

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

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