

## **Part 8 Financial Procedure Rules**

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## Introduction

- 1.0 The Financial Procedure Rules provide the framework for managing the financial affairs of the Council. They apply to every Councillor and Officer of the Council and anyone acting on its behalf.
- 1.1 The Financial Procedure Rules govern the way the Council undertakes financial planning, budget setting, budget monitoring and closing of the accounts. They should also clearly identify the way day to day financial administration is conducted and financial controls are exercised.
- 1.2 The Financial Procedure Rules are part of a wider set of operational and managerial arrangements. They help protect the Council and the public from poor decision making, theft, fraud and material error. They also offer significant protection to Officers and Councillors from undue criticism and accusations of impropriety.
- 1.3 All Councillors and staff have a general responsibility for taking reasonable action to provide for the security of assets, funds and resources under their control, and for ensuring that the use of these resources are legal, properly authorised and provides value for money.
- 1.4 The Section 151 Officer is responsible for issuing advice and guidance to underpin the Financial Procedure Rules that Councillors, Officers, and others acting on behalf of the Council are required to follow.
- 1.5 The Financial Procedure Rules will be reviewed regularly by the Section 151 Officer, at least every two years, and approved by Full Council.
- 1.6 The Section 151 Officer may choose to delegate responsibility to a nominated officer of the Council where appropriate.

## 2.0 FINANCIAL GOVERNANCE

- 2.1 The Councillors (individually, and contained within Full Council, Executive and Committees) and Statutory Officers (Head of Paid Service, Monitoring Officer and Section 151 Officer) have key roles and responsibilities in relation to the financial administration and stewardship of the Council, as referenced in the Constitution.

## **3.0 Financial Planning and Management**

### **3.1 Financial Strategy and Medium-Term Financial Plan**

3.1.1 The Section 151 Officer, in consultation with the Leadership Team and Executive Councillors, will maintain a Financial Strategy and Medium Term Financial Plan (MTFP) that covers a period of at least three years, including the current financial year.

3.1.2 The Council's Financial Strategy will purposely look strategically beyond the current financial period to consider the funding options available for the proposed delivery of future corporate priorities, as well as the continuity of service delivery, to ensure these are affordable and result in a balanced budget, and support the organisation's resilience and long-term financial sustainability.

3.1.3 The Medium Term Financial Plan will provide a high level strategic allocation of capital and revenue financial resources (for both the General Fund and the Housing Revenue Account) that align with the corporate priorities and plans contained within the Financial Strategy, including the forecasting of costs and future funding requirements and availability.

3.1.4 The Financial Strategy and Medium Term Financial Plan will be produced as part of the overall budget process each year and reported to Executive for approval during the autumn committee cycle. This will then be reported, in conjunction with the annual budget, council tax and rent proposals, to Full Council before 11 March of the proceeding financial year.

#### **Budget Strategy**

3.1.5 The Section 151 Officer, in consultation with the Leadership Team and Executive Councillors, will provide a Budget Strategy for the proceeding financial year, which will form the foundations for the Annual Budget Setting process.

3.1.6 The Budget Strategy will provide a more detailed requirement of the strategic allocation of financial resources (both capital and revenue) that align with corporate priorities and plans for the proceeding financial year, including the level of council tax, balances and reserves, and the management of financial risks.

3.1.7 This will normally be reported alongside the Financial Strategy and Medium Term Financial Plan presented to Executive before seeking approval of Full Council before 11 March of the proceeding financial year.

#### **Capital Strategy**

- 3.1.8 The Section 151 Officer, in consultation with the Leadership Team and Executive Councillors, will each year prepare a Capital Strategy for the proceeding financial year, as required by the Prudential Code.
- 3.1.9 The Capital Strategy is intended to give a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 3.1.10 The Capital Strategy will be produced and reported in accordance with the annual budget setting timetable and presented to the Executive before seeking the approval of Full Council before the 31 March of the proceeding financial year.

### **Commercial Investment Strategy**

- 3.1.11 The Head of Commercial, Investment and Change, in conjunction with the Section 151 Officer, will prepare and review on an annual basis, a Commercial Investment Strategy (CIS).
- 3.1.12 The CIS will set out the governance arrangements and framework for Commercial Investments ensuring a consistent appraisal method, clarity on corporate risk and management, and provide the Council with an agile response to investment opportunities.
- 3.1.13 Full Council will be responsible for approving the CIS. The Strategy will be reviewed and updated at least every three years. The implementation of this strategy, including individual investment decisions, is delegated to the Executive. The Executive may choose to delegate some or all individual investment decision to an Investment Panel or nominated Officer.

### **Budget Setting**

- 3.1.14 The Council has a statutory duty to set a balanced budget.
- 3.1.15 The Section 151 Officer is responsible for making the arrangements and issuing the guidelines for producing the Council's Revenue Budget and Capital Programme.
- 3.1.16 Senior Officers are responsible for ensuring that staff adhere to the timetable and requirements set out by the Section 151 Officer for the Budget Setting process, and provide any information and evidence required in relation to this.
- 3.1.17 In accordance with the agreed budget timetable, the detailed Budget Setting report, setting out the proposed revenue and capital spending proposals, will be presented to the Executive before seeking the approval of Full Council for the proceeding financial year.

- 3.1.18 In accordance with Section 25 of the Local Government Act 2003 a statement from the Section 151 Officer is required to confirm the robustness of the budget process and the adequacy of reserves.

Unless in exceptional circumstances or through further approval, expenditure shall not be incurred on behalf of the Council unless it is approved in the Capital or Revenue budget estimates.

### **Council Tax Setting**

- 3.1.19 Full Council is responsible for setting the Council Tax Base. This responsibility shall be delegated to the Section 151 Officer, who will set the Council Tax Base for tax-setting purposes before 31 January of the proceeding financial year, and notify precepting and levying bodies of this figure by this date. The Section 151 Officer will notify all Councillors as part of the Budget Setting report presented to Full Council at the Council Tax Setting meeting.
- 3.1.20 Full Council shall set the level of Council Tax by 11 March in any year - as required by the Local Government Finance Act 1992.
- 3.1.21 In the event of any late changes such as budget amendments or preceptor demand notifications, Full Council have the provision to be able to delegate the final approval of the Council Tax Setting report including the tax determination to the Leader, which must incorporate the tax rate set by Full Council. Any decision taken by the Leader will be published to ensure transparency of governance.

### **Housing Revenue Account (HRA)**

- 3.1.22 The Section 151 Officer is responsible for providing the HRA Revenue Budget and Capital Programme report, to include the Housing Rent proposals, for the proceeding financial year in line with the timetable and requirements out by the Section 151 Officer for the Budget Setting process.
- 3.1.23 The Housing Revenue Account Budget report and Housing Rent proposals will be shared with Tenant Services Management Board (TSMB) and Tenants Forum for consultation.
- 3.1.24 An updated overview of the HRA 30-Year Business Plan will be provided to the Executive prior to or with the Draft Budget for the proceeding financial year.

### **Fees and Charges**

- 3.1.25 The Fees and Charges Strategy shall be agreed as part of the Financial Strategy during the autumn committee cycle.

3.1.26 Full Council shall give delegated authority to the Section 151 Officer to approve, and agree any amendments to, the fees and charges for the Council in line with the approved Fees and Charges Strategy, with the exception of:

- (a) Car Parking Charges
- (b) Any others as determined by Council

3.1.27 All fees and charges shall be reviewed annually by Section 151 Officer in consultation with Heads of Functions as per the budget setting timetable.

3.1.28 As part of the overall budget process, the revenue budget will include the latest projection of income from fees and charges.

3.1.29 The Section 151 Officer will be responsible for publishing a Fees and Charges Register on the Council's website.

#### Earmarked Reserves Review

3.1.30 The Section 151 Officer shall determine adequate earmarked reserves to provide future financial commitment and mitigate financial risks. Earmarked Reserves shall be set aside for specific purposes, and may include general contingencies.

3.1.31 The Section 151 Officer is responsible for undertaking an annual review of all Earmarked Reserves. Recommendations arising from the review will be presented to the Executive for approval before the 31 January of the proceeding financial year, to inform the final budget and financial plan. The report will provide information on the review and highlight any proposals to return any funds to general balances.

#### Capital Programme

3.1.32 A five-year rolling Capital Programme will be prepared and reviewed annually to confirm the capital expenditure and financing requirement estimates for each financial year, based on the following principles:

- To maintain an affordable five-year rolling capital programme.
- To ensure capital resources are strategically aligned with the Council's corporate priorities and statutory responsibilities.
- To undertake prudential borrowing only where there are sufficient monies to meet, in full, the implications of capital expenditure, borrowing and running costs.
- To maximise available resources by actively seeking appropriate external funding and disposal of surplus assets.



- 3.1.33 The Section 151 Officer will be responsible for compiling the five-year Capital Programme including the associated capital financing, in consultation with Senior Officers, for consideration by the Executive before seeking the approval of Full Council. The programme will include:
- committed schemes that are in the process of completion;
  - schemes for replacement / maintenance of existing assets;
  - new starts for the following years;
  - planned financing arrangements including through receipts from expected sales of assets and external grants and contributions expected.
- 3.1.34 The Capital Programme will be approved through the Budget Setting report.
- 3.1.35 Approval by the Council of the Capital Programme shall not automatically authorise expenditure but will:
- indicate that the necessary funds for the ensuing financial years shall be available for the scheme; and
  - that the scheme can be prepared in detail.

## **3.2 Alternative Budget Motions**

- 3.2.1 Any Councillor proposing to put forward to Council any amendment to the draft Budget or any alternative Budget should provide a copy thereof to the Section 151 Officer as soon as possible and at least 5 working days before the Council meeting so that they may advise Council whether the resulting amended or alternative budget would provide robust estimates and adequate reserves for the purpose of section 25 of the Local Government Act 2003.

## **3.3 Budget Management and Monitoring**

- 3.3.1 The system of budget management and monitoring is used to ensure that all budgets and financial resources for which the Council is accountable, are allocated correctly and managed effectively.
- 3.3.2 The Section 151 Officer shall ensure that the Budget Holder has access to financial information to enable them to control expenditure and income for which they are responsible.
- 3.3.3 The Heads of Function will be the accountable 'budget holder' for all budgets within their functional areas. They will be responsible for establishing and maintaining a scheme of delegations for budgets, which must be provided to the Section 151 Officer.
- 3.3.4 The Budget Holder will be responsible for managing budgets and other financial resources effectively and within approved limits.

3.3.5 The Section 151 Officer is responsible for providing further procedural advice on budget management and monitoring.

### 3.4 Making Changes to the Approved Budget

3.4.1 A virement is the transfer of budget from one specific area to another. This can either be a transfer within revenue budgets or capital budgets, but not between revenue and capital.

3.4.2 The Virement Scheme is intended to enable the Budget Holder to manage budgets with a degree of flexibility within the overall framework determined by the Council, and therefore optimise the use of resources.

3.4.3 **Revenue Virements:** Amendments to the revenue budget can only be made with approval as long as funds are available and as per the Virement Scheme table below:

| Threshold                        | Decision   |
|----------------------------------|--|
| Over £150,000                    | Executive Decision (in consultation with the Section 151 Officer)  |
| Above £50,000 and below £150,000 | Head of Function / Director / CEO and Section 151 (in consultation with Executive Councillors / Portfolio Holders) |
| Up to £50,000                    | Head of Function / Director / CEO (in consultation with the Finance Business Partner)                              |

3.4.4 The Section 151 Officer shall ensure that where any revenue Virements have been approved, these will be included within the performance report presented to the Executive.

3.4.5 **Supplementary Budgets:** Authority to approve Supplementary Budgets shall be delegated as per the table below, provided that in each case general reserves remain at least 10% above the recommended minimum level.

#### Supplementary Revenue Budget Scheme Table

| Threshold                         | Decision  |
|-----------------------------------|---|
| Over £250,000                     | Full Council  |
| Above £150,000 and below £250,000 | Executive   |
| Up to £150,000                    | Head of Function / Director / CEO and Section 151 Officer |

- 3.4.6 The Section 151 Officer shall ensure that where any supplementary budgets have been approved, these will be included within the performance report presented to the Executive.
- 3.4.7 No revenue virement shall be allowed between the following budgets without approval of the Section 151 Officer;
- Financing charges e.g. capital
  - Rates and other taxes
  - Support Service Recharges
  - Insurances
- 3.4.8 No revenue virement shall be allowed to or from the 'salaries' budget unless approved by the Head of Performance and Governance in consultation with a Finance Specialist.
- 3.4.9 Where there is a corresponding and matching increase in income and expenditure, the following approval limits will apply:

| Threshold                       | Decision  |
|---------------------------------|---|
| Over £50,000                    | Executive Councillor and Section 151 Officer              |
| Above £20,000 and below £50,000 | Head of Function / Director / CEO and Section 151 Officer |
| Up to £20,000                   | Budget Holder   |

- 3.4.10 The Heads of Functions shall manage staff resources within the agreed budgeted establishment. Any changes to the permanent establishment must be within the approved budget and agreed by the Section 151 Officer.
- 3.4.11 Any increase over and above the agreed budgeted establishment (in costs and full time equivalents) must be supported with proposals to cover the additional costs and submitted to the Head of Performance and Governance for consideration and approval. Any changes must be notified to the Section 151 Officer.
- 3.4.12 **Capital Virements:** Amendments to the capital budget can only be made with approval as long as funds are available and as per the Virement Scheme table below:

Capital Virement Scheme Table

| Threshold                        | Decision   |
|----------------------------------|--|
| Over £150,000                    | Executive Decision (in consultation with the Section 151 Officer)  |
| Above £50,000 and below £150,000 | Head of Function / Director / CEO and Section 151 (in consultation with Executive Councillors / Portfolio Holders) |
| Up to £50,000                    | Head of Function (in consultation with the Finance Business Partner)   |

- 3.4.13 **Capital Additions:** Authority to approve Supplementary Capital Budgets shall be delegated as per the table below, provided that in each case the Section 151 Officer agrees the source of the additional funding, and any revenue implications are affordable within approved budget limits.

Supplementary Capital Budget Scheme Table

| Threshold                         | Decision  |
|-----------------------------------|---|
| Over £250,000                     | Full Council  |
| Above £150,000 and below £250,000 | Executive   |
| Up to £150,000                    | Head of Function / Director / CEO and Section 151 Officer |

- 3.4.14 The Section 151 Officer shall ensure that where any capital additions have been approved, these will be included within the performance report presented to the Executive.
- 3.4.15 **Funding Substitutions:** The Section 151 Officer is responsible for approving funding changes.
- 3.4.16 **Growth Programme and Community Infrastructure Levy (CIL):** Full Council is responsible for approving any total budget allocations to the Growth and CIL Programmes. The Executive is responsible for delivering the programmes within the total approved budgets. Allocations to individual projects may be approved in line with the following table.

| Threshold      | Decision         |
|----------------|------------------|
| Over £250,000  | Portfolio Holder |
| Up to £250,000 | Head of Strategy |

### **3.5 Budget Monitoring**

- 3.5.1 Head of Functions have no authority to overspend revenue or capital budgets, or under-recover income budgets under their control, and are responsible for monitoring their budgets to ensure this situation does not arise.
- 3.5.2 In preparing any estimates of expenditure and income, Head of Functions must give proper consideration to the implications in current and future years.
- 3.5.3 Head of Functions shall notify the Section 151 Officer of all significant budget variations including underspends, over-recovery of income or windfall benefits arising within their revenue and capital budgets, regardless of whether offsetting savings or additional income have been identified.
- 3.5.4 Head of Functions shall ensure that their managers do not enter into commitments / contracts before satisfying themselves there is sufficient approved budget provision.
- 3.5.5 All unauthorised expenditure shall be reported immediately by the Head of Functions to the Section 151 Officer who will advise on the appropriate action.

### **3.6 Carry Forwards**

- 3.6.1 The Section 151 Officer is responsible for approving the carry forward of all budgets and spending plans that span financial years i.e. timing difference and profiling.
- 3.6.2 The Section 151 Officer shall approve other individual carry forwards up to £150,000, with any above this amount being approved by the Executive.

### **3.7 Budget Monitoring – Capital**

- 3.7.1 Once the Capital Scheme has been prepared in detail and the tenders have been obtained, the Head of Functions shall compare the allocation of funds approved within the Capital Programme to the tendered bids and determine if further approval is required.
- 3.7.2 Further approval will be required in line with supplementary budget approval thresholds, subject to affordability being confirmed by the Section 151 Officer.
- 3.7.3 Approval to award a Capital Scheme contract will be as per Contract Standing Orders.

3.7.4 A Capital Scheme must not commence until the relevant funding is in place to meet the approved budget for the Scheme. For example, capital receipts and / or capital grants have been received.

### **3.8 Leases**

3.8.1 Head of Functions shall ensure that credit arrangements, such as leasing arrangements, are not entered into without the prior approval of the Section 151 Officer and, if applicable, approval of the scheme through the capital programme.

3.8.2 The Section 151 Officer shall ensure that there is sufficient budget and calculate whether a lease or alternative financing arrangement provides best value and best fit with Capital and Treasury strategies.

### **3.9 Balances and Reserves**

3.9.1 The Section 151 Officer shall advise the Executive and Full Council on prudent levels of general balances, revenue reserves and contingencies for the Council.

3.9.2 Applying transfers to and from the general balances and earmarked reserves will be the responsibility of the Section 151 Officer in line with the approved budget and any approved changes during the year.

### **3.10 Budget Monitoring – Reporting**

3.10.1 The Section 151 Officer will report to the Executive, at agreed intervals, on the revenue and capital budgets and wider financial standing and will make recommendations for varying the approved budget where necessary.

3.10.2 Where overspending occurs on delegated budgets that cannot be covered by income savings or underspending elsewhere they shall be reported to the Executive and underwritten by balances for financial planning purposes. The Leadership Team shall determine and report mitigating actions and any related recommendations to the Executive.

3.10.3 All service underspend and overspend over £20,000 shall be fully explained by the Budget Holder within the budget monitoring process to the Section 151 Officer with a mitigation plan where appropriate. All those over £50,000 will be reported to the Executive.

3.10.4 As soon as practicable after the end of the financial year the Section 151 Officer shall submit the financial outturn position to the Executive. This will include a comparison of budget against actual spending and an analysis of major variances.

### **3.11 Finance Comments in Reports**

- 3.11.1 The responsible Councillor and/or Officer report authors must ensure relevant financial implications are included in any key decision reports, in consultation with the Section 151 Officer, Finance Business Partner or Finance Specialist.
- 3.11.2 Authors should provide draft reports to the Section 151 Officer, Finance Business Partner or Finance Specialist prior to any submission of reports so that they may produce any financial reports and / or comments on the financial or budgetary implications of this action. For draft reports this will be 5 working days before any interim review and for final reports this will be 5 working days prior to agendas being published.
- 3.11.3 Budget Holders shall consult with the Section 151 Officer on any unplanned policy matters or other matters affecting the finances of the Council.

### **3.12 Closing of Accounts and Statement of Accounts**

- 3.12.1 The Council has a statutory responsibility to produce a Statement of Accounts by the 31 May of the succeeding financial year and to be audited, approved and published online by the 31 July of the succeeding financial year.
- 3.12.2 The Section 151 Officer is responsible for selecting and consistently applying suitable accounting policies, determining accounting procedures and records, and ensuring compliance with relevant Accounting Codes of Practice.
- 3.12.3 The Section 151 Officer is responsible for making the arrangements for closing the Council's accounts, for ensuring that the Annual Statement of Accounts is prepared in accordance with the relevant Code's, as well as all matters relating for their audit and public inspection.
- 3.12.4 Senior Officers are responsible for ensuring that staff adhere to the timetable and requirements set out by the Section 151 Officer for the closing of the accounts, and provide any information and evidence required in relation to this.
- 3.12.5 The Section 151 Officer shall sign and date the Statements of Accounts, stating that they present a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31 March 2xxx.
- 3.12.6 The Audit, Governance and Standards Committee is responsible for approving the audited Statement of Accounts.

### **3.13 Treasury Management Framework**

- 3.13.1 The Section 151 Officer is responsible for preparing a Capital Strategy, an Investment Strategy and a Minimum Revenue Provision (MRP) Policy in line with the relevant CIPFA codes and statutory guidance, to be presented to Full Council for approval by 31 March of the preceding financial year.
- 3.13.2 The Section 151 Officer is responsible for preparing a Treasury Management Strategy Statement (TMSS) in line with the relevant CIPFA codes and statutory guidance. Full Council delegates responsibility for approving the TMSS, by 31 March of the preceding financial year, to the Executive.
- 3.13.3 The purpose of these reports is to inform Councillors of the recommended strategy for effectively managing the Council's cash resources in accordance with the legislative and regulative frameworks, including the approach to borrowing and investments taking into account prudential borrowing limits and performance indicators.
- 3.13.4 These reports also set out the approach and operating limits that must be applied in treasury management activity.
- 3.13.5 The monitoring of treasury performance is the responsibility of the Audit, Governance and Standards Committee, who will receive mid-year and end of year treasury performance reports.
- 3.13.6 All executive decisions on borrowing, investment or financing, and administration shall be delegated to the Section 151 Officer, who is responsible for establishing and monitoring Treasury Management Practices.
- 3.13.7 All treasury management activity shall be undertaken by trained staff only and in accordance with the CIPFA Code of Practice for Treasury Management in Local Authorities, the Prudential Code, and the Council's Treasury Management Strategy and comply with the Treasury Management Practices.

## **4.0 Financial Administration, Systems and Procedures**

### **4.1 Introduction**

- 4.1.1 The Section 151 Officer is responsible for determining the accounting procedures and records for the Council.
- 4.1.2 All officers working for or on behalf of the Council must follow the financial administration, systems and procedures set out below. These rules and regulations are essential to an effective framework of efficiency, accountability and control.



- 4.1.3 All accounting systems, procedures and records shall be subject to the approval of the Section 151 Officer. Any changes to existing systems and the introduction of new systems shall also be approved by the Section 151 Officer.
- 4.1.4 All Head of Functions will embed a culture of financial awareness and ensure that their officers and key partners are made aware of how their activities have a financial impact on the Council, either directly or indirectly.
- 4.1.5 All Officers will ensure that all financial transactions will be made through the Council's Accounting System.

## **4.2 Accounting**

- 4.2.1 All accounting arrangements across the Council shall be in a manner approved by the Section 151 Officer, taking into account best practice guidance issued by relevant external bodies, such as CIPFA and the Government.
- 4.2.2 There must be adequate separation of duties to ensure that no one officer is able to handle any financial transaction from start to finish without there being some mechanism for independent checking. By finish is meant the completion of the accounting for the transaction.
- 4.2.3 All expenditure, income, assets and liabilities shall be completely and accurately accounted for within the Council's main Accounting System and any exceptions must be specifically authorised by the Section 151 Officer.

## **4.3 Income**

- 4.3.1 The Section 151 Officer is responsible for drafting the Council's Income and Arrears Management Policy. Approval of the Policy shall be delegated to the Executive This will be reviewed and approved by the Executive at least every three years, with any minor changes delegated to the Section 151 Officer in consultation with the Portfolio Holder.
- 4.3.2 The Income and Arrears Management Policy sets out the Council's policy and procedures in relation to the billing, collection and recovery of monies owed to the Council and is to be adopted across all functions within the Council.
- 4.3.3 The policy focusses on key aims and principles, priority of debt, vulnerability, methods of payment, payment arrangements, offsets, performance monitoring, data protection, segregation of duties and review.

- 4.3.4 The Section 151 Officer is accountable for the following, with Heads of Functions responsible for ensuring compliance within their functions for :
- Administering all invoicing, credit notes, income and arrears collection
  - Providing the systems and documentation required for collection and associated debt recovery
  - Ensuring that claims for Government grants and other monies are made properly and promptly
  - Ensuring that all monies received are properly receipted, recorded and banked promptly
  - Administering the process for writing off irrecoverable debts and the monitoring and reporting of write off levels
  - Ensuring that a proper scheme of delegation has been established and it operates effectively
  - Notification of all monies due to the Council under contracts, leases or other agreements and the termination of use or change of user affecting this income
  - Reporting income management performance information to the Executive
- 4.3.5 Officers should encourage payment in advance or at point of service delivery wherever possible as per the Income and Arrears Management Policy and minimise the amount of credit given to customers.
- 4.3.6 The Section 151 Officer may authorise payment by instalments if full payment cannot be obtained immediately, in accordance with the Income and Arrears Management Policy, unless otherwise prescribed in relevant legislation, such as council tax and business rates.
- 4.3.7 Head of Functions must notify the Section 151 Officer of all monies due to the Council under contracts, leases or other agreements and the termination of use or change of user affecting this income.
- 4.3.8 Any sales made via electronic commerce accounts, for example eBay and Amazon, must have the individual account pre-approved by the Section 151 Officer, and held in the name of the Council and using the Councils banking details. Head of Functions are responsible for ensuring that any staff in their areas use these accounts appropriately and in line with financial procedure rules.

### **Raising of Invoices**

- 4.3.9 Officers responsible for raising invoices must ensure that VAT has been properly accounted for and the correct fee has been charged as per the approved fees and charges report, or any subsequent amendments.

- 4.3.10 The Head of Customer is responsible for developing a scheme of discretionary discounts, in consultation with the Section 151 Officer.

### **Credit Notes**

- 4.3.11 Any invoice of £1,000 and over, that require cancellation via a Credit Note, will require Budget Holder approval. Any invoice below £1,000 will required approval from an Income Specialist.
- 4.3.12 A clear reason for the Credit Note must be provided, and all evidence must be held on the Council's document management system. This information will be reviewed periodically and action taken to reduce the number of occurrences.
- 4.3.13 Any Credit Note must not be authorised or processed by the same person who raised the original invoice.

### **Unallocated Income**

- 4.3.14 All unallocated income shall be dealt with on a daily basis by either allocation to the correct account/invoice, transferred or refunded.

### **Aged Debt**

- 4.3.15 The Budget Holder will periodically review the outstanding debts pertaining to their functional area, and take reasonable action to aid the collection of those debts and / or consider suspending the provision of goods / services to the customer until all payments due have been made.
- 4.3.16 For any irrecoverable debts, the Budget Holder will put forward a request to write off the debt.

### **Writing Off Bad Debts**

- 4.3.17 The Section 151 Officer is responsible for the arrangements dealing with write off of irrecoverable debts.
- 4.3.18 Any write off per debtor greater than £25,000 in any year will be reported to the Executive for information.
- 4.3.19 Where a debt becomes uncollectable, any debts written off shall be in accordance with the following table:

| <b>Threshold</b> | <b>Council Tax &amp; Business Rates, Sundry Income, Housing Benefit Overpayments &amp; Housing Rents</b> |
|------------------|--|
| £0 to £25        | Customer Champion  |
| £25-£100         | Case Manager   |
| £100-£1,000      | Specialist / Senior Case Manager responsible for income activity   |
| £1,000-£5,000    | Head of Customer   |
| £5,000 +         | Section 151 Officer  |

4.3.20 All write offs will be reported to the Section 151 Officer on a regular basis

#### **4.4 Ordering of Supplies, Works and Services**

4.4.1 All contracts and purchase orders are subject to the Contract Procedure Rules.

4.4.2 Head of Functions must have systems in place to ensure that only authorised officers are allowed to place purchase orders, and that purchase orders are only raised when there is sufficient budget available.

4.4.3 Once the purchase has been agreed, the creation of an official purchase order using the Council's Accounting System will be required for all orders unless agreed by the lead Procurement Officer.

#### **Authorisation of Purchase Orders**

4.4.4 A register of approved authorisers will identify staff authorised to act on the Head of Functions or Senior Officers behalf in respect of placing purchase orders and making payment, together with the limits of their authority.

4.4.5 A register of approved authorisers and authorised purchasers will be maintained within the Council's Accounting System.

#### **Receipt of Supply**

4.4.6 The receipt of supplies, works and services will be undertaken within the Council's Accounting System. The receipt will confirm that the supply is as requested and authorises the release of payment.

#### **Payment of Supplier Invoices**

- 4.4.7 The Section 151 Officer shall make arrangements for the payments of all monies due from the Council in accordance with the relevant legislative and statutory requirements.
- 4.4.8 Payment to a supplier will only be made on receipt of a valid and appropriately addressed tax invoice.
- 4.4.9 All invoices must reference a valid purchase order number, or customer account reference where a purchase order is not required e.g. for utilities contracts.
- 4.4.10 The Council is required to comply with the Late Payment of Commercial Debt Regulations. Any supplier issuing an invoice in error will be required to re-submit a valid invoice with an amended invoice date.

### **Payments in Advance**

- 4.4.11 The Council will ordinarily only pay for goods, services and works upon receipt or completion.
- 4.4.12 Where such goods, services and works are essential and only available if paid in advance (e.g. e-commerce) then Officers, prior to authorising payments in advance, must undertake a risk assessment of the supplier or service provider defaulting.
- 4.4.13 All payments in advance in excess of £5,000 must be agreed with a Finance Specialist and any in excess of £50,000 must be agreed by the Section 151 Officer.

### **Payment Methods**

- 4.4.14 The Section 151 Officer must approve all banking, purchase and credit card arrangements across the Council, and must be satisfied with the safe keeping of all controlled banking stationery.
- 4.4.15 The Section 151 Officer will maintain a register of all bank and card acquiring contracts.
- 4.4.16 Cheques above certain financial limits set by the Section 151 Officer shall be manually countersigned by those designated officers authorised to do so by the Section 151 Officer.
- 4.4.17 Head of Functions are responsible for ensuring that any staff in their areas that use the procurement Credit / Debit Cards adhere to the requirements of the Purchasing Card Guide and Terms and Conditions.

- 4.4.18 Any purchases made via the internet must be made in adherence to the Council's procurement procedures
- 4.4.19 Any purchases made via electronic commerce accounts, for example eBay and Amazon, must have the individual account pre-approved by the Section 151 Officer, and held in the name of the Council and using the Council's banking details. Head of Functions are responsible for ensuring that any staff in their areas use these accounts appropriately and in line with financial procedure rules.

### **Petty Cash**

- 4.4.20 The Section 151 Officer must approve all banking and Petty Cash acquiring arrangements across the Council, and must be satisfied with the safe keeping of all controlled banking stationery.
- 4.4.21 The Section 151 Officer must authorise all Petty Cash accounts and the Petty Cash Account Holder must comply with the rules set within the Petty Cash Guide and Terms and Conditions as prescribed by the Section 151 Officer.

### **Taxation**

- 4.4.22 The Section 151 Officer is responsible for ensuring compliance with all relevant taxation regulations and guidance that affect the Council.
- 4.4.23 Head of Functions must notify the Section 151 Officer immediately of all new areas of business and of any change of circumstances to ensure the impact on VAT has been reviewed. For example, buying or selling a property and / or undertaking new investment activity.

### **Planning Obligations Board**

- 4.4.24 The Planning Obligations Board shall recommend budget allocations from the Community Impact Mitigation (CIM) Fund and other Hinkley S106 Funds for approval as per the following table.

| <b>Threshold</b> | <b>Decision</b> |
|------------------|-----------------|
| Over £250,000    | Full Council    |
| Up to £250,000   | Executive       |

## **4.5 Investments, Borrowing, Capital Financing and Trust Accounts**

- 4.5.1 The Section 151 Officer shall ensure that the Council's money is properly managed and controlled in a way which balances risk with return but with the overriding consideration being given to the security and liquidity of the Council's investment.

- 4.5.2 All investments, except bearer securities, controlled by the Council shall be registered in the Council's name or in the name of nominees approved by the Executive.
- 4.5.3 All securities shall be held securely by the Council's bankers, or custodians approved at the Section 151 Officer.
- 4.5.4 The Section 151 Officer shall ensure that all borrowing is made in the name of the Council.
- 4.5.5 The Section 151 Officer shall ensure that all applicable trust funds are registered in the name of the Council.
- 4.5.6 The Section 151 Officer will provide regular monitoring reports to the Audit, Governance and Standards Committee.
- 4.5.7 The Section 151 Officer will report any breaches or amendments of the Prudential Code to Council.

## **4.6 Asset Management**

### **Asset Register**

- 4.6.1 The Finance Business Partner shall maintain a full and accurate register of all Council fixed assets.

### **Custody of Deeds**

- 4.6.2 The Council's Solicitor shall have custody of the title deeds and other agreements under seal or hand of all land owned by the Council (together with all deeds and documents held as security for any monies owed to the Council) and are responsible for their safe-keeping.

### **Security**

- 4.6.3 The Heads of Functions shall be responsible for the proper security of all buildings, stocks, furniture, equipment and cash etc. within their service. They shall exercise a co-ordinating role on security issues and shall be consulted where it is felt that security is inadequate or in special circumstances.

### **Valuations**

- 4.6.4 The Finance Business Partner will be responsible for ensuring that a valuation report is produced on an annual basis and used as part of creating the Statement of Accounts.
- 4.6.5 The Council will carry out a rolling programme of asset valuations to ensure that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years.

4.6.6 Valuations of land and buildings will be carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS).

4.6.7 Valuations of vehicles, plant, furniture and equipment will be based on current prices where there is an active second-hand market or latest prices adjusted for the condition of the asset.

#### **Impairment**

4.6.8 The Finance Business Partner is responsible for ensuring that assets are assessed at each year-end as to whether there is any indication that an asset may be impaired.

4.6.9 Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

#### **Condition Surveys**

4.6.10 The Finance Business Partner shall ensure that condition surveys of all buildings and property assets in which the Council has a proprietary interest are carried out at least once every 5 years.

4.6.11 Survey details are to be recorded in appropriate systems and work programmes prepared in accordance with priorities set out in the Asset Management Plan.

#### **Maintenance of Assets**

4.6.12 Heads of Functions are responsible for implementing a system for the maintenance of assets, stocks and stores including regular stock checks and write offs when required.

#### **Asset Management Plan**

4.6.13 The Lead Place Specialist is responsible for producing an Asset Management Plan. The Plan will be approved by Executive, with the monitoring of the delivery of that Plan delegated to Lead Place Specialist.

4.6.14 The Asset Management Plan looks at how the Council's assets support achievement of the Council's objectives and the services it provides.

4.6.15 The Plan will set out principles, priorities and actions to ensure the assets are used and managed as efficiently and effectively as possible.

4.6.16 The Plan will be reviewed annually to take account of any changes in the Council's objectives or priorities.

#### **Acquisition and Sale / Disposal of Assets**



- 4.6.17 All acquisitions and disposals of Council property shall be made in accordance with the approved governance arrangements or otherwise in accordance with the Council's Capital Strategy and its Asset Management Plan.
- 4.6.18 The Section 151 Officer shall be responsible for the appropriate accounting treatment of any acquisition and sale / disposal of assets.
- 4.6.19 All acquisitions and sale / disposal of assets shall be made in line with approved budgets and in consultation with the Section 151 Officer. The authority to approve acquisitions and sale / disposal of assets shall be delegated as per the table below.

| Threshold      | Decision  |
|----------------|---|
| Over £250,000  | Executive                                       |
| Up to £250,000 | Chief Executive or Head of Function or Director |

- 4.6.20 In respect of receipts from sale of assets where values are less than £10,000: these net proceeds will be credited to the appropriate revenue budget.
- 4.6.21 In respect of receipts from sale of assets where values are more than £10,000: the net proceeds will be recorded as either capital receipts unless Statutory Guidance permits the use as Flexible Capital Receipts. The net receipts can then be used to fund revenue costs, provided the expenditure meets the requirements for qualifying expenditure under this guidance.

## 4.7 Payroll

- 4.7.1 The Head of Paid Service is responsible for producing a Payroll Policy to be approved by the Executive by the 31 March of the proceeding financial year.
- 4.7.2 The Payroll Policy sets out the Council's policy and procedures in relation to the payments of salaries and wages to all staff, including payments for other allowances, and for payment of allowances to Councillors, employed by the Council. This is to ensure that the risk associated with the public sector payroll system are managed effectively.
- 4.7.3 The Section 151 Officer is responsible for all payments of salaries and wages to all staff, including payments for other allowances, and for payment of allowances to Councillors. All payments must be made by BACS once a month through the Council's Payroll System.

4.7.4 The Head of Functions and their respective managers must notify central payroll team of all matters relating to the employment (including any changes) of officers so that the appropriate financial entries and payments can be made.

4.7.5 Officers will submit their expenses claims through the Council's Payroll System. The relevant manager will then validate the claim prior to online approval.

#### **4.8 Somerset West Lottery**

4.8.1 The Council will be an enabler for the lottery and use the contracted services of a licenced External Lottery Manager (ELM) to operate the lottery as per the Gambling Act 2005.

4.8.2 The Council will hold the relevant licence(s) obtained from the Gambling Commission as regulated by the Gambling Act 2005.

4.8.3 The Section 151 Officer and the Head of Customer will be registered as the 'responsible officers' with the Gambling Commission.

4.8.4 Any arrangements of administering the lottery will be delegated to the Head of Customer and Portfolio Holder in consultation with the Section 151 Officer.

#### **4.9 Grants Paid out to VCS**

4.9.1 The authority to award grants will be delegated by the Executive to the Grants Panel, and all decisions will be published.

4.9.2 In order to make the most effective use of the Council's grants schemes (as listed below) the Council needs to ensure applicants maximise match funding from other funders for their projects in the district.

- Somerset West Lottery Local Community Fund (SWL LCF)
- Voluntary and Community Sector (VCS) Partner Grants
- VCS Small Grants Scheme

4.9.3 The Council may choose to outsource this function to an external body to administer on behalf of the Council and present assessed applications to the Council's Grants Panel for consideration and approval.

#### **4.10 Insurance**

4.10.1 The Section 151 Officer is responsible for maintaining adequate insurance cover for the Council and keeping comprehensive records of all risks covered.

- 4.10.2 Head of Functions must notify the Section 151 Officer immediately of all new areas of risk and of any change of circumstances likely to affect existing insurance risks.
- 4.10.3 Any incident which could give rise to an insurance claim must be promptly notified to the Section 151 Officer, by the relevant officer, who shall also inform the Police if appropriate.
- 4.10.4 The Section 151 Officer will handle all insurance claims with the insurance company if proceedings are issued.

#### **4.11 Financial Inducements, Gifts, Hospitality and Promotional Offers**

- 4.11.1 All staff must comply with the Employee Code of Conduct and Gifts and Hospitality Guidance and Procedures. Further advice should be sought from the Monitoring Officer.
- 4.11.2 All Councillors and staff must not accept inducements in the process of administering the financial affairs of the Council.

#### **4.12 Declaration of Interest**

- 4.12.1 All officers shall notify their Head of Function and the Monitoring Officer in writing if they have a financial interest (direct or indirect) in any current or proposed contract of the Council. The Monitoring Officer shall record in a schedule to be kept for the purpose, particulars of any such notice given. Failure to disclose a financial interest in a contract is a criminal offence under section 117 of the Local Government Act 1972.
- 4.12.2 All officers shall advise their Head of Function and the Monitoring Officer, to be incorporated into the schedule mentioned above, of any conflict of interest which has arisen or might arise because they are likely to be required or authorised to do something as a Council Officer, in which they have a personal or private interest.

### **5.0 Risk Management and Control of Resources**

#### **5.1 Risk Management**

- 5.1.1 The Head of Performance and Governance is responsible for preparing a Risk Management Strategy as part of the Governance Framework, and ensuring that Councillors and staff consider risk when dealing with Council business and key activities.
- 5.1.2 The Risk Management Strategy will be approved by the Executive, and reviewed at least every three years.
- 5.1.3 Risk management and control arrangements are the responsibility of management, and the Head of Performance and Governance shall report

on risk management arrangements and performance to the Audit, Governance and Standards Committee

## **5.2 Internal Control**

- 5.2.1 Internal control refers to the systems of control devised by management to help ensure the Council's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Council's assets and interests are safeguarded.
- 5.2.2 The Section 151 Officer is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.
- 5.2.3 It is the responsibility of Head of Functions to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.
- 5.2.4 The Section 151 Officer shall undertake an annual review of the effectiveness of the systems of internal control, and key findings and actions reported within the Annual Governance Statement.

## **5.3 Internal Audit**

- 5.3.1 Head of Functions shall have regard to the principles of risk management, and to the Council's Risk Management Strategy. It is the responsibility of Internal Audit to review the adequacy and effectiveness of the Council's arrangements for risk management.
- 5.3.2 Under the Accounts and Audit Regulations 2015 the Council has a statutory obligation to have an adequate and effective system of internal audit.
- 5.3.3 The Section 151 Officer has the delegated authority for providing and maintaining this service.
- 5.3.4 The Internal Auditor is responsible for providing an internal audit function which meets the requirements of the Public Sector Internal Audit Standards (PSIAS). They are also responsible for providing an opinion, in support of the Annual Governance Statement, on how the Council's risk management processes identify, evaluate, monitor and report that controls are operating effectively within the Council.
- 5.3.5 Internal Audit is an assurance function that provides an independent, objective assurance and consulting activity designed to add value and

improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

5.3.6 Internal Audit has unrestricted access to all information (including records, computer files, databases, systems, property and personnel) across all functions and activities undertaken by the Council, or partners on the behalf of the Council where council information is held in order to review, appraise and report as may be necessary.

5.3.7 The Internal Auditor shall report to the Audit, Governance and Standards Committee all significant concerns that he/she may have over the adequacy and effectiveness of internal controls and risk management activities within the organisation.

#### 5.4 **External Audit**

5.4.1 The council is responsible for approving the appointment of an external auditor. This shall be delegated to the Audit, Governance and Standards Committee.

5.4.2 The External Auditor has a responsibility to satisfy themselves that the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. This judgement is based on criteria specified by the National Audit Office.

5.4.3 The Section 151 Officer, in conjunction with Head of Functions, must ensure that the Council makes best use of resources, and taxpayers and service users receive value for money.

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

5.4.5 The Section 151 Officer is responsible for presenting the Audit Findings Report and the Annual Audit Letter to the Audit, Governance and Standards Committee.

5.4.6 The Section 151 Officer must advertise the Public Right of Inspection on the Council's website in line with Accounts and Audit regulations.

#### 5.5 **Counter-fraud and Anti-bribery**

5.5.1 Section 151 of the Local Government Act 1972 requires every Local Authority to make arrangements for the proper administration of their financial affairs.

5.5.2 The Section 151 Officer is responsible for advising the Council on anti-fraud and anti-corruption strategies and measures. Approval of the policy is delegated by the Council to the Executive.

5.5.3 This policy provides a coherent and consistent framework to enable the organisation's staff and Councillors to understand and implement arrangements enabling compliance. In conjunction with related policies and key documents it will also enable Councillors/ staff and the public/ stakeholders to identify and effectively report a potential breach.

## **5.6 Money Laundering**

5.6.1 The Section 151 Officer is responsible for preparing the Council's Money Laundering Policy (MLP) to be scrutinised by the Audit, Governance and Standards Committee and approved by the Executive.

5.6.2 The Money Laundering Policy (MLP) will be reviewed on a regular basis, at least every three years, and upon issue of new or updated relevant regulations.

5.6.3 This policy will ensure that there are adequate controls in place within the Council to counter money laundering activities and terrorist financing activities, in line with the Money Laundering Regulations 2017.

5.6.4 The Executive will appoint a Money Laundering Reporting Officer (MLRO).

## **5.7 Trading Units**

5.7.1 It is the responsibility of the Section 151 Officer to advise on the establishment and operation of trading accounts and business units, and to determine the arrangements under which these are operated.

5.7.2 The Head of Functions must observe all statutory requirements in relation to trading accounts, including the maintenance of a separate revenue account to include all relevant income and expenditure, including overhead charged and an annual report in support of the Council's annual financial statements.

5.7.3 The Head of Functions must ensure that the same accounting principles are applied in relation to trading accounts as for other service units.

## **6.0 External Arrangements**

### **6.1 Partnerships**

6.1.1 Partnerships include any arrangements where the Council agrees to undertake, part fund or participate in a project with other bodies; either as a beneficiary of the project, or because the nature or status of the project gives the Council a right or obligation to support it. Where the Council is

simply providing funding without assuming any obligation or risk relating to delivery of the project, this is not a partnership.

- 6.1.2 The Executive is responsible for approving the operational framework for the Council's participation in all strategic partnerships or joint working arrangements with other local public, private, voluntary and community sector organisations. This includes the arrangements for delegation to officers and the detailed arrangements for the provision of both financial and physical resources by the Council.
- 6.1.3 The Section 151 Officer and Monitoring Officer are responsible for promoting, maintaining and monitoring the same high standards of conduct with regard to legal and financial administration and accounting arrangements in partnerships that apply throughout the Council. They shall also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. They shall ensure that the risks have been fully appraised before agreements are entered into with external bodies. They shall ensure that all partnerships are included within the Partnership Register.
- 6.1.4 The approval of both the Section 151 Officer and the Monitoring Officer must be obtained prior to the Council entering into any formal partnership agreement. The approval of the Section 151 Officer must also be obtained where it is proposed that the Council adopts the role of 'Accountable Body' for a partnership.
- 6.1.5 Head of Functions are responsible for ensuring that appropriate preparation work is undertaken and approvals are obtained before any negotiations are concluded in relation to work with external bodies.
- 6.1.6 A written partnership agreement must be produced that clearly establishes the responsibilities, rights, and obligations of the respective partners for managing the arrangement and the resources made available to the partnership.
- 6.1.7 The agreement must clearly set out the financial arrangements of the partnership including accounting, funding, assets, liabilities, insurances, tax accounting and risk management.
- 6.1.8 The agreement must also set out the arrangements in respect of unspent funding at each year end, unless this is to be returned to the Council as unspent money, and for addressing any overspend.
- 6.1.9 The agreement must also include HR advice in respect of employment rights and obligations including IR35 and TUPE implications.

## 6.1 External Funding (Including Grants)

- 6.1.1 The Section 151 Officer, in consultation with the relevant Head of Function, is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts.
- 6.1.2 Head of Functions must advise the Section 151 Officer with details of all bids for external funding, as well as all grant and subsidy notifications by external bodies, as soon as they are received.
- 6.1.3 Head of Functions are responsible for ensuring that the terms and conditions of all grants have been met properly.
- 6.1.4 Head of Functions must not commit expenditure on projects requiring matched funding contributions until the external funding has been confirmed.
- 6.1.5 Each Head of Function is responsible for informing the Section 151 Officer promptly about such funding. Where such income is receivable against a grant claim the relevant Head of Functions shall provide written confirmation to the Section 151 Officer that all output and other grant requirements have been properly and fully met.

## **6.2 Work for Third Parties**

- 6.2.1 The Section 151 Officer is responsible for providing specific guidance to Head of Functions in respect of contractual arrangements for the provision of services to third parties or external bodies.
- 6.2.2 Work can only be undertaken for third parties where the Council has the legal powers to undertake the work.
- 6.2.3 With regard to the financial aspects of third party contracts, Head of Functions will:
- Comply with any guidance issued by the Section 151 Officer and will ensure that appropriate insurance arrangements are made.
  - Ensure that all costs arising from the provision of services to a third party are recovered and hence that there is no subsidy included within the contract.
  - Ensure that the Council is not unnecessarily exposed to the risk of bad debts.
- 6.2.4 A written agreement must be put in place between the Council and the third party, which details the services to be provided, over what period and at what price; this will be signed by both parties to the agreement.
- 6.2.5 Head of Functions will provide information on the contractual arrangements to the Section 151 Officer in order that the appropriate disclosures can be made within the Council's annual statement of accounts.



- 6.2.6 The Head of Function / Section 151 Officer / Solicitor shall be responsible for approving the contractual arrangements for any work for third parties or external bodies.
- 6.2.7 The relevant Senior Officer must ensure that any work carried out for third parties is not outside the Council's powers by formally seeking the opinion of the Council's Monitoring Officer before such an arrangement is entered into.
- 6.2.8 The Section 151 Officer will issue guidance on all financial matters in respect of providing third parties with services.
- 6.2.9 The relevant Senior Officer must ensure that:
- Proposals are costed properly in accordance with the guidance provided by the Section 151 Officer;
  - No contract is subsidised by the Council;
  - Appropriate insurance arrangements are made;
  - Wherever possible, payment is received in advance of the provision of the service;
  - The Section 151 Officer is provided with the appropriate information to enable a note to be entered into the Statement of Accounts; and
  - Information held or assets owned by the Council is/are not used to the detriment of the Council.
  - There is compliance with GDPR.

### 6.3 **Alternative Delivery Models**

- 6.3.1 The Section 151 Officer is responsible for providing specific technical guidance to Head of Functions in respect of financial arrangements for any proposal to deliver services via an alternative delivery vehicle. They shall also ensure that any such activities are properly recorded in the Council's accounts.
- 6.3.2 Legal advice shall be sought for the contractual arrangements for any alternative delivery model.
- 6.3.3 Any proposal to deliver services via an alternative delivery vehicle must be developed through the Council's business case governance framework to ensure that there is a robust planning and decision-making process in place.
- 6.3.4 Head of Functions are responsible for ensuring that necessary approval is obtained before any contract negotiations and/or financial transactions are entered into, and that all agreements and arrangements are properly documented.

6.3.5 There are various types of alternative delivery model, including, but not limited to:

- Local Authority Trading Company (LATC)
- Joint Ventures - set up as separate corporate entities joining two or more parties for the purpose of executing a business undertaking
- Charitable incorporated organisation - a corporate entity which is regulated by the Charities Commission
- Social Enterprises - businesses trading for social and environmental purposes
- Outsourcing – a contractual arrangement between the Council and a private provider for the delivery of an agreed service
- Social Impact Bonds – contract to achieve agreed social outcomes through a programme of interventions delivered by a number of service providers
- Joint Committee – joint bodies set up, by agreement, to discharge or carry out activities in conjunction with other local authorities
- Unincorporated association

## 6.4 Transparency

6.4.1 To provide transparency in its stewardship of public funds the Council makes information available to the public in relation to its spending and are available to download via the Council's Open data portal. This brings together all our published datasets and other information of interest on one searchable database for anyone, anywhere to access.  
<https://www.somersetwestandtaunton.gov.uk/open-data/>

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