficiently and to the benefit of the Council.

Agenda Item 6

- d) checks are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced, and trustworthy.
- e) Controls are in place to ensure that only properly authorised appointments are made.

ii. The s151 Officer will:

- a) Ensure that budget provision exists for approved staffing levels.
- b) Act as an advisor to Chief Officers and Senior Managers on areas such as national insurance and pension contributions, as appropriate.

iii. Chief Officers and Senior Managers will:

- a) ensure that the staffing budget is an accurate forecast of staffing levels and is equated to an appropriate revenue budget provision (including on-costs and overheads).
- b) monitor staff activity to ensure adequate control over such costs as sickness, overtime, training, and temporary staff.
- c) ensure that the staffing budget is not exceeded and that it is managed to enable the agreed level of service to be provided.
- d) ensure that the s151 Officer are immediately informed if the staffing budget is likely to be materially overspent.

F. FINANCIAL SYSTEMS AND PROCEDURES

F.1 CONTROL OF SYSTEMS AND PROCEDURES

Why is this important?

Services have many systems and procedures relating to the control of the Council's assets, including procurement, costing and management systems. Services are predominantly 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 s151 Officer has a professional responsibility to ensure that the Council's financial systems are sound and should therefore be notified of any new developments or changes.

- i. The key controls for systems and procedures are:
 - a) basic data exists to enable the Council's objectives, targets, budgets and plans to be formulated.
 - b) performance is communicated to the appropriate managers on an accurate, complete, and timely basis.
 - c) early warning is provided of deviations from target, plans and budgets that require management attention.
 - d) operating systems and procedures are secure.

- ii. The s151 Officer will:
 - a) issue advice, guidance and procedures for officers and others acting on the Council's behalf.
 - b) determine the accounting systems, form of accounts and supporting financial records.
 - c) establish arrangements for audit of the Council's financial affairs.
 - d) approve any new financial systems to be introduced.
 - e) approve any changes to be made to existing financial systems.

- iii. Chief Officers will:
 - a) establish a scheme of delegation identifying officers authorised to act upon the Chief Officer's behalf in respect of payments, income collection and procurement, including variations, and showing the limits of their authorisation.
 - b) supply lists of authorised officers, with specimen signatures and delegated limits, to the s151 Officer, together with any subsequent variations.
 - c) ensure that effective contingency arrangements, including back-up procedures, exist for computer systems.

Agenda Item 6

- d) To ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.

iv. Chief Officers, Heads of Service and Managers will:

- a) ensure that accounting records are properly maintained and held securely.
- b) ensure that vouchers??? and documents with financial implications are not destroyed, except in accordance with arrangements approved by the s151 Officer.
- c) ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained.
- d) To incorporate appropriate controls to ensure that, where relevant:
 - all input is genuine, complete, accurate, timely and not previously processed.
 - all processing is carried out in an accurate, complete, and timely manner.
 - output from the system is complete, accurate and timely.
- e) To ensure that, where practical, the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice.
- f) To ensure that systems are documented, and staff trained in operations.
- g) To consult with the s151 Officer before changing any existing system or introducing new systems.
- h) To ensure that, where appropriate, computer systems are registered in accordance with data protection legislation and that staff are aware of their responsibilities under the legislation.
- i) To ensure that relevant standards and guidelines for computer systems issued by the relevant Chief Officer are observed.
- j) To ensure that computer equipment and software are protected from loss and damage through theft, vandalism, etc.
- k) To comply with the copyright designs and patents legislation and, in particular, to ensure that:

- only software legally acquired and installed by the Council is used on its computers.
- staff are aware of legislative provisions.

INCOME AND EXPENDITURE

F.2 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 Council's cashflow and also avoids the time and cost of administering debts.

The key controls for income are:

- a) all income due to the Council is identified and charged correctly.
- b) all income is collected from the correct person, at the right time, using the correct procedures and the appropriate recording equipment.
- c) all money received by an employee on behalf of the Council is paid without delay to the s151 Officer or, as he/she directs, to the Council's bank account, and properly recorded. The responsibility for cash collection should be separated from that:
 - for identifying the amount due
 - for reconciling the amount due to the amount received
- d) effective action is taken to pursue non-payment within defined timescales.
- e) formal approval for debt write-off is obtained.
- f) appropriate write-off action is taken within defined timescales.
- g) appropriate accounting adjustments are made following write-off action.
- h) all appropriate income documents are retained and stored for the defined period in accordance with the document retention schedule.
- i) money not allocated and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.

Agenda Item 6

The s151 Officer will:

- a) agree arrangements for the collection of all income due to the Council and to approve the procedures, systems, and documentation for its collection.
- b) ensure that appropriate accounting adjustments are made following write-off action.

Sundry Debt - The Section 151 Officer will:

- a) agree the write-off of bad debts up to £5,000 in each case and to refer larger sums to the Cabinet.
- b) obtain the approval of the Cabinet in consultation with the relevant Chief Officer for writing off debts in excess of £5,000.

Revenue & Benefits - The Chief Officer Customer & Resources will:

- a) agree the write-off of bad debts up to £5,000 in each case and to refer larger sums to the Cabinet.
- b) obtain the approval of the Cabinet in consultation with the relevant Chief Officer for writing off debts in excess of £5,000.

Revenue & Benefit Debts

Chief Officers, Heads of Service and Managers will:

- a) establish charges for the supply of goods or services, including the appropriate charging of VAT.
- b) separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.
- c) establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.
- d) issue official receipts or to maintain other documentation for income collection.
- e) hold securely receipts, tickets and other records of income for the appropriate period.

- f) lock away all income to safeguard against loss or theft, and to ensure the security of cash handling. Cash handling should be minimised and the s151 Officer must approve any new arrangements.
- g) ensure that income is paid fully and promptly into the appropriate Council 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.
- h) raise accounts promptly for work done, goods supplied, services rendered or other amounts due.
- i) ensure that sums due to the Council are recorded correctly, monitor recovery of income, and flag up areas of concern to the s151 Officer. Chief Officers have a responsibility to assist the s151 Officer in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the Council's behalf.
- j) recommend to the s151 Officer all debts to be written off up to £5,000 and to keep a record of all sums written off. Once raised, no bona fide debt may be cancelled, except by full payment or by its formal writing off. A credit notes 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.
- k) obtain the approval of the s151 Officer and where appropriate Cabinet, when writing off debts in excess of £5,000.
- l) notify the s151 Officer of outstanding income relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the s151 Officer.

F.3 PROCURING AND PAYING FOR WORK, GOODS AND SERVICES

Why is this important?

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

- i. Every officer and Member of the Council has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council, in accordance with appropriate codes of conduct.

Agenda Item 6

- ii. Official orders must be in a form approved by the s151 Officer. Official orders must be issued for all work, goods, or services to be supplied to the Council, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions specified by the s151 Officer.
- iii. The normal method of payment to suppliers will be by BACS transfer. Payment by cheque will only be agreed in exceptional circumstances. The use of direct debit requires the prior agreement of the s151 Officer.

The key controls for ordering and paying for work, goods and services are:

- a) all goods and services are ordered only by appropriate persons and are correctly recorded.
- b) all goods and services shall be ordered in accordance with the Council's standing orders and contract procedures.
- c) goods and services received are checked to ensure they are in accordance with the order.
- d) payments are not made unless goods have been received by the Council to the correct price, quantity, and quality standards.
- e) all payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method.
- f) all appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the document retention schedule.
- g) all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.
- h) in addition, processes must be in place to ensure the security and integrity of data transferred in e-business/e-commerce and electronic purchasing transactions.

The s151 Officer will:

- a) ensure that all the Council's financial systems and procedures are sound and properly administered.
- b) approve any changes to existing financial systems and to approve any new systems before they are introduced.
- c) approve the form of official orders and associated terms and conditions.

- d) To make payments from the Council's funds on the budget holder's authorisation that the expenditure had been duly incurred in accordance with Financial Regulations and Standing Orders.
- e) 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.
- f) To make payments to contractors on authorisation of a contract certificate, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.
- g) To provide advice and guidance on making payments by the most economical means.
- h) 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.

Chief Officers, Heads of Service and Managers will:

- a) ensure that goods and services are procured in accordance with Financial Regulations and Standing Orders using systems and procedures approved by the s151 Officer.
- b) ensure that orders are only used for goods and services for the Council. Individuals must not use official orders to obtain goods or services for their private use.
- c) ensure that only those staff authorised by him/her originate orders and to maintain an up-to-date list of such authorised staff, including specimen signatures identifying in each case their authorised limits. The authoriser of the order should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. Best value principles should underpin the Council's approach to procurement. Value for money should always be achieved.
- d) 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.
- e) ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the document retention schedule.
- f) ensure that a two-stage process as below is adopted to authorise any invoice for payment and that the two stages are authorised by separate officers.

Agenda Item 6

Stage 1

The first stage of the authorisation process, via the Financial Management System means confirmation that:

- the goods works or services have been received and are of the required quantity and quality and fit for the purpose intended.
- that the invoice has not previously been paid
- that expenditure has been charged against the correct budget.
- that prices are arithmetically correct and accord with quotations, tenders, contracts, or catalogue prices, or are otherwise reasonable.
- where VAT is included, it is correct and in the required format.
- that discounts have been taken where available.

Stage 2

The second stage of the authorisation process, via the Financial Management System, means confirmation that:

- The invoice has passed through the stage 1 process.
- That any Standing Order or Financial Regulation relevant to the purchase of the goods or services has been complied with e.g., rules for quotations and/or tenders.
- The expenditure has been correctly authorised and budget provision exists.
- ensure that payments are only made following receipt of a formal invoice, and that no payment is made on a photocopy or statement.
- ensure that the service obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality, having regard to the Procurement Guide. The financial thresholds for procurement are specified in Contract Standing Order 7.

- i. Whilst there is a general presumption in favour of open competition, there will be some circumstances where it may not be appropriate. In such circumstances the requirements of Contract Standing Order 13 should be followed
- ii. If a contractor or consultant is responsible for procuring goods or services on behalf of the Council, then they must abide by the Council's Contracts Standing Orders and Procurement Guide. Chief Officers and Budget Holders responsible for the appointment of contractors or consultants are required to bring this to their attention where relevant.
- iii. Chief Officers will:
 - a) Provide lists to the s151 Officer in order for the organisation to retain a list of staff approved to authorise invoices. This will include names of authorising officers together with specimen signatures and details of expenditure limits.

F.4 PAYMENTS TO EMPLOYEES AND MEMBERS

Why is this important?

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

- i. The key controls for payments to employees and Members are:
 - a) proper authorisation procedures are in place and that there is adherence to corporate timetables for:
 - starters
 - leavers
 - variations
 - additional payments
 - b) frequent reconciliation of payroll expenditure against approved budget and bank account
 - c) all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule.
 - d) Inland Revenue regulations are complied with.

Agenda Item 6

ii. The s151 Officer will:

- a) Arrange for the secure and reliable payment of salaries wages, or other emoluments to employees, in accordance with procedures prescribed by him/her, on the due date.
- b) record and make arrangements for the accurate and timely payment of tax, pension and other deductions.
- c) make arrangements for payment of all travel and subsistence and other claims.
- d) make arrangements for paying Members' allowances in accordance with the scheme approved by the Council.
- e) ensure that there are adequate arrangements to meet any pension administration timescales set by Kent County Council.
- f) ensure appointments are made in accordance with the regulations of the Council and approved establishments, grades, and scale of pay and that adequate budget provision is available.
- g) To ensure that adequate and effective systems and procedures are operated, so that:
 - payments are only authorised to bona fide employees.
 - payments are only made where there is a valid entitlement.
 - conditions and contracts of employment are correctly applied.
 - employees' names on the payroll are checked at regular intervals to verify accuracy and completeness.

iii. Heads of Service and Managers will:

- a) ensure that payroll transactions are processed only through the payroll system. Chief Officers should give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis. The Inland Revenue applies a tight definition for employee status, and in cases of doubt, advice should be sought from Financial Services??? (payroll).
- b) certify travel and subsistence claims, overtime, 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 Council, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications and that the s151 Officer is informed, where appropriate.

iv. Members should:

- a) submit claims for any allowances, that require the completion of a claim form e.g., travel and subsistence allowances, on a monthly basis and, in any event, within one month of the year end.

G. TAXATION

Why is this important?

Like all organisations the Council 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.

Key controls for taxation are:

- a) budget managers are provided with relevant information and kept up to date on tax issues.
- b) budget managers are instructed on required record keeping.
- c) all taxable transactions are identified, properly carried out and accounted for within stipulated timescales.
- d) records are maintained in accordance with instructions.
- e) returns are made to the appropriate authorities within the stipulated timescale.

The s151 Officer will:

- a) Complete all HMRC returns regarding PAYE.
- b) Complete a monthly return of VAT inputs and outputs to HMRC.
- c) Provide details to the HMRC regarding the construction industry tax deduction scheme.
- d) Maintain up-to-date information for Council employees on taxation issues in the Financial Guidance Manual???

Chief Officers, Heads of Service and Managers will:

Agenda Item 6

- a) ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HMRC regulations, seeking advice when necessary.
- b) ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.
- c) ensure that all employment appointments are carried out using the approved procedures.
- d) follow the guidance on taxation issued in the Financial Guidance.
- e) Obtain the approval of the appropriate Chief Officer Before the appointment of anyone classed as self-employed or someone from an agency.

H. EXTERNAL ARRANGEMENTS

H.1 PARTNERSHIPS

Why is this important?

Increasingly local authorities are working in partnership to deliver services. With the Localism Act this will extend further with many voluntary and other organisations taking over assets and services previously run by the Council. It is important that the financial arrangements around partnerships are clearly defined, and liabilities and risks are made explicit.

- i. Financial matters relating to arrangements whereby one Council administers funds jointly on behalf of itself and others shall be subject to the Financial Standing Orders and Regulations of the administering council, subject to the s151 Officer considering the rules to be satisfactory.
- ii. The s151 Officer will ensure that the accounting arrangements are satisfactory.
- iii. Chief Officers, Heads of Service and Managers will maintain a record of all contracts entered into with external bodies in accordance with procedures specified by the s151 Officer.
- iv. Chief Officers and Senior Managers will ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared for the Senior Management Team and Cabinet as appropriate.
- v. Chief Officers and Senior Managers will ensure that such agreements and arrangements do not impact adversely upon the services provided by the Council.

- vi. Chief Officers and Senior Managers will ensure that all agreements and arrangements are properly documented and that the appropriate governance arrangements have been approved by the relevant Chief Officer.
- vii. Chief Officers and Senior Managers will provide appropriate information to the Head of Finance to enable a note to be entered into the Council's Statement of Accounts concerning material items.
- viii. Chief Officers and Senior Managers are responsible for ensuring that appropriate approvals are obtained from a Chief Officer before any negotiations are concluded in relation to partnership arrangements with external bodies.

H.2 EXTERNAL FUNDING

Why is this important?

Funding from external agencies will remain an important potential source of funding for the Council. Such opportunities need to be maximised whilst ensuring that the Council can meet any financial obligations which may be placed on it.

- i. The Key controls for external funding are:
 - a) to ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.
 - b) to ensure that funds are acquired only to meet the priorities approved in the policy framework by the Council and the Corporate Plan.
 - c) to ensure that any match-funding requirements are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements.
 - d) to ensure that when external funding is provided for a limited period only, that the implication of losing the funding is disclosed to Members.

Agenda Item 6

- ii. The appropriate senior manager will ensure that any decisions are made by Strategic Management Team and Cabinet within the appropriate governance framework.
- iii. The s151 Officer will ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts.
- iv. The s151 Officer will ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.
- v. The s151 Officer will ensure that all specified audit requirements are met.
- vi. The appropriate senior manager will ensure that all claims for funds are made by the due date.
- vii. The appropriate senior manager will ensure that the project progresses in accordance with the agreed project timetable and that all expenditure is properly incurred and recorded.
- viii. Terms and conditions for external funding must be agreed by the relevant Chief Officer, in consultation with the Head of Legal Services and the s151 Officer.

H.3 WORK FOR THIRD PARTIES

Why is this important?

Current legislation enables the Council 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.

Key controls

The key controls for working with third parties are:

- (a) To ensure that proposals are costed properly in accordance with guidance provided by the s151 Officer
- (b) To ensure that contracts are drawn up using guidance provided by the s151 Officer and Head of Legal Services and that the formal approvals processes are adhered to
- (c) To ensure guidance is issued for the financial aspects of third-party contracts

i. The s151 Officer will issue guidance with regard to the financial aspects of third-party contracts.

ii. **Chief Officers and Senior Managers** will:

- a) ensure that the approval of the Cabinet or Officers under delegated authority is obtained before any negotiations are concluded to work for third parties.
- b) maintain a register of all contracts entered into with third parties in accordance with procedures specified by the s151 Officer.
- c) ensure that appropriate insurance arrangements are made.
- d) ensure that the Council is not put at risk from bad debts arising from the arrangements.
- e) ensure that no contract is subsidised by the Council.
- f) ensure that, wherever possible, payment is received in advance of the delivery of the service.
- g) ensure that the unit has the appropriate expertise to undertake the contract.
- h) ensure that such contracts do not impact adversely upon the services provided for the Council.
- i) ensure that all contracts are properly documented and monitored.
- j) provide appropriate information to the s151 Officer to enable a note to be entered into the statement of accounts.

I. Miscellaneous - GIFTS AND HOSPITALITY

Why is this important?

Some members of the public and organisations may claim that they have been treated unfairly by the Council and may suggest that staff have received inducement to give preference to others. Therefore, a register of all gifts and hospitality received should be maintained.

1. General

Guidance Notes relating to the receipt of gifts and hospitality can be found in Appendix 1 to these rules.

Responsibilities of the s151 Officer

Agenda Item 6

To ensure that details of all gifts in kind and hospitality received by Members and Officers are recorded.

Responsibilities of the Chief Executive

To maintain an open register of all gifts in kind and hospitality received by Members or Chief Officers. Internal Audit or the Council's external auditors can inspect this register.

Responsibilities of the Chief Officers

To maintain a register of all gifts in kind and hospitality received by Officers in their Services. Internal Audit or the Council's external auditors can ask to inspect this register.

Appendix 1

GIFTS AND HOSPITALITY GUIDELINES

A. THE REASONS FOR THESE GUIDELINES

- i) The main reason for having these guidelines is to ensure that Members and Officers maintain the highest standards of corporate governance. These high standards are expected of Local Government generally and their maintenance is necessary to uphold the integrity and reputation of the Council. In some areas these standards are more rigorous than those applying to the private sector. This has to be recognised and accepted by all Members and Officers of the Council. The fact that Local Authorities are moving towards more business-like methods of providing services; this does not mean the standards will be compromised.
- ii) All Members and Officers are subject to the provision in the Finance Procedure Rules relating to gifts and hospitality. Officers are also subject to the provisions of their Conditions of Service relating to such matters. All Members and Officers are also subject to their respective Codes of Conduct. The purposes of these guidelines are to reiterate the Finance Procedure Rules and Conditions of Service and to provide practical guidance.
- iii) The most important reason for these guidelines is that failure to follow the rules puts individual Officers at personal risk of disciplinary action and, in certain circumstances, of criminal prosecution. Failure to comply with the Finance Procedure Rules will give rise to disciplinary action that may include dismissal. Criminal proceedings may arise as a failure to declare a pecuniary interest in accordance with the Local Government Act 1972 and under the Prevention of Corruption Acts is a criminal offence. Any criminal proceedings resulting in a conviction could give rise to a term of imprisonment and would inevitably give rise to disciplinary action including dismissal.
- iv) Members can be subject to sanctions imposed by the Council's Standards Committee. In addition, Members can be subject to criminal and civil liability resulting from breach of fiduciary duty.

B. SEEK ADVICE/BE OPEN/APPLY COMMONSENSE

There may be occasions when the hospitality offered is acceptable and will not breach standards. Similarly, there will be occasions when hospitality offered appears to come within the guidelines but nevertheless should be refused.

These are guidelines and are not meant to be a substitute for judgement and common sense. If in doubt seek advice from the Monitoring Officer and always be open about such matters. If you are not prepared to seek advice or be open it is highly likely that whatever it is, you should not be doing it.

Agenda Item 6

C. POTENTIAL CONFLICT BETWEEN PERSONAL AND JOB ROLES

It is sometimes difficult to differentiate between personal and job roles. On some occasions an offer of hospitality will clearly be personal in that there is no connection whatsoever with your job. On other occasions an offer of hospitality will be clearly made to you in your job role. However, there is an area in which the two roles merge, particularly with senior Officers. It is difficult to give guidance that will cover all circumstances, but the following are examples:

- i) If there is an offer of hospitality purporting to be personal, ask yourself whether it would have been made if you did not hold your office with the Council. If not, then almost certainly it should be treated as job related.
- ii) Does the person or organisation making the offer have any connection or potential connection with the Council? If so, treat it as job related.

If you are in doubt the only safe course is to treat an offer as job related. At the very least seek advice from the Monitoring Officer. If an offer of hospitality is job related these guidelines should be applied to it and the Finance Procedure Rules and your Conditions of Service apply.

D. ACCEPTANCE OF GIFTS

Gifts should not be accepted other than items of very small intrinsic value such as business diaries and calendars which should be used in the workplace. There are few permissible exceptions to this general rule, but there are occasionally special circumstances such as: -

i) Civic Occasions

From time to time there are civic occasions on which personal gifts may be given to Members and Officers. For example, a member or Officer may be given a personal gift by a delegation from abroad which is here as part of a twinning arrangement. To refuse it would cause unnecessary offence.

Therefore, in such circumstances, it is permissible for a member or Officer to accept the gift provided that its value is not excessive. If it is a gift which is not personal, it should be treated as belonging to the Council and dealt with accordingly. The important point is that such matters should be dealt with openly and, if need be, advice sought.

ii) Unsolicited Gifts of Value

You may get unsolicited gifts of more than small but still modest value, for example, bottles of spirits at Christmas. If you do you should consider whether they should be returned immediately, if need be, with a note explaining why you cannot accept. If this is impracticable or would cause unnecessary offence, consider presenting the gift for charitable purposes, or take similar appropriate action. In such circumstances, tell the donor what you have done and why. In any event, valuable gifts must be returned.

E. ACCEPTANCE OF HOSPITALITY

Reasonable hospitality may be accepted where it is secondary to a specific working arrangement (i.e., an integral part of the working arrangement). Caution should be exercised where the invitation is predominantly of a social nature unless it falls into one of the exceptions mentioned later in this guidance.

A test which Members and Officers should apply in considering any offers of hospitality is that of public scrutiny. Would the acceptance of such hospitality, if made public, be open to misrepresentation or doubt as to the integrity and motives of the provider and the recipient?

i) Lunches, Dinners, and Drinks

They must only be of a reasonable value. Extravagance must be avoided.

ii) Civic Hospitality

It is permitted to accept Civic hospitality provided by other Local Authorities and similar hospitality provided by other public organisations. On such occasions Members and Officers will receive formal invitations and any such hospitality is open and above board. Similarly, it is acceptable if you are invited in your official capacity to represent the Council at a function or event unless it falls into one of the excluded categories in these guidelines.

iii) Commercial Organisations

This is an area which requires the utmost care. It can conveniently be divided into two parts.

Firstly, hospitality provided by a commercial organisation with whom the Council has an existing business relationship. Here, modest hospitality is an accepted courtesy of a business relationship. This is likely to fall into two categories.

(a) The kind which is secondary to specific Council business.

(b) The kind which is not specifically business related but which is provided for representatives of the Council as a client. It is reasonable to accept this kind of hospitality as long as it is not extravagant unless: -

- the renewal of the firm's contract with the Council is imminent; or
- the firm is or is likely to be seeking other contracts with the Council in the immediate future.

However, as a general rule business relationship should not become too cosy or too close and a proper distance should be kept.

Agenda Item 6

Another general rule must be to refuse hospitality provided by a commercial organisation with whom the Council does not have an existing business relationship. There may be possible exceptions, for example, a local connection such as a firm with its Headquarters based in Sevenoaks having a Centenary Dinner to which it invites leading Members and Chief Officers of the Council. However, any exceptions should be carefully considered and, if need be, advice sought from the Monitoring Officer of the Council.

F. CONFERENCES/SEMINARS

It is the practice at some Conferences/Seminars for the sponsors or interested organisations to lay on hospitality/entertainment for those participating.

Generally, it is permissible for Members and Officers to accept this kind of hospitality, but a distinction needs to be drawn between such hospitality which is generally provided (i.e., all the participants or a large group of them invited) and individual hospitality, for example, you alone are invited by a sponsor or firm. The former is acceptable, but the latter would be unlikely to be acceptable.

G. STUDY TRIPS

If these are promoted by commercial organisations or involved commercial organisations, they should be dealt with under Paragraph F. Generally, you should participate only if the invitation to join is one which is general and not confirmed to you and a select few.

H. EXHIBITIONS/DEMONSTRATIONS

Care should be exercised before accepting offers to visit Exhibitions and Demonstrations at the expense of other organisations. If there is a good reason to inspect equipment etc. which the Council is considering purchasing, its invitation may be acceptable. Even in such circumstances you should give consideration to the Council meeting the costs. An invitation which is made to a wide range of people is more likely to be acceptable than one which is made to you alone. Hospitality provided in such cases must not be extravagant.

I. ENTERTAINMENT

Generally, the guidance given above relating to the acceptance of hospitality also applies to the acceptance of invitations coming under the heading of Entertainment, such as invitations at someone else's expense to sporting occasions, theatre trips etc. Generally, such invitations should not be accepted unless you are able to justify them under one of the various headings in these guidelines.

J. TRIPS ABROAD

If you are invited to go abroad at the expense of someone else, for example, a study visit or conference, and wish to accept, you must obtain the approval of Committee.

K. PRESSURE SELLING

Be aware of the possibility of personal inducements being offered by companies to achieve orders for goods. The acceptance of such a personal inducement would lay you open to criminal prosecution and disciplinary action including dismissal. Any such offers should be reported to your line Manager who, in appropriate cases will alert the Chief Finance Officer and other relevant senior Officers. Care needs to be taken if the Council still wishes to purchase the goods from the firm concerned, notwithstanding that the personal inducement has been refused and reported. It would be appropriate for written representations to be made to the firm concerned to make them aware that the practice was unacceptable and should cease.

L. REGISTER

The Chief Executive and each Chief Officer maintains a register on behalf of Officers in their services (including themselves) to record: -

- i) Hospitality received. This should cover hospitality whenever and wherever it is received.
- ii) Gifts received (other than items of very low value such as business diaries, pens, pencil, calendars etc.)
- iii) Entertainment, study trips, visits to exhibitions/demonstrations at the expenses of others.
- iv) Conferences and Seminars. Any hospitality or entertainment received during the course of conference and seminar should be recorded in the register.

In addition, the Chief Executive maintains a register on behalf of Members to record similar information.

The register entry should contain the name of the Member or Officer, the date of receipt, the name of the person/organisation providing the gift, hospitality etc. and a brief description of the gift, hospitality etc.

Members are also under an obligation to register with the Monitoring Officer financial interests and gifts and hospitality worth over £25 that Members receive in connection with their official duties.

The registers are subject to review by the Council's External Auditor, and the Chief Executive may consult with the Chairman of the Council over any entry of concern.

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Contract Procedure Rules ('CPR')

1 Introduction – Purpose of the Contract Procedure Rules (CPR)

1.1 Purchasing decisions and processes are important because the money involved is public money. The purpose of these Contract Procedure Rules is to provide a structure within which purchasing decisions are made and implemented and which ensure that the Council:

- Furthers its corporate objectives
- Uses its resources efficiently
- Purchases quality goods, services and works
- Acts compliantly according to rules around spending public money
- Safeguards its reputation from any implication of dishonesty or corruption.

1.2 Purchasing by the Council, from planning to delivery, shall incorporate (where appropriate) principles of sustainability, efficiency, whole life costings and cost savings.

1.3 These CPR are made in accordance with the requirements of Section 135 of the Local Government Act 1972.

1.4 These Contract Procedure Rules do not provide guidelines on what is the best way to purchase works, supplies (goods) and services. They set out minimum requirements to be followed. Further information and guidelines are set out in the Council's Procurement Manual (2021).

2 General Principles – Application and Compliance with CPR

2.1 These Contract Procedure Rules apply to the purchase by or on behalf of the Council of works, supplies (goods) and services.

2.2 These Contract Procedure Rules apply to all contracts including all purchase orders, concessions and contractual arrangements entered into by or on behalf of the Council, except for the specific types of contracts and purchasing methods which are listed in 2.3.

2.3 These Contract Procedure Rules do not apply to:

- Employment contracts or procuring staff*
- Contracts relating solely to the purchase or sale of interests in land
- Contracts for retention of legal counsel and the appointment of expert witnesses in legal proceedings

Agenda Item 6

- Service level agreements setting out the conditions which the Council applies to its funding of particular voluntary sector bodies.

*The term 'staff' refers to employees who are hired and paid for directly by Sevenoaks District Council. This does not include contracts for consultants, contingent labour, temporary staff etc, which are subject to these CPR.

3 General Principles Applying to All Contracts

- 3.1 All purchases however small shall be in writing, and appropriate record keeping (in line with Council's Retention Policy) shall apply.
- 3.2 Standard contract clauses shall be used in all contracts of a value of £75,000 or more. The standard contract clauses are issued by Legal Services and can be found accompanying the Procurement Manual (details of which will be published on the intranet).
- 3.3 As a minimum, all contracts of a value of £10,000 or more shall include clauses which set out:
- the works, supplies (goods), services, material, matters or things to be carried out or supplied
 - the time within which the contract is to be performed and when the contract shall cease (NB contracts by default should not automatically renew).
 - quality requirements and/or standards which must be met
 - requirements on the contractor to hold and maintain appropriate insurance
 - what happens in the event that the contractor fails to comply with its contractual obligations (in whole or in part)
 - requirements on the contractor to comply with all relevant equalities and health and safety legislation
 - that the Council shall be entitled to cancel the contract and recover losses in the event that the contractor does anything improper to influence the Council to give the contractor any contract or commits an offence under the Bribery Act 2010 or s117(2) Local Government Act 1972.
- 3.4 All contracts shall include relevant specifications and/or briefs/technical requirements which are prepared taking into account the need for effectiveness of delivery, quality, sustainability and efficiency (as appropriate) and the information set out in the Council's Procurement Manual.
- 3.5 All contracts which involve a substantial

risk to the Council must be subject to a written risk assessment, which should be kept on the contract file. See Procurement Manual for more details.

4 Regulatory Context

4.1 All purchasing shall be conducted in accordance with Regulatory Provisions which are:

- all relevant statutory provisions
- the relevant international rules and treaty principles
- the Council's Constitution including these Contract Procedure Rules, the Council's Financial Procedure Rules and Scheme of Delegation
- the Council's Procurement Strategy, Procurement Manual (and associated Toolkit for Procuring Managers) and other policies and procedures of the Council as appropriate.

4.2 In the event of conflict between the above items, UK legislation will take precedence, then international rules, then the Council's Constitution, the Council's Procurement Manual and policies and procedures.

5 Responsibilities of Chief Officers and Responsible Officers

5.1 Each Chief Officer shall:

- be responsible for the purchasing undertaken by his/her service to be undertaken in accordance with these Contract Procedure Rules (and accompanying policies and guidance),
- be accountable to the Cabinet for the performance of his/her duties in relation to purchasing
- comply with the Council's decision making processes including, where appropriate, implementing and operating a Scheme of Delegation
- appoint a Responsible Officer (in line with Council's Scheme of Delegation) in writing who shall be an authorised signatory.
- take immediate action in the event of breach of these Contract Procedure Rules.

5.2 A Responsible Officer is an officer with responsibility for conducting purchasing processes for the purchase of works, supplies (goods) or services on behalf of the Council.

5.3 A Responsible Officer's duties in respect of purchasing are to ensure:

- compliance with all Regulatory Provisions and integrity of the tender

Agenda Item 6

process

- compliance with the relevant statutory provisions and the Council's requirements relating to declarations of interest affecting any purchasing process
- that there is an appropriate analysis of the requirement, timescales, procedure and documentation to be used
- the purchasing process, from planning to delivery incorporates (where appropriate) principles of sustainability, efficiency, whole life costings and cost savings
- compliance with the Council's decision-making processes
- that all contracts of a value of £10,000 (ex VAT) or more are included on the Council's Contract Register
- that proper records of all contract award procedures, waivers, exemptions and extensions are maintained, with separate files for each purchase of a value of £10,000 (ex VAT) or more
- that value for money is achieved
- that adequate and appropriate security (such as a bond or guarantee) is taken to protect the Council in the event of non-performance.
- that risk assessments are undertaken in respect of all contracts and where there is a significant risk identified a written risk assessment is carried out and kept on the contract file.

5.4 In considering how best to procure works, supplies and services, Chief Officers and/or Responsible Officers (as appropriate in the context), shall take into account wider contractual delivery opportunities and purchasing methods including the use of Pre-Competed Frameworks and e-procurement/purchasing methods, and the availability of local authority charging and trading powers under the Local Government Act 2003.

5.5 It is a disciplinary offence to fail to comply with these Contract Procedure Rules and the Council's Procurement Manual. All employees have a duty to report breaches of Contract Procedure Rules to the Chief Officer for their service.

5.6 Any officer or Member who suspects any misconduct or corruption in relation to the purchase by or on behalf of the Council of works, supplies (goods) and services must immediately report that suspicion to the Council's Monitoring Officer and Chief Officer for their service.

6 Scheme of Delegation

6.1 Council purchasing may only be undertaken by officers with the appropriate delegated authority to carry out such tasks as set out in the Council's Scheme(s) of Delegation. Officers with delegated authority may only

delegate to other officers who have the appropriate skills and knowledge for the task and such delegation shall be recorded in writing by the officer delegating the task.

- 6.2 Officers shall, where appropriate, be informed by their Chief Officer of the extent of any delegated authority and applicable financial thresholds.

7 Financial Thresholds and Procedures

- 7.1 The table below sets out the general rules applying to the choice of purchasing procedure for contracts at the stated threshold values.

- 7.2 Wherever possible (irrespective of size/value) contract opportunities should be advertised by way of a public notice. The Council must consider the potential effect of a contract on interstate trade. If a contract may be of interest to contractors from other states then this may result in a need to advertise in a manner which ensures that potential contractors from other states are aware of the opportunity, even for small value contracts or contracts under the Public Contracts Regulations 2015 (PCR) Threshold levels (as indicated below).

- 7.3 The public notice referred to at 7.2 may take the form of a notice or advertisement in an electronic or paper format, on an easily accessible website or other electronic media and/or in the press, trade journals (as appropriate). Any public notice should be made available on the Council's usual portals (as at April 2021 the Kent Business Portal and www.mytenders.co.uk). Any contract above the Public Contracts Regulations threshold level must be published also on the Government's Find a Tender Service (FTS). The Responsible Officer may choose to place one or more public notices in different media.

- 7.4 Table setting out financial thresholds and procedures

Total Value (excluding VAT)	Type of contract	Procedure to be used
£0 to £10,000	works, supplies and services	At least one written quote in advance
£10,000 to £74,999	works, supplies and services	At least three written quotes in advance
£75,000 to £1 below PCR threshold for supplies and services **	Supplies and services	At least three written tenders in advance, following advertisement by public notice

Agenda Item 6

PCR Threshold and above for supplies and services £213,477 **	Supplies and services	PCR Rules apply - full competitive process following advertisement in the FTS for supplies and services. (For Light-Touch Regime* services reduced requirements apply under the PCR Rules but there is a presumption in favour of advertising and a competitive process.)
£75,000 to PCR Threshold for works £5,336,937 **	Works	Full competitive process with tenders following advertisement by public notice
From PCR Threshold for works £5,336,937 **	Works	PCR Rules apply - full competitive process with tenders following FTS advertisement

* For the purposes of the Public Contract Regulations (2015) services are divided in various types which demand different handling. Responsible Officers should act cautiously and seek advice from Legal Services when considering the relevant procedure to be used.

** These figures are correct at June 2021 but officers should check for details of the relevant threshold in force at the time of their procurement.

7.5 Where contracts are of a type and value which means that they are subject to the PCR Rules then there are various procedures available. These are detailed in the Procurement Manual. Care must be taken to ensure that the correct and most appropriate procedure is used and assistance on the choice and use of procedure should be sought. Please see the Procurement Manual for more information.

8 Financial Thresholds and Processes Applying to Approval and Execution of Contracts

8.1 For contracts over the relevant PCR Threshold (in force at the time), the choice of purchasing procedure to be used and the decision to proceed to advertisement must be authorised in writing by the relevant Chief Officer in advance.

8.2 When a decision is made to award a contract then the Responsible Officer must, in addition to complying with his/her general obligations under these Contract Procedure Rules ensure, in particular, that:

- the appropriate approvals have been obtained to authorise that decision; and
- where appropriate, a standstill period complying with the PCR Rules is incorporated into the final award process.

8.3 Any contracts valued at £75,000 or above shall be executed as a deed. All other contracts may be signed by officers with appropriate delegated authority. £10,000 shall be the threshold for the purposes of Regulation 8 of the Local Authority (Executive Arrangements) (Modification of Enactments and Further Provisions) (England) Order 2001.

8.4 Electronic signatures may be used provided the sufficiency of security arrangements has been approved by the relevant service Chief Officer.

9 Calculating the Contract Value

9.1 The starting point for calculating the contract value for the purposes of these Contract Procedure Rules is that the contract value shall be the genuine pre-estimate of the value of the entire contract excluding Value Added Tax. This includes all payments to be made, or potentially to be made, under the entirety of the contract and for the whole of the predicted contract period (including proposed extensions and options).

9.2 By way of an example, whole life cost should be calculated as follows:

- If a contract for services is costing £20,000 per year but it needs to run for 3 years, the whole life cost = £60,000 ex VAT
- All contracts should be awarded ex VAT
- It should be made clear in your pricing section of the contract that VAT is to be applied at the prevailing rate.

9.3 There shall be no artificial splitting of a contract to avoid the application of the provisions of the PCR Rules and/or these Contract Procedure Rules.

9.4 The PCR Rules can cover contracts which are below the stated PCR threshold where they constitute repeat purchases and/or purchases of a similar type in a specified period. Responsible Officers should therefore seek advice on the application of the PCR Rules where they envisage that they may require repeat purchases and/or purchases of a similar type.

10 Principles Underlying Tendering Processes and Tender Evaluation

10.1 All tendering procedures (including obtaining quotes), from planning to contract award and signature, shall be undertaken in a manner so as to ensure:

- Sufficient time is given to plan and run the process

Agenda Item 6

- Equal opportunity and equal treatment
- Openness and transparency and that our decisions can be evidenced and reported on (should this be necessary)
- Probity and justifiable decision making
- Outcomes which deliver sustainability, efficiency and cost savings (where appropriate).

11 Submission and Opening of Tenders

11.1 An Invitation to Tender ('ITT') shall be issued by the Council for all contracts over £75,000 and tenders shall be submitted in accordance with the requirements of the Invitation to Tender. The templates ITT (alongside others) are available in the Toolkit supplied with the Procurement Manual.

11.2 Any tenders received (other than those received electronically, to which 11.3 shall apply) shall be:

- addressed to the Head of Legal & Democratic Services.
- in a sealed envelope marked "Tender" followed by the subject matter to which it relates
- kept in a safe place by Democratic Services where restricted access applies only to those who are authorised to have access.
- retained unopened until the date and time specified for its opening.

11.3 Where the Council has indicated in the Invitation to Tender that a tender can or must be submitted electronically, then those tenders shall be:

- addressed to the e-mail address as notified in the Invitation to Tender or managed via the mytenders.co.uk portal.
- in the format specified in the Invitation to Tender and kept confidential
- stored in a secure mailbox, which requires a code or other appropriate security measure, to open it
- retained unopened until the date and time specified for its opening.

11.4 No tender received after the time and date specified for its opening shall be accepted or considered by the Council unless the Head of Legal & Democratic Services/Deputy Chief Executive and Chief Officer Corporate Services is satisfied that there is sufficient evidence of the tender having been dispatched in time for it to have arrived before the closing date and time, or other exceptional circumstances apply, and the other tenders have not been opened.

11.5 Tenders shall be opened in the presence of the relevant Chief Officer and an immediate record shall be made of tenders received including

names and addresses and the date and time of opening.

12 Evaluation of Quotes and Tenders

- 12.1 All quotes and tenders shall be evaluated in accordance with evaluation criteria notified in advance to those submitting quotes/tenderers.
- 12.2 Tenders subject to the PCR Rules shall be evaluated in accordance with these Rules.
- 12.3 Save in exceptional circumstances approved in advance by the appropriate Chief Officer all contracts shall be awarded on the basis of the quote or tender which represents best value for money to the Council and not on the basis of lowest price. See the Procurement Manual (and associated Toolkit) for more information.

13 Waivers

- 13.1 The requirement for the Council to conduct a competitive purchasing process for contracts in excess of £10,000* may be waived in certain limited circumstances, which include the following
 - for contracts which are not subject to the PCR Rules, the work, supply or service is required as a matter of urgency and a delay would be likely to lead to financial loss, personal injury or damage to property ; or
 - the circumstances set out in Regulation 14 apply (whether or not the contract is of a type which is subject to the application of the PCR Rules); or
 - at the discretion of the relevant Chief Officer who may proceed in a manner most expedient to the efficient management of the Service/Council with reasons recorded in writing.

*Please note that the waiver process applies to purchases of £10,000 (ex VAT) or more. Below this threshold, Responsible Officers must seek 1 written quote to compliantly meet the Procurement threshold requirements.

- 13.2 A Responsible Officer who seeks a waiver of Contract Procedure Rules, shall do so only in advance and only in exceptional circumstances. Further guidance on what may constitute exceptional circumstances permitting waiver of these Contract Procedure Rules and general tender direction is set out in the Council's Procurement Manual.
- 13.3 All waivers from these Contract Procedure Rules must be:
 - fully documented
 - Subject to a written report to be submitted in advance to either the Chief Finance Officer, the Head of Finance or the Monitoring Officer

Agenda Item 6

which shall include reasons for the waiver which demonstrate that the waiver is genuinely required.

- Subject to approval in advance by the officers referred to in 13.3.2 above who shall record that they have considered the reasons for the waiver and that they are satisfied that the circumstances justifying the waiver are genuinely exceptional. Applications for waiver which are a result of poor contract planning will not usually be considered exceptional.
 - subject to approval in advance by the Procurement Assurance Group(PAG) who shall record that they have considered the reasons for the waiver and that they are satisfied that the circumstances justifying the waiver are genuinely exceptional.

13.4 All decisions on waivers must take into account:

- probity
- best value/value for money principles.
- Representative of the whole / total contract cost not split to ensure the value of the service (or goods) being waived appears lower.

13.5 For contracts subject to the PCR Rules, any waiver from the requirement for competition must meet the conditions set out in the PCR Rules in addition to the general requirements above.

13.6 A waiver shall not be applied for reasons of poor contract planning and any such attempt to do so shall be escalated to the Chief Officer and / or Procurement Assurance Group (PAG).

14 Extensions to Existing Contracts

14.1 Where extensions to existing contracts are made the extensions must be determined in accordance with the contract terms, for a specified period and made in accordance with the principles set out in the Council's Procurement Manual.

14.2 Any extension must be:

- fully documented
- subject to a written report in an approved format to be submitted to the relevant Chief Officer; which shall include reasons for the extension which demonstrate that the need for the extension is genuinely exceptional
- subject to approval by the relevant Chief Officer who shall record that they have considered the reasons for the extension and that they are satisfied that the circumstances justifying the extension are genuinely exceptional.

14.3 Any extension must take into account:

- probity
 - best value/value for money principles.
 - Legality of any extension in line with Government Procurement Regulations.
- 14.4 For contracts subject to PCR Rules, any extension must meet the Conditions set out in these rules in addition to the more general requirements set out above.
- 15 Procurement Frameworks & Other Purchasing Schemes
- 15.1 A Responsible Officer may use Procurement Frameworks subject to the following conditions and the Council's Procurement Manual.
- 15.2 Responsible Officers must check in advance that
- the Council is legally entitled to use the Procurement Framework and that we can adhere to its terms
 -
 - That any applicable fees which relate to its usage, have been paid by the Council
 - the purchases to be made do properly fall within the coverage of the Procurement Framework
 - the establishment and operation of each Procurement Framework is in compliance with the PCR Rules (where they apply) and meets the Council's own requirements.
- 15.3 Other applicable "Purchasing Schemes" may include:
- contractor prequalification lists/select lists
 - framework arrangements (including those set up by the Crown Commercial Service)
 - purchasing arrangements set up by central purchasing bodies and commercial organisations
 - consortium purchasing
 - collaborative working arrangements
 - formal agency arrangements
 - e-procurement/purchasing schemes and methods
 - other similar arrangements
- 15.4 Where a Procurement Framework is used meaning a pre competition of the relevant supplier's suitability has already taken place, then this shall constitute a compliant route to market in line with the Contract Procedure Rules.

16 Review and Changes to these Contract Procedure Rules

16.1 These Contract Procedure Rules shall be reviewed and updated on a regular basis (ideally annually). Save in the case of revisions to the PCR Thresholds in Contract Standing Order 7, amended Contract Procedure Rules shall be agreed and adopted by the Audit Committee. Revisions to the PCR Thresholds shall be dealt with in accordance with Scheme of Delegation.

REVIEW OF THE SCHEME FOR MEMBERS' ALLOWANCES

Governance Committee – 30 January 2024

Report of: Monitoring Officer

Status: For decision

Also considered by:

- Council – 20 February 2024

Contact Officer: Martin Goodman, ext. 7245; Adrian Rowbotham, ext. 7153

Recommendation to Governance Committee: That the below recommendations be made to Council.

Recommendation to Council: That the recommendations of the Members' Allowances Working Group set out in the report be adopted as follows:

- (a) The recommendations of the Joint Independent Remuneration Panel be agreed subject to the following changes:
 - i. The Deputy Leader continue to be remunerated at £13,269 but this allowance be frozen until such a time as the Joint Independent Remuneration Panel determines the sum to fall within 10% of the Kent Councils Deputy Leader allowance mean;
 - ii. Opposition Group Leaders continue to be remunerated at £298 per group Member;
 - iii. Subsistence allowances be maintained at the £9.86/£12.21 for lunch/evening meal, subject to the Member being on Council business out of the District;
- (b) The Joint Independent Remuneration Panel be requested to undertake the next review of allowances in advance of the next election cycle.

Reason for recommendation: To reflect the decision of the Members' Allowances Working Group.

Introduction and Background

- 1 Members will recall that the Joint Independent Remuneration Panel (JIRP) made certain recommendations, which were reported to the Governance Committee in June 2023. It is recommended that Members refer to the relevant report and appendices when considering this item.

Agenda Item 7

- 2 A summary of their proposed changes is set out in the following table:

	Current	JIRP Recommendation
Deputy Leader	£13,269	£10,505
Opposition leaders:	£298 per Member	£5,529 if group has more than five Members
Examples:		
14 Members in group:	£4,172	£5,529
4 Members in group:	£1,192	£0
2 Members in group:	£596	£0
Subsistence:		
Lunch	£9.86	£0
Evening Meal	£12.21	£0

- 3 The report of the JIRP is attached as Appendix A. The report of the Members Allowances Working Group, set up to consider the JIRP report, is attached as Appendix B.
- 4 Members are invited to approve the findings of the Working Group and adopt their recommendations.

Other options Considered and/or rejected

Members have the full range of options open to them, including taking no action at all. If no action is taken, Member allowances will remain as they are. Whichever option is taken, allowances will continue to be updated annually in line with the National Joint Council for Local Government Services pay award.

Key Implications

Financial

The recommendations in the report are within budgetary provision. Nevertheless, if the recommendations of the JIRP are not adopted and an increase above the cost of the current scheme is agreed, savings will need to be found for the year 2023/24 and a growth item will be needed for the 2024/25 budget process.

Legal Implications and Risk Assessment Statement.

The Council is required under the Local authorities (Members' Allowances) (England) Regulations 2003 and subsequent amendments to establish and maintain an Independent Remuneration Panel to review and make recommendations to the Council on the range and levels of remuneration for elected Members.

Under the regulations, the Council is required to undertake a full review every four years. A full review was last considered by the Council on 21 November 2017, with its recommendations adopted with effect from May 2019.

Remuneration for Members is intended to ensure that there are no avoidable obstacles preventing people from taking part in the work of the Council. The level of remuneration needs to be at an appropriate level. Any deviation from the recommendations should be justified with a written record being made.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the District, or supporting the resilience of the natural environment.

Conclusions

The basis of the current level of Members' Allowances for Sevenoaks District Council was established by the Panel in December 2001 following guidance issued by central government. Allowances have been revised following later Panel's recommendations to reflect the changing roles of Members. Until now, any changes have always kept within budget. Members are requested to consider the contents of this report, the previous report and all appendices before making a decision.

Appendix A - Recommendations of the Joint Independent Remuneration Panel.

Appendix B - Members' Allowances Working Group report.

Martin Goodman

Monitoring Officer

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**A REVIEW OF
COUNCIL MEMBERS' ALLOWANCES
FOR
SEVENOAKS DISTRICT COUNCIL
Spring 2023**

**Joint Independent Remuneration Panel [The Panel]
for
Sevenoaks District Council
Tonbridge & Malling Borough Council
Tunbridge Wells Borough Council**

Contents

- 1. Introduction**
- 2. Summary of Recommendations**
- 3. Background**
- 4. Approach & Methodology**
- 5. Allowance Calculations**
- 6. Special Responsibility Allowances**
- 7. Carers' Allowances**
- 8. Travel Expenses**
- 9. Subsistence Allowances**
- 10. Conclusions**
- 11. Acknowledgements**

Appendices

- 1. Regulations and Guidance for Independent Remuneration Panels**
- 2. Terms of Reference & Panel Members**
- 3. Comparative data from neighbouring Local Authorities.**
- 4. Revised Schedule of Recommended Members' Allowances**

1 Introduction

1.1 The Council is required under the Local Authorities (Members' Allowances) (England) Regulations 2003 and subsequent amendments to establish and maintain an Independent Remuneration Panel [The Panel] to review and make recommendations to the Council on the range and levels of remuneration for elected Members (see Terms of Reference Appendix 2).

1.2 Under the Regulations the Council is required to undertake a full review every four years. A full review was last considered by the Council on 27 November 2012, but the Panel was requested to carry out a further review as the Council had adopted revised governance arrangements in May 2013. Further reviews were then considered by the Council in 2013 and 2017. This report is the result of the latest review conducted in Spring 2023.

1.3 The purpose of this review is to carry out the quadrennial update of local councillors' allowances required by legislation, considering Members' workload, responsibilities and required time commitment and then to recommend a fair level of recompense for those commitments. We are mindful always of our remit to assist in broadening the diversity of councillor representation by minimising financial barriers to participation in local government.

1.4 The Panel fully appreciates the sensitivity of making any increase in allowances in the current financial climate, and are mindful of the Council's budget for such purposes. Where we have proposed alterations to the existing scheme they are fair, simple to administer and reflect the significant time commitments given by individuals in this important tier of government.

1.5 The Panel also has the responsibility of reviewing allowances for both Tunbridge Wells and Tonbridge and Malling Borough Councils. The Panel's recommendations in late 2022 to Tunbridge Wells Borough Council, which included a reduction in Cabinet Member allowances and a rationalisation of Group Leader allowances, were rejected. The Panel has noted the differences in the role of the Cabinet and the Cabinet Advisory System in Sevenoaks compared with the two neighbouring councils, and that this is therefore reflected in a somewhat different allowances system.

2 Summary of Recommendations

2.1 Basic Allowance

The existing Basic Allowance of £6,044 per annum should continue at the current level. Previous JIRP reviews have based this on a formula which accounted for the required time commitment, a representative rate of hourly earnings of residents in the area but reduced by a discount factor to reflect the ethos of public service inherent in the elected representative's role. Though we have accepted this formula as the way in which the baseline was achieved in previous reviews, we have introduced more of a comparative approach in assessing the level of allowances. More detail on this approach is set out in section 5.

Agenda Item 7

2.2 Special Responsibility Allowances

The Panel continues to support the 2007 guidance from the Councillors Commission which recommends that members should not receive more than one SRA, and notes the Council's existing allowances scheme makes reference to this.

The Panel's recommends that the majority of Special Responsibility Allowances remain unchanged from their current levels. For each role these recommendations are:

- Council Leader £22,114
- Deputy Leader £11,056
- Opposition Group Leaders £ 5,529 (5 > Members)
- Cabinet Members £ 7,741
- Deputy Cabinet Members £ 1,769

- Committee Chairs
 - Audit £ 2,765
 - Development Control £ 5,529
 - Governance £ 2,765
 - Health Liaison Board £ 2,765
 - Licensing £ 2,765
 - Scrutiny £ 2,765
 - Joint Transportation Board £ 2,211
 - Standards £ 1,769

- Advisory Committee Chairs (current 6 below for information)
 - Cleaner & Greener £ 2,765
 - Development & Conservation £ 2,765
 - Finance & Investment £ 2,765
 - Housing & Health £ 2,765
 - Improvement & Innovation £ 2,765
 - People & Places £ 2,765

- Committee Vice-Chair
 - Development Control £ 1,106

- Committee Members
 - Development Control £ 553
 - Licensing £ 149
 - Standards Co-optees £ 531

2.3 Carer Allowances

Our recommendations are that the Child Care Allowance should be equivalent to the National Living Wage payable at the actual amount charged, subject to a maximum rate of **£10.42** per hour per child or and that the Dependant Carer's Allowance should be payable at the actual amount charged subject to maximum of **£18** per hour. The Panel is aware that councillors rarely claim for these allowances, but they should be available to ensure that those entitled to such allowances can more easily serve.

2.4 Uprating

In future the allowances should be uprated in line with any annual increases in pay awards to Council staff, which the Panel understands is now the Council's approach.

2.5 Travel Expenses

The Panel recommends that the current scheme for Members, based upon the HMRC approved rate should continue. It is noted that the majority of Members chose not to claim mileage allowances but it is important it remains available for any who may otherwise incur substantial costs as part of their responsibilities.

2.6 Subsistence Allowances

Our discussions with Members and an examination of claims in previous years suggested that this allowance was rarely claimed. We therefore recommend that meal and subsistence allowances need no longer form part of the Council's allowances framework.

3 Background

3.1 The basis of the current level of members' allowances for Sevenoaks District Council was established by the Panel in December 2001 following guidelines issued by central government [see Appendix 1]. These allowances replaced the previous system of attendance-based payments and have been revised in subsequent years to reflect cost of living increases and changes in council structure and responsibilities.

3.2 The process is that the Panel recommends a structure of allowances, after consultation with members and officers but that the final decision is the responsibility of the Council. The Panel has followed broadly the same methodology in its reviews 2013 and 2017, though for this latest review a somewhat simplified approach has been adopted – as set out in section 5.

3.3 The 2007 Councillors Commission paper on Members Remuneration suggested a set of basic principles to govern allowance schemes:

- The basic allowance should encourage people from a wide range of backgrounds and with a wide range of skills to serve as local councillors.
- Those who participate in and contribute to the democratic process should not suffer unreasonable financial disadvantage.
- Councillors should be compensated for their work and the compensation should have regard to the full range of commitment and complexity of their roles.
- The system should be transparent, simple to operate and understand.
- The system should not encourage the proliferation of meetings or provoke councillors into spending more time on council business than is necessary.
- The level of remuneration should relate to a commonly accepted benchmark, such as the median male non-manual salary.

These principles underpin the recommendations made in this report and are reflected in our Terms of Reference [Appendix 2].

4 Approach and Methodology

4.1 Reflecting the approach taken by many other Independent Review Panels elsewhere in the country, we used a set of core principles to guide this review, as follows:

- To remove, where possible, the immediate financial barriers to becoming a councillor to assist in the diversity of the cohort of councillors, regardless of political background.
- To reflect as far as possible the current time commitment required to perform the role of ward councillor and the potential loss of earnings opportunities for councillors in doing so.
- To recognise the increasing levels of responsibility and accountability being devolved from central government to local government and its impact on the nature of leadership and scrutiny roles within the council.
- To retain an appreciation for the element of public service, *pro bono* contribution from elected councillors.
- To have due regard to the challenging financial position of many local authorities.
- To be mindful of the comparative position of our council members with those in similar roles in other Kent councils.
- To recommend allowances based on objective data with a simple and logical structure that can easily be updated in the future.
- To ensure that all recommendations have transparent and accessible rationales, allowing for greater public understanding and engagement.

In conducting the review at the Council, we offered the opportunity to elected Members to meet individually with the Panel. A small number of councillors, including the Council Leader, took this up. We also met with the Chief Finance Officer.

5 Allowance Calculations

5.1 There are some important principles and guidance documents relating to the calculation of allowances which are detailed in our Terms of Reference [Appendix 2], and we have set out below some of the factors previous Panels have taken into account in their calculations. These have allowed allowance levels to reach their current levels across all three councils this Panel reviews.

Determining the Basic Allowance

5.2 The statutory guidance for Local Authority Allowances says that the “*basic allowance is intended to recognise the time commitment of all councillors, including such inevitable calls on their time as meeting with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of their homes.*” [ODPM 2003. Para 10]

5.3 There are three core elements which determine the Basic Allowance: time spent on councillor duties, a standard financial hourly rate and the public service discount element.

Time Commitment

5.4 “Having established what local councillors do, and the hours which are devoted to these tasks the local authorities will need to take a view on the number of hours for which, councillors ought to be remunerated” [ODPM 2003. Para 67].

5.5 The number of hours committed by individual councillors to their elected and representative duties varies widely between individuals and over time, which was mentioned during some of our Member interviews. It is also recognised that, for many councillors, the role is far more than just attendance at council meetings and will include, for example, constituency duties, committee meetings, meetings with officers and training courses.

5.6 Across previous reviews, the Panel has made various determinations of this time commitment. In 2008, it determined that the average time taken to satisfactorily perform a ward councillor role was an average of 15 hours per week, following a survey of members and soundings at all levels of the Council. This figure was also used for the 2012 review, but the Panel in 2017 determined that the time spent on Council business varied greatly (in part due to the 2013 change in governance arrangements) and it was not possible to draw a conclusion of the average productive hours spent.

Hourly rate

5.7 For its review in 2017, the Panel attempted to calculate an hourly rate for councillor work using the median hourly pay for all employees who live within the Sevenoaks local authority area, using the Annual Survey of Hours & Earnings (ASHE) – published by the Office of National Statistics. The same exercise was repeated across the two other councils reviewed by the Panel, and the 2015 ASHE gave the hourly rates of:

- | | |
|-------------------------|--------|
| • Sevenoaks | £14.49 |
| • Tonbridge and Malling | £14.08 |
| • Tunbridge Wells | £13.10 |

These figures gave an arithmetic mean of £13.89 per hour, and formed part of the basis for the Panel’s recommendations in 2017.

The Public Service/Voluntary Principle

5.8 Central government guidance to Independent Remuneration Panels for setting the basic allowance states that “it is important that some element of the work of members continues to be voluntary – that some hours are not remunerated. This must be balanced against the need to ensure that financial loss is not suffered by elected members, and further to ensure that, despite the input required, people are encouraged to come forward as elected members and that their service to the community is retained” [ODPM 2003. Para 68]

5.9 This idea that some work of members should remain voluntary is called the ‘public service principle’ and this is incorporated into the financial calculations as a percentage discount factor, agreed locally. The 2007 Councillors Commission report indicated that considerable variations of between 20-50% apply. Our meetings with members and Council leaders confirmed that this principle is understood and generally supported by elected councillors.

Agenda Item 7

5.13 Since 2001 the Panel has, across multiple reviews, recommended a public service discount factor of 40% based on benchmarking with allowance schemes elsewhere.

Benchmarking Analysis

5.14 The result of assessing time commitment, hourly rate and the public service principle over multiple reviews over nearly two decades has been the arrival at allowance levels for Sevenoaks which are broadly commensurate with those at other Kent borough/district authorities – including the other two councils this Panel reviews. There are some outliers between authorities, and for certain allowances Sevenoaks is at the upper thresholds, but overall the picture is relatively uniform.

5.15 Given this, and in keeping with the principles established in section 3, the Panel is recommending allowances based on a somewhat different premise – designed to achieve a certain level of parity with equivalent roles in other authorities. The complex time/hourly/service calculations in previous reports have been useful insofar as they have delivered a fairly consistent standard of allowance levels across the county. However, they are complicated to repeat on a regular basis, are convoluted and not particularly accessible, and also imply a regional variation on the value of councillors' work. Indeed, the 2017 Panel noted that the hourly rate calculations skewed the results somewhat due to a greater propensity for Sevenoaks residents to work in London.

5.16 Therefore, our approach has been to consider the current allowance levels in Sevenoaks and across Kent authorities as a baseline, calculate an average figure across the county, and recommend adjustments (where there is a plus/minus variance of 10% or more) to bring certain allowances into line with this.

5.17 It is worth mentioning at this stage that during our Member interviews a minority view was expressed that the allowances in Sevenoaks should be aligned more closely with those at London borough councils. This is not a position the Panel supports given the increased responsibility of London authorities, which are effectively unitary bodies.

Basic Allowance

5.18 The current level of basic allowance on Sevenoaks is £6,044 per annum. Across the county, the mean is just over £5,400. Though this variance is slightly more than 10% of the average, given changing this allowance would impact every councillor and the adjustment would be negligible in impact, we consider the existing basic allowance to be at an appropriate level, and do not recommend a forced adjustment.

RECOMMENDATION: that the Basic Allowance should be maintained at £6,044 per annum.

6 Special Responsibility Allowances (SRAs)

Council Leader

6.1 The Panel's previous approach in 2017 was to recommend that the Leader's allowance should be four times the Basic Allowance. This was part of an ongoing effort

to align allowances across the Council with each other, and specifically as a proportion of the Leader's allowance.

6.2. The Leader's allowance has seen some growth in recent years and is now one of highest in Kent. The Panel appreciates that the governance arrangements in Sevenoaks may add an increased workload to the Leader's role. Nonetheless, at its current level the allowance is at the maximum of 10% over both the median and the mean across Kent, and if it were to increase further it would not remain commensurate.

RECOMMENDATION: that the Special Responsibility Allowance for Council Leader should be maintained at £22,144 per annum.

Deputy Leader

6.3 The Panel is aware that the Deputy Leader has an important role in standing in for the Leader where necessary, and that this can add an additional workload in addition to serving on Cabinet. The Panel believes this role merits an individual Special Responsibility Allowance, and notes the majority (though not all) of authorities in Kent include such an SRA within their allowances schemes.

6.4 However, the level of the allowance in Sevenoaks is not proportionate with others across Kent; indeed, it is over £4,000 higher than the mean and £3,000 higher than the median. Therefore, it is the Panel's view that this allowance should be reduced.

6.5 To bring this SRA into line with both the average across Kent, and in a way which aligns with the existing Sevenoaks scheme, our recommendation is that it should be set halfway between its current level and the SRA of a Sevenoaks Cabinet Member. This would reduce the Deputy Leader allowance to £10,505 per annum, and would bring it within 5% of the median across Kent.

RECOMMENDATION: that the Special Responsibility Allowance for Deputy Council Leader should be reduced to £10,505 per annum.

Opposition Group Leader

6.6 We note that the Council's existing allowance scheme contains an allowance for opposition group leaders, of £298 per annum, per member of the relevant group.

6.7 This is a similar setup to that at Tunbridge Wells Borough Council, for which the Panel recommended a fixed figure rather than a group-size scale be adopted. Unlike at Tunbridge Wells, the Panel appreciates the scheme in Sevenoaks does not allow Group Leaders to claim this as a secondary SRA. Nonetheless, we would still recommend Sevenoaks adopts this fixed approach which we feel better recognises the additional burden of serving as an opposition leader, directly responsible for scrutinising the administration.

6.8 In setting further parameters for this allowance, our view is that its level should be set at that of the most highly compensated chair on the Council – in the case of Sevenoaks this is the chair of the Development Control Committee (receiving £5,529 per annum). In addition to this, there should be two further entitlement/qualifying requirements; that neither a Leader nor any members of the Leader's group can serve on Cabinet/the Executive, and that their group is comprised of at least 5 councillors.

Agenda Item 7

6.9 The treatment of opposition group leaders is not consistent across Kent authorities, making direct comparison of the SRA levels received for this less valuable. However, in the authorities which award a fixed figure, it does appear to be an amount equivalent to either the highest or second highest compensated committee chair.

RECOMMENDATION: that the existing Special Responsibility Allowance for Opposition Group Leaders is replaced with a new mechanism; a £5,529 per annum allowance for leaders meeting the qualifying criteria above.

Cabinet Members

6.10 The Panel recognises that Cabinet arrangements are different in Sevenoaks than in many other councils, not least the existence of formal Deputy Cabinet Members. It is difficult to assess the impact this may have on workload without a more detailed discussion with Members, though our discussion with the Leader was helpful in this respect.

6.11 Across the county, one of the most diverse ranges in allowances is that for Cabinet Members, ranging from around £5,000 per annum (Canterbury) to just over £11,000 (Tunbridge Wells). However, the current allowance level in Sevenoaks is, in fact, the median for the county, and the Panel therefore does not see any need to recommend a change to this.

RECOMMENDATION: that the Special Responsibility Allowance for Cabinet Members should be maintained at £7,741 per annum.

Deputy Cabinet Members

6.12 Amongst the authorities reviewed by this Panel, this role is unique. We are aware that these roles are long-standing part of the governance arrangements at Sevenoaks, and that Members generally appear content that they remain in place – and indeed, that they add value to the Council's executive setup.

6.13 In light of this the Panel recommends that the existing allowance for these roles remains in place, but would suggest that the administration following the 2023 elections may wish to consider the roles and formally evaluate their value.

RECOMMENDATION: that the Special Responsibility Allowance for Deputy Cabinet Members should be maintained at £1,769 per annum.

Chairs of Committees

6.14 The Panel has reviewed the committee allowances using the same criteria and principles as set out previously. Though committee chair allowances vary across the county, and not all committees are ubiquitous across authorities, the current allowance levels are commensurate with Kent averages.

6.15 For example, the mean and median for Licensing chairs are £2750 and £2600 respectively, putting the current allowance in Sevenoaks well within the benchmarked range. Similarly, Planning or Development Control chairs are compensated to the tune of around £5,300 across the county, a margin which again Sevenoaks fits into without

adjustments being required. Therefore, for what might be termed the more ‘standard’ committees, the Panel does not recommend any alterations to existing allowances. These levels are reflected in the table below:

Committee	Recommended Allowance
Audit	£2,765
Development Control	£5,529
Governance	£2,765
Health Liaison Board	£2,765
Licensing	£2,765
Scrutiny	£2,765
Joint Transportation Board	£2,211
Standards	£1,769

6.16 The Panel recognises the importance that the Council puts on scrutiny function and work of the Advisory Boards; a factor raised during our interviews with Members. Such governance arrangements are not universal across Kent so benchmarking the allowance as we have done with others is not possible. However, the Panel has no objection with the Council continuing with these arrangements if it believes them to be of value and retaining the current level of allowances for their chairs:

Advisory Committee	Recommended Allowance
Cleaner & Greener	£2,765
Development & Conservation	£2,765
Finance & Investment	£2,765
Housing & Health	£2,765
Improvement & Innovation	£2,765
People & Places	£2,765

Vice-Chairs

6.17 The role of vice-chairs came up during our interviews, and it was felt that the current level of allowance for the Development Control vice-chair was appropriate – given the additional workload on that committee. The Development Control vice-chair currently receives £1,106 per annum, and the Panel does not object to the continuation of this arrangement.

RECOMMENDATION: that the Special Responsibility Allowance for committee/vice chairs be maintained at their current levels.

Committee Members

6.18 The Council has adopted the practice of making payments for members of certain committees to in light of their higher workload. The Panel has no objection to the continuation of the current levels of these payments, as below:

Development Control	£553
Licensing	£149
Standards Co-optees	£531

RECOMMENDATION: that the existing allowances for certain committee members be maintained at their current levels.

Council Chairman/Vice-Chairman

6.19 The Chairman and Vice-Chairman of the Council currently receive allowances of £11,588 and £5,033 respectively. The Panel recognises the additional workload of the Chairman/Vice-Chairman and believes this should be reflected in an allowance.

6.20 As these are civic allowances rather than for executive, chair or scrutiny functions these do not necessary fall under the Panel's purview. However, we do note that the level of these allowances in Sevenoaks are significantly higher than those received by the Mayors and Deputies in Tonbridge and Malling (£5,990 and £1,420) and Tunbridge Wells (£5,380 and £1,080).

6.21 We appreciate that there will be differences in the ways in which these roles are performed between the authorities, but would suggest the level of these allowances is something Sevenoaks may want to consider as part of any wider review of allowance structures.

Uprating

6.22 The Council currently uprates allowances in line with any increases in the remuneration of Council staff. The Panel is supportive of this and recommends it forms the basis of any future increases.

RECOMMENDATION: that allowances are uprated in line with any increases in the remuneration of Council staff.

7 Carers' Allowances

7.1 Sevenoaks operate separate allowances for the costs of standard childcare and that of professional care for dependants with special requirements. These allowance levels are recommended as follows:

Childcare Allowance: for child-minding of the Member's dependent children. Payable at the actual amount charged, subject to a maximum rate of **£10.42** per hour per child. This would be a slight increase in the current level, adjusting it for national minimum wage as of April 2023.

Dependant Carer's Allowance: for professional care for elderly or disabled dependants, or other dependants with special requirements. Payable at the actual amount charged, subject to a maximum rate of **£18.00** per hour. This would be a continuation of the current level of this allowance.

7.2 In practice, these allowances have rarely been claimed by councillors in Sevenoaks, but the Panel continues to support the need for them.

RECOMMENDATION: that the allowances for childcare and dependant care provision are set as above.

8 Travel Expenses

8.1 The Council currently operates a scheme based upon the HMRC approved rate and the Panel recommends that this continues.

RECOMMENDATION: that the current travel expenses scheme based upon the HMRC approved rate, continues.

9 Subsistence Allowances

9.1 The Council currently has a scheme for subsistence/meal allowances, but our discussions with Members and analysis of previous claims suggests take-up of this is extremely low. Unlike carer or travel expenses any costs in this respect incurred by Members are likely to be minimal, and the Panel therefore recommends ceasing this provision.

RECOMMENDATION: that the existing scheme for meal and/or subsistence allowances ceases.

10 Conclusions

10.1 The Panel has attempted in this review to propose levels of allowances to properly recognise the time commitments that individual Members offer in support of their local community, in a manner which recognises the contributions of elected councillors across the county.

10.2 We have also sought to propose a system that is easy to understand and update, consistent across authorities and which would remove financial barriers that deter potential candidates from standing for election.

11 Acknowledgements

11.1 The Panel's thanks go to the officers and members who gave us their time and opinions which have helped to shape the Panel's thinking.

Appendix 1

Regulations and Guidance for Independent Remuneration Panels

- *The Local Authorities (Members' Allowances) (England) Regulations 2003*. Statutory Instrument 2003 No. 1021.
- *The Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2003*. Statutory Instrument 2003 No. 1692
- *The Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2004*. Statutory Instrument 2004 No. 2596
- *New Council Constitutions: Consolidated Guidance on Regulation for Local Authority Allowances - 2003*
- *The Local Government Pension Scheme and Discretionary Compensation (Local Authority Members in England) Regulations 2003*. Statutory Instrument 2003 No. 1022
- *New Council Constitutions. Guidance on Consolidated Regulations for Local Authority Allowances*. Office of the Deputy Prime Minister and Inland Revenue. July 2003.
- *Members Remuneration – models, issues, incentives and barriers*. - Councillors Commission. Dept. of Communities and Local Government. December 2007
- *Representing the Future – Report of the Councillors Commission*. December 2007
- *Members' Allowances Survey 2008*. Report by the Local Government Association Research Department

Appendix 2

Joint Independent Review Panel for Sevenoaks District Council Tonbridge & Malling Borough Council Sevenoaks District Council

Terms of Reference

Introduction

The Joint Independent Remuneration Panel (JIRP) for Tonbridge and Malling Borough Council, Tunbridge Wells Borough Council and Sevenoaks District Council was originally established in 2001 and now operates under the Local Authorities (Members' Allowances) (England) Regulations 2003. The function of the panel is to make recommendations to Council in accordance with Statutory Instruments (primarily 2003 No.1021 and No.1692).

The JIRP was established jointly by the three Councils but it considers each Council individually and makes separate recommendations for each according to the particular structures and requirements of the organisation.

Members of the Panel are appointed by the Councils but are independent members of the community with relevant professional backgrounds in remuneration and benefits.

Membership – Joint Independent Remuneration Panel

The members of the panel are:

- Ben Garland, a resident of Bromley
- Bharat Khanna, a resident of Sevenoaks
- David Mercier, a resident of Tonbridge and Malling

JIRP meetings normally involved all three Panel members, though some Member interviews took place with only two members present.

The Local Authorities (Members' Allowances) (England) Regulations 2003 determine that none of the Panel members may be a member of the local authority in question, or of its committees, or an employee of the council, but that this does not preclude participation by parish councillors.

Agenda Item 7

Panel Recommendations

The 2003 Regulations require that councils must have regard to their Independent Remuneration Panel's recommendations, which must be publicised on the authority's website and in the authority's newspaper, if it has one. The Panel must be required to make recommendations whenever the council decides to revoke or amend its members' allowances scheme. However, Panel recommendations are not binding on authorities. After considering its panel's recommendations, a council can decide for up to four years on automatic indexation of members' allowances without the need for a review by the Panel.

Principles for Allowances Schemes

There is currently little central prescription of members' allowance. However, there are some important constraints:-

- Attendance allowances are prohibited
- The basic allowance must be paid equally to all members
- Where one or more groups on a council form an administration, a special responsibility allowance must be paid to a member of the opposition. This is usually paid either to the leader of the opposition, if this post exists, or to a chair of a scrutiny committee

The report of the Councillors' Commission in December 2007 highlighted a 'universal principle' that members should not suffer financial loss as a direct result of their council activities and service. They went on to suggest a more detailed set of principles to govern allowance schemes:-

- The basic allowance should encourage people from a wide range of backgrounds and with a wide range of skills to serve as local councillors
- Those who participate in and contribute to the democratic process should not suffer unreasonable financial disadvantage
- Councillors should be compensated for their work and the compensation should have regard to the full range of commitment and complexity of their roles
- The system should be transparent, simple to operate and understand
- The system should not encourage the proliferation of meetings or provoke councillors into spending more time on council business than is necessary
- The level of remuneration should relate to commonly accepted benchmark, (for example, the median male non-manual salary)

The Panel will operate within the scope of these principles. Should any departure from these be considered necessary, the reasons for the variation will be made clear in the relevant report.

The core objective of the Panel is to present informed comprehensive recommendations that are fair and equitable.

Appendix 3

Comparative data from Kent Borough/District councils

Authority	Basic	Leader	Cabinet Member	Chair Planning Cttee	Chair Overview/ Scrutiny	Chair Licensing
Ashford	£5,035	£16,471	£8,235	£6,588	£6,588	£1,647
Canterbury	£5,986	£20,300	£5,000	£4,500	£4,500	£4,500
Dover	£5,000	£18,000	£6,750	£4,500	£4,500	£1,125
Folkestone & Hythe	£5,433	£23,905	£10,866	£6,248	£6,248	£6,248
Gravesham	£5,041	£22,687	£5,041	£5,041	£2,521	£756
Maidstone	£5,065	£20,002		£8,000		£4,000
Sevenoaks	£6,044	£22,114	£7,741	£5,529	£2,765	£2,765
Swale	£6,786	£16,965		£6,786		£2,036
Thanet	£4,570	£18,082	£7,990	£5,204	£7,990	£3,216
Tonbridge & Malling	£5,175	£20,706	£8,802	£1,725	£2,589	£2,589
Tunbridge Wells	£5,500	£19,250	£11,000	£5,500	£1,375	£1,375

[Source: for non-Sevenoaks figures, South East Employers Survey 2022 – final results]

N.B. The Joint Independent Review Panel works on behalf of Sevenoaks District Council, Tonbridge and Malling Borough Council and Tunbridge Wells Borough Council but considers each Council individually and makes separate recommendations for each. It should be noted that members' allowances are currently under review at all three councils but the figures quoted above do not reflect any changes to be proposed by the JIRP as part of this review process.

Revised Schedule of Recommended Members' Allowances**Sevenoaks District Council**

	<u>2017 JIRP Recommendation</u>	<u>Current</u>	<u>2023 JIRP Recommendation</u>
<u>Basic Allowance</u>	£5,359	£6,044	£6,044
<u>Special Responsibility Allowances</u>			
<u>Cabinet</u>			
Leader	£20,000	£22,114	£22,114
Deputy Leader	£12,000	£13,269	£10,505
Cabinet Member	£7,000	£7,741	£7,741
Deputy Cabinet Member	£1,600	£1,769	£1,769
<u>Opposition Leaders</u>	£270 per member	£298 per member	£5,529
<u>Committee Chairs</u>			
Advisory Committee (x6)	£2,500	£2,765	£2,765
Audit	£2,500	£2,765	£2,765
Development Control	£5,000	£5,529	£5,529
Governance	£2,500	£2,765	£2,765
Health Liaison	£2,500	£2,765	£2,765
Licensing	£2,500	£2,765	£2,765
Scrutiny	£2,500	£2,765	£2,765
Joint Transportation Board	£2,000	£2,211	£2,211
Standards	£1,600	£1,769	£1,769
<u>Committee Vice-Chair</u>			
Planning	£1,000	£1,106	£1,106
<u>Committee Members</u>			
Development Control	£500	£553	£553
Licensing	£135	£149	£149
Standards Co-optees	£480	£531	£531

N.B. All figures are per annum.

Members' Allowances Working Group Report in response to JIRP Spring 2023 report

Governance Committee at its meeting on 6 June 2023 were asked to review the report by the JIRP. It was decided to form a working group to further consider the JIRP recommendations, in particular whether SDC should adopt these proposals or remain with the current SDC allowance scheme or adopt a different scheme.

The working group was chaired by Councillor Bayley and was formed of Cllrs Bayley, Scott and Clayton.

The key areas of difference between the JIRP and the current councillor allowances formed the basis of the discussion and are as below:

	Current scheme	JIRP
Deputy leader allowance	£13,269	£10,505
Opposition	£298 per member	5 members and above £5,529 per group
Meals / subsistence	£9.86/£12.21 Lunch / Eve	None

General considerations

- A desire to keep within existing SDC budget and concerns re cost of living.
- Understand rationale for JIRP approach and other councils' approaches.
- Limit scope of working group and recommendations to the 3 areas of difference between the current scheme and the JIRP proposals and understand JIRP's rationale for proposing change.

Summary of Views Received from Members

- The opposition party leader allowance be split between recognized opposition group leaders in proportion to their group membership as job of all to challenge - eg divide £5,529 by 20 opposition = £276.45 per members so Lib Dem 14 x £276.45 = £3,870.30, Greens £1105.80, Other £552.90 etc. Recognizes all opposition councillors have a role not just the largest party
- Deputy may have an increased role under new leadership - allowance was 60% of leaders historically.
- Dartford Allowances not stated and are higher than Sevenoaks - Deputy £18,000. Need to compare with all other authorities in Kent to see if reduction of £3,000 proposed by JIRP fair.
- Deputy Cabinet members should receive an allowance in line with or higher than Committee Chairs.
- Subsistence allowances should continue to attract widest possible spread of councillors.
- Should SDC have an automatic annual increase when other councils do not?
- Not to reduce opposition members' allowances.

Agenda Item 7

Process

The working group took feedback from both the author of the JIRP report, members and compared other Kent district schemes.

Committee interviewed and took feedback from:

- Authors of JIRP report to understand the rationale for the proposed changes
- Tonbridge Wells and Tonbridge and Malling Councils
- Various SDC councillors

Key information and considerations established during process

DEPUTY LEADER

- Deputy leader role allowances vary considerably. For example Tonbridge deputy paid 75% of Leader which is exceptionally high but many councils do not pay Deputy Leaders at all.
- Sevenoaks Deputy Leader allowance is a statistical outlier within Deputy leader allowances although this was not the case historically (as it was increased in the previous review)
- JIRP had suggested decrease to bring closer in line with Kent mean (still 5% higher) and set between current level and a Cabinet member.
- The Working Group considered the report and acknowledged that the Deputy Allowance is a statistical outlier and above average.
- Whilst wanting to ensure Sevenoaks allowances are in line with the rest of Kent working group felt it was unfair to reduce the allowance mid-term.
- The Working Group felt a viable option would be freezing the allowance until such a time as it falls within 10% of the Kent Councils Deputy Allowance mean.

OPPOSITION

- JIRP suggested a move to a single fixed payment for Opposition Leader (rather than based per member as per SDC) and that the level of allowance should be set at that of the most highly compensated chair on the Council - £5,529 per annum together with a recommendation that neither a Leader nor any members of the Leader's group can serve on Cabinet/the Executive, and that their group is comprised of at least 5 councillors.
- JIRP felt a lump sum opposition payment more easily administered than per member sums.
- Working group felt that we should acknowledge the value of all opposition and therefore a per opposition member allowance was more appropriate
- Working group did not feel a cut in the allowance would be appropriate and felt we should retain the £298 figure per group member. Based on the current Council make up this would equate to £6,258 (13% higher than the fixed sum recommended by JIRP).
- This should be reviewed in advance of the next election cycle.

SUBSISTENCE

- Subsistence allowance is the least used and rarely claimed, if ever, allowance.
- JIRP had suggested it be removed as rarely claimed.
- Many councils have abolished it
- Working group felt it should be retained in order to ensure no Councillor is disadvantaged but recommended that the wording be tightened up to ensure it is only claimed when Councillors are attending council related business out of district to reflect normal working practices.

DEPUTY PORTFOLIO HOLDERS

- It was noted that JIRP suggested we review the need for allowances for deputy portfolio holders.
- It was noted that most deputy portfolio holders have other roles and allowances which negate the need for payment of this allowance
- It was agreed this should be reviewed alongside all allowances prior to the next election cycle.

GENERAL

- Group stressed importance of undertaking this review prior to new Councillors being elected and therefore recommended that allowances should be reviewed in advance of the next election cycle.
- Group did not feel the need to discuss any other aspect of allowances

Recommendation to Governance Committee

The recommendations of JIRP be agreed subject to following changes:

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Councillor Request for Approval of Absence

Governance Committee – 30 January 2024

Report of: Monitoring Officer

Status: For Decision

Also considered by: N/A

Key Decision: No

Executive Summary: This report provides details regarding a request from a Councillor for an extended leave of absence from meetings pursuant to Section 85(1) of the Local Government Act 1972.

Portfolio Holder: N/A

Contact Officer: Philip Magee, Ext. 7305

Recommendation to Governance Committee:

That the Council, in accordance with Section 85 of the Local Government Act 1972, approves Councillor Skinner's non-attendance at meetings the meeting of Council on 14 November 2023 and the expected meeting of Council on 16 July 2024.

Reason for recommendation:

To allow Councillor Skinner to continue his humanitarian work without giving rise to a vacancy in the Council.

Introduction and Background

- 1 Section 85(1) of the Local Government Act 1972 states that "if a member of a local authority fails throughout a period of six consecutive months from the date of [their] last attendance to attend any meeting of the authority, [they] shall, unless the failure was due to some reason approved by the authority before the expiry of that period, cease to be a member of that authority."
- 2 This attendance must be in-person.
- 3 Section 85(1) of the Act provides that an authority may grant dispensation for such absence, provided that the 6 month period of absence has not expired.

Agenda Item 8

- 4 Councillor Skinner submitted a request for leave of absence from attendance at Council meetings on 11 November 2023. The reason he gave for this was his work providing humanitarian aid overseas. This work is ongoing.
- 5 Councillor Skinner last attended a Council meeting on 14 November 2023, at a meeting of Full Council.
- 6 Under the circumstances it is requested that Council approve a dispensation of the 6 month rule for this Councillor until the next expected meeting of Full Council on 16 July 2024.
- 7 This dispensation would not prevent Councillor Skinner from returning to meetings at any time before this date should he decide to do so.
- 8 Councillor Skinner's ward duties would continue to be undertaken by his ward colleagues.
- 9 Should Members not approve the reason for absence, a vacancy would arise on the expiry of the six month period of absence.

Other options Considered and/or rejected

- 10 Members may not approve the dispensation. Should Councillor Skinner not attend a Council meeting before 14 May 2024, he would cease to be a Member, and a casual vacancy would arise.

Key Implications

Financial

None.

Legal Implications and Risk Assessment Statement

The proposal in this report is governed by Section 85 of the Local Government Act 1972.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

Conclusions

11 Members are asked to consider a dispensation, allowing the Councillor to be absent from meeting for more than 6 consecutive months, to perform humanitarian work overseas.

Appendices

None

Background Papers

None

Martin Goodman

Monitoring Officer

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PROTOCOL ON WEBCASTING AND ELECTRONIC VOTING

Governance Committee – 30 January 2024

Report of: Monitoring Officer

Status: For consideration

Also considered by:

- Council – 20 February 2024

Portfolio Holder: Cllr. Thornton

Contact Officer: Martin Goodman, Ext. 7245

Recommendation to Governance Committee: That it be recommended to Council that the attached draft Protocol on Webcasting and Electronic Voting be adopted.

Recommendation to Council: That the attached draft Protocol on Webcasting and Electronic Voting be adopted.

Reason for recommendation: This decision will be taken in furtherance of a Council resolution of 14 November 2023.

Introduction and Background

- 1 Since the Covid-19 pandemic, all formal Council meetings have been broadcast on YouTube where possible. This practice was mandated by emergency legislation at the time, which has since ceased to be in force.
- 2 The Council's Constitution makes no provision for webcasting. It however sets out that there are two methods for taking a vote, being a show of hands or (if demanded) a recorded vote. These are set out in rules 24.3 and 24.4, which will remain the default notwithstanding the terms of this Protocol.
- 3 On 14 November 2023, the Council resolved that as soon as possible:
All public meetings of the Council, Cabinet and Committees will be recorded on video, this record will be made immediately available, and will be saved on a publicly available website.
A system of electronic voting will be installed to make it straightforward and efficient to record the votes of individual Councillors.
The governance committee consider a Protocol for the recording of public meetings and the use of the electronic voting system to recommend to Council for inclusion within the council's constitution.

Agenda Item 9

- 4 This Protocol once approved by Council will form a new Appendix Z2, with the existing Protocol on Reporting Meetings being renamed as Appendix Z1.
- 5 Members are specifically advised that recordings will not be for commercial or political use. Under the Protocol, the Council will not give permission for recordings to be copied, broadcast by other means, edited by Members or third parties, altered, or in any way reused. It will reserve the right to take legal action against any party who contravenes this provision and for the avoidance of doubt it will be a breach of the Code of Conduct for any Member to directly or indirectly do so.
- 6 Voting electronically is lawful. It is also lawful to record and broadcast Council meetings. However, for the avoidance of doubt, Member attendance by 'Zoom' does not constitute attendance as recognised under the Local Government Act 1972. Such attendance is not the subject of this report.
- 7 Member approval of the attached draft Protocol, or a similar Protocol agreed by Members, is sought.

Other options Considered and/or rejected

In view of the Council resolution there is no alternative but to seek to agree a Protocol.

Key Implications

Financial

None.

Legal Implications and Risk Assessment Statement.

There are potential GDPR implications whenever data is retained or a broadcast made. However, these issues are entirely capable of being contained and addressed within existing data practices and policies. In particular, the proposed Protocol retains the right for video to be edited to protect the rights and freedoms of data subjects.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the District, or supporting the resilience of the natural environment.

Conclusions

Members are asked to approve the attached Protocol, or a similar Protocol.

Appendices

Appendix A – Draft Protocol on Webcasting and Electronic Voting

Background Papers

None

Martin Goodman

Monitoring Officer

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PROTOCOL ON WEBCASTING AND ELECTRONIC VOTING

1. Other than by this protocol, the Council's Constitution makes no provision for webcasting. It however sets out that there are two methods for taking a vote, being a show of hands or (if demanded) a recorded vote. These are set out in rules 24.3 and 24.4, which will remain the default notwithstanding the terms of this protocol.

2. On 14 November 2023, the Council resolved that as soon as possible:

All public meetings of the Council, Cabinet and Committees will be recorded on video, this record will be made immediately available, and will be saved on a publicly available website.

A system of electronic voting will be installed to make it straightforward and efficient to record the votes of individual Councillors.

The governance committee consider a Protocol for the recording of public meetings and the use of the electronic voting system to recommend to Council for inclusion within the council's constitution.

3. This protocol is intended to form a new Appendix Z2 to the Constitution, with the existing Protocol on Reporting Meetings being renamed as Appendix Z1.

Webcasting and recordings

4. Where possible, Council, Cabinet or Committee meetings will be livestreamed on our YouTube channel.
5. Any audio and video recordings of these broadcasts will be made available to watch free of charge for six months from the date of the meeting. After this they will be deleted.
6. Such recordings may be edited to remove parts of the meeting which did not form part of the public meeting. If the Monitoring Officer deems it required by law or the Constitution, further editing may take place.
7. Recordings are not for commercial or political use and furthermore the Council does not give permission for them to be copied, broadcast by other means, edited by Members or third parties, altered, or in any way reused. It reserves the right to take legal action against any party who contravenes this provision and for the avoidance of doubt it will be a breach of the Code of Conduct for any Member to directly or indirectly do so.
8. For further information please email democratic.services@sevenoaks.gov.uk.

Agenda Item 9

Electronic voting

9. The Council will as soon as practicable install an electronic voting system which will allow Members to vote electronically when a meeting takes place in the Council Chamber.
10. For any item where the system is available, the vote will usually take place electronically.
11. The Chairman is responsible for calling for a vote. He will confirm the motion to be voted upon and declare the outcome of the vote.
12. The vote will be open for 20 seconds and Members must cast their vote in this time.
13. Members can change their vote while the vote is open, however, their vote cannot be altered once the vote has been closed.
14. The Chairman will announce that the vote is closing and confirm the vote is closed after 20 seconds have passed. The outcome of the vote will be displayed on television screens in the Chamber. The Chairman will declare this outcome.
15. Should the electronic voting system be unavailable at any point during a meeting, or electronic voting become impracticable, or should Members so resolve, voting will to a show of hands or recorded vote as set out in rules 24.3 and 24.4.
16. Any Chairman's second or casting vote shall be made verbally.

Review

17. This Protocol may be reviewed by the Governance Committee by being placed on its Work Plan and will be deemed readopted at Annual Council unless otherwise resolved.

MOTIONS ON NOTICE AT FULL COUNCIL

Governance Committee – 30 January 2024

Report of: Monitoring Officer

Status: For consideration

Also considered by:

- Council – 20 February 2024

Contact Officer: Martin Goodman, Ext. 7245

Recommendation to Governance Committee: That it be recommended to Council that the Monitoring Officer be authorised to insert a new paragraph 20.6 into the Constitution, substantially in the terms set out in this report.

Recommendation to Council: That the Monitoring Officer be authorised to insert a new paragraph 20.6 into the Constitution, substantially in the terms set out in this report.

Reason for recommendation: To reflect Member feedback, promote wellbeing and support the efficient discharge of business by Full Council.

Introduction and Background

- 1 Currently, the provisions set out in the constitution relating to Motions on Notice are as follows:

20. Motions on Notice

20.1 *Notice - Except for motions which can be moved without notice under Rule 21, written notice of every motion, signed by the Member or Members, must be delivered to the Chief Executive not later than eleven clear working days before the date of the meeting (if the meeting is held on a Tuesday, then the motion should be delivered to the Chief Executive by 5 p.m. on a Friday eleven days before the meeting - this does not take into account public holidays). These will be entered in a register open to public inspection.*

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

20.3 *Scope - Motions must be about matters for which the Council has responsibility or which affect the District.*

Agenda Item 10

20.4 Referral to Cabinet, Committee or Sub-Committee - Unless the Chairman at the meeting rules otherwise, if a motion for which notice has been given comes within the province of the Cabinet or any Committee or Sub-Committee, it shall, upon being formally moved and seconded, immediately and without discussion be referred to the Cabinet or appropriate Committee or Sub-Committee.

20.5 Rejection of Motion - If the Chief Executive considers that any motion for which notice has been given is illegal, irregular or improper, he shall immediately advise the appropriate Chairman and the notice shall not be accepted unless on the specific direction of the Chairman. If the notice is not accepted, the Chief Executive shall inform the Members who gave the notice, of the rejection and the reasons for it.

- 2 The Council meeting of 14 November 2023 entertained five such motions, prolonging the meeting considerably beyond the 10.30pm adjournment time set out in rule 16.
- 3 The Leader has requested that the Chief Executive seek a limitation to the number and duration of Motions on Notice, as in her view such a long meeting placed an unacceptable strain on the general wellbeing, mental and physical health of Officers and Members, with additional impacts to home and family obligations.
- 4 While acknowledging the need for a 'Motions on Notice' process, the Leader has also remarked that in her view good decision-making under this Council's particular governance system requires that policy be developed through the existing Advisory Committee process where possible. Excessive use of such motions may be seen as an attempt to subvert or avoid the framework which has long and successfully been in place.

Proposals

- 5 In view of the Leader's comments and subsequent discussions, it is proposed that the following additions be made to the Constitution:
 - No Motions on Notice to be accepted at a meeting where the budget is to be considered;
 - The opportunity should be taken to clarify the existing situation that Motions on Notice are not accepted at Extraordinary or Annual Councils;
 - No more than one Motion on Notice to be moved by any one Member, or Members of the same political group, at a meeting of the Council;
 - One hour be allocated for debate of all Motions on Notice at Council meetings, with any such Motions not begun within this timeframe to be omitted from business.
- 6 With this in mind, it is proposed that words to the effect of the following 20.6 be placed into Part 2 of the Constitution:

Limitation - Any Motion on Notice proposed for a meeting where the budget is to be considered, or Extraordinary Council, or Annual Council, shall be rejected. Any Motion on Notice proposed by a Member who has already proposed a Motion on

Notice for the same meeting, or who is in the same political group as the mover of a Motion on Notice which has been accepted, shall be rejected. Only one hour shall be allocated for debate of Motions on Notice. Once an hour has passed, if discussion of a Motion on Notice is ongoing, the Chairman must immediately follow the procedure set out in rule 22.11, as if it had been resolved that the question now be put. Any amendment under debate at the time shall fall. Any Motion on Notice not yet under discussion after one hour shall not be considered, as if it were not on the agenda.

Other options Considered and/or rejected

Practice varies in relation to Motions on Notice and a selection of options from other Kent authorities were considered in whole or in part.

Key Implications

Financial

None.

Legal Implications and Risk Assessment Statement.

Members are advised that a provision for Motions on Notice must be retained in some form. Any process for Motions on Notice must reasonably honour this retention and not operate as a de facto deletion of the provision.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the District, or supporting the resilience of the natural environment.

Conclusions

For the reasons set out in the report, Members are requested to approve a new rule 20.6.

Martin Goodman

Monitoring Officer

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Governance Committee 2023/24 - Work Plan

Summer 2024	Winter 2025	Summer 2025
•	•	•

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