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Somerset Council Financial Control Boards

Somerset Council called a Financial Emergency in November 2023. As a result, the Council introduced Control Boards as part of the process of operating as if a section 114 notice had been issued. The Control Board were aimed at reducing the in-year overspend and to ensure that a tight grip on fiscal spend was in place.

Due to the need to continue to maintain a tight fiscal controls and a string grip on discretionary spending, the Control Boards will be continuing post April 2024.

Spend Control Board

The Spend Control Board has been in place since November 2023. The Board is responsible for reinforcing the Purchase Order corporate policy for all goods, services and works which have been correctly sourced in line with the [Contract Procedure Rules and Standing Orders](#).

The Board:

- Monitors and manages the 'No Purchase Order, No Pay' policy across the Council, unless otherwise stated on the Purchase Order exemption list.
- Reviews ongoing management of the Purchase Order exemption list.
- Reviews Purchase Orders over £500 and makes a decision to approve/reject. To include periodic high volume/low value reviews, ensuring right behaviours.
- Reviews retrospective Purchase Ordering to address business process and compliance.
- Approve business critical need for continuation of a Procurement Card (P-Card).

Schools are not subject to these controls as they have separately devolved budgets.

From April 2024, the Board will have approved delegated authority on decisions within its scope, subject to Members agreement. If there are needs for escalation, this will be to the Statutory Officers Board and/or the relevant Executive Director. The Board is able to mandate that any spend decision or department of the Council reports to the Spend Control Board on performance of existing activity e.g. excessive spend or emerging decisions e.g. new spend.

The Board will meet four times a week:

- Each meeting: Purchase Order Review (20 minutes)
- Once a week: Retrospective Purchase Orders, Purchase Order Exemptions Spend, P-Card Spend (40 minutes)

The Board membership is:

- Nicola Hix, Service Director – Finance and Procurement (Chair)
- Ben Bryant, Head of Corporate Finance (Deputy Chair)
- Jon Warr, Service Manager – Business, Procurement

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- Gary Coleman – Strategic Manager – Commercial & Procurement and Chair of Commercial and Procurement Control Board
- Adrienne Parry / Nominated Business Support Officer – Business Support Representative
- Andy Kennell/Richard Selwyn/Kirsty Larkins – Service Director Representative
- Michael Hardwick-Ford/Kim Luther – Business Support Admin

The Board has a OneNote where agendas and minutes of meetings are stored. The Board also has a [Terms of Reference](#).

Purchase Orders must be raised via Microsoft Dynamics before goods or services are ordered. Purchase Orders should only be raised for goods and services that:

- Are critical to the delivery of statutory services or helps deliver exceptional business need
- Generates income that exceeds the initial investment
- Is funded through external source/grants. Where the authority is match funding, these will then be subject to Spend Control Board scrutiny)
- Is ring-fenced and can only be spent on certain goods/services using external funds only

There are some circumstances where payments of goods and services are exempt from the Purchase Order process. The exemptions list can be found on Page 4 here: [Purchase Ordering Policy v1.3.pdf](#). New exemptions can be applied for pending approval of the Spend Control Board. The request form is here: [Purchase Order Exemption Request \(office.com\)](#).

Purchase Order checklist

- If the order is part of an existing contract, the contract reference needs to be added to Purchase Order title, making clear what the spend is for in the line text
- Attachments and notes for supporting information for internal viewing only should be used. This should be relating to the criticality of business need, or other relevant information. If this isn't provided, the request will be challenged, potentially resulting in delay or non-payment
- If spend has been agreed by one of the Boards or a separate service Finance panel, then this should be added as evidence of the approval as an attachment
- Anyone responsible for raising Purchase Orders should complete the Compliance Training programme to refresh their understand of the Council's policy and why we must follow this process
- Uplifts to existing Purchase Orders are not allowed unless approved by the Commercial and Procurement Board

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Process

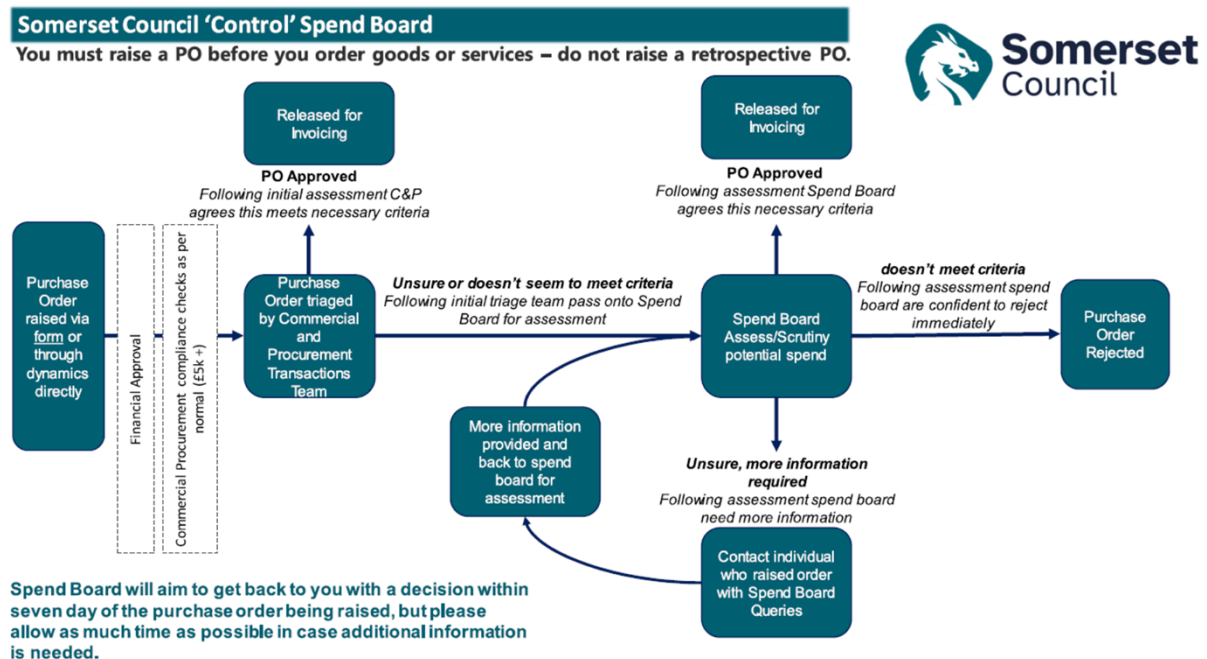
Anything over £500 is triaged by the Commercial and Procurement Team and then assessed by the Spend Control Board. The Board's approach is to only approve if the payment is deemed critical to deliver statutory services or helps deliver exceptional business need. If it is approved, the Purchase Order will be approved on the system and released to the supplier. If the payment is rejected, the Commercial and Procurement Team will contact the requester.

Decisions are recorded via the following:

- If it relates to Purchase Orders, these decisions are recorded on the daily spreadsheet held by the Commercial and Procurement Team.
- If it relates to an email query, 'is it essential spend' form query and P-Card requests, these decisions are recorded on a spreadsheet.
- If it relates to retrospective Purchase Orders, they are listed on the Spend Control Board OneNote.

Notes and actions from each meeting are recorded on the Spend Control Board OneNote.

The Spend Control Board end to end process, which can also be found on the [Spend Control Board Intranet Page](#), is as follows:



Contact will be made with requesters that continue to raise Purchase Orders that are rejected. The Board will consider removing access to the Purchase Order system if guidance isn't followed and repeat offences are made.

Emergency spend

Emergency spend is permitted using the Directorate Processes e.g. booking a hotel during the night and emergency repairs.

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Suppliers

Suppliers have been contacted to advise that, unless they are exempt, purchase orders need to be included on invoices, otherwise they will be returned upon receipt.

P-Cards

A review of all P-Cards has been completed. Where P-Cards remain, card holders are to continue to adhere to the Spend Control Board criteria and only use them for business critical, essential spend.

The Board are actively reviewing P-Card transactions and will ask for card holders and managers to attend the Board to explain their spend, where it does not meet one of the criteria above.

If a P-Card is frozen and the Service can evidence there is exceptional business need, the following Form needs to be completed: [P-Card Request \(office.com\)](https://office.com).

Commercial and Procurement Board

The Commercial and Procurement Board has been in place since November 2023. The Board meets up to twice weekly.

The Board's focus is on reducing Commercial and Procurement spend across the Council by reviewing:

- Contracts pipeline
- New and existing contracts
- Annual price uplifts
- Contract extensions
- Grants
- 24/25 saving opportunities recommendations

The Board's objectives are:

- To reduce the cost of contracted expenditure to an optimum level while maximising benefits to the residents of Somerset
- Use the advance notice provided by the pipeline to engage with services early, challenging and optimising requirements.
- To examine all off-contract spend and target reductions in discretionary areas of spend, challenging those that should be using existing contracts to ensure value for money and delivery of savings
- To ensure Directors, Commissioners and Commercial and Procurement Managers continue to work collaboratively with key Service Providers on the cost and structure of services to deliver savings
- Establish actions and make recommendations to deliver emerging commercial opportunities and mitigate threats for the Council, including:

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- Identifying priority contracts requiring deep dives or negotiation to reduce costs
- Changes to the legislative environment creating either opportunities to reduce costs or additional costs
- Market risks and opportunities, including innovation, opportunities to explore shared services and learn from best practice
- Setting a baseline for each Directorate, metrics, including cost, and reporting savings generated
- Providing oversight of Procurement and Contract Risks and associated Commercial Compliance, including:
 - Owning the Councils Procurement risk register and ensuring management action is taking place accordingly to reduce financial, reputational and strategic risk
- Oversight of the timeliness of procurement activity, including monitoring of procurement delays
- Identify and develop working governance with any other Financial Working Groups across Somerset Council to avoid duplication or gaps in potential in-year savings.

From April 2024, the Board will have formal delegated authority on decisions within its scope, subject to Members agreement. If there is need for escalation, this will be to the Service Director – Finance and Procurement. The Board is able to mandate that any contract decision or department of the Council reports to the Commercial and Procurement Control Board either on performance of existing activity (e.g. excessive contract spend) or emerging decisions (e.g. new contract spend).

The Board is able to make decisions on spend on Contracts, which then give approval without the requester having to go via the Spend Control Board as well.

The Commercial and Procurement Team have authority to approve items outside of the Board that:

- Have external ring-fenced funding
- Are of value under £5,000
- Delivers or supports statutory activity
- Essential to meeting health and safety requirements
- Saves more than it costs

The Board membership is:

- Gary Coleman (Chair)
- Christian Evans – Head of Business Partnering / Kerry Hepple – Finance Business Partner
- Representatives from each Directorate (attendees will change depending on availability, substitutes should attend where necessary).

There should be a minimum of 5 attendees for the Board to meet, but this is dependent on the agenda.

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The Board has a OneNote where agendas and minutes of meetings are stored. The Board also has a [Terms of Reference](#).

Process

A request must be submitted to the Board via the following Form: [Commercial and Procurement Control Board Decision Request Form \(office.com\)](#).

The Board will prioritise approval of requests where services can provide:

- Evidence the request will deliver a statutory service, or
- There is an exceptional business need, or
- All options to deliver services in a different way have been considered

Once a request has been submitted it is automatically added to a SharePoint list. It will then be reviewed by the relevant Finance Business Partner and Service Director and considered by Commercial and Procurement. If further discussion is required, the requester will be invited to present the case to the Board. Decisions are recorded on the SharePoint list and requesters are automatically updated on the outcome via email.

Establishment and Recruitment Control Board

The Establishment and Recruitment Control Board has been in place since November 2023. The Board has oversight of all recruitment (including agency, Locums, Interims and Consultants) and payroll requests (that result in increased spend) e.g. extension of fixed term contracts, recruitment and retention allowances, acting up payments go through this Board. If the requests are funded through the Housing Revenue Account, they are reviewed by the Housing Revenue Account Board.

The Board is responsible for:

- Discussing, assessing and making a decision to reject or accept all requests to recruit and/or change existing contractual arrangements
- Ensuring all requests are approved by the Service Director and Finance Manager prior to being assessed by the Board
- Review and maintain the Recruitment Exempt list
- Review and maintain the Establishment and Recruitment Control Board intranet page with the latest information
- Monitoring the impact of the Control Board
- Provide approvals to action to the relevant Workforce teams
- Making a recommendation to Executive Director – Strategy, Workforce and Localities and Service Director – Finance and Procurement, where the request relates to interim/agency workers and the cost is £500 or more

All Recruitment Requests need to be submitted via the '[Recruitment Request Form](#)' which can be found on the [Establishment and Recruitment Control Board Intranet Page](#). This Form is used for any of the following requests: agency (including

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extensions), new positions and recruitment e.g. permanent, fixed term, casual, secondments. There are no exemptions for Recruitment requests.

All Payroll Change Requests need to be submitted via the '[Payroll Change Request Form](#)' which can be found on the [Establishment and Recruitment Control Board Intranet Page](#). This Form is used for any of the following requests: increase in an employee's hours (temporary or permanent, and even if it's offset by a decrease elsewhere); increase in spending relating to permanent allowances e.g. Acting Up, Recruitment and Retention; Weekend and Out of Hours supplements; Extensions to any existing employee arrangements e.g. extension of contracts (permanent and fixed term only), extension of allowances. There are no exemptions for Payroll Change requests.

The Establishment and Recruitment Control Board meets daily, Monday to Friday to review requests that have been approved by the Finance Business Partner and Service Director.

The Board membership is made up of: Chair (Strategic Manager of Payroll or Service Manager – HR Admin and Payroll or Service Manager – Resourcing), a Service Director and a Head of Finance Manager.

The Board has a OneNote where agendas are stored. The Board also has a [Terms of Reference](#).

Process

Any completed submissions are automatically added to a SharePoint List. They are then reviewed by:

- The Finance Business Partner relevant to the area to confirm there is budget to fund the request. Generally if there is no budget available, the application is rejected. If it's rejected, the requester is automatically notified via email. However, the Board will debate this as there maybe a limited number of exceptions.
- The Service Director relevant to the area to consider the Council's Financial Position and only approve requests that are exceptional business need. If there is no budget available, or it is not deemed as exceptional business need, the application is rejected. If it's rejected, the requester is automatically notified via email.

The Board assess each request against the following criteria:

- What is the impact of this request being refused? (For example, risk of statutory responsibilities not being delivered, increased risk to life or risk to the organisation.)
- Why is this request essential?
- Have you considered delaying the request? If yes, what is your reason for wanting to proceed immediately?
- Why are you unable to redeploy existing resources, or manage the service differently to cover the request?

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- Does the position this request relates to provide essential front-line and/or statutory services. If yes, please provide brief details.
- Is this post fully funded by existing revenue budget?
- Who else funds all or part of this post (For example, NHS, grant funding)? For how long will this funding be available?
- Does this request generate additional income?
- Is this post involved in transformation work, resulting in budget savings?
- Will this request mean that a temporary, agency or locum member of staff will immediately be released, resulting in in-year savings?
- Could this post be offered as an apprenticeship? (Recruitment requests only)

Once the Board has come to an outcome, the requester is automatically notified of the final outcome. If the Board defer the request due to requiring further information, the Board will only review the request again once further information requested has been received.

Decisions in regards to submissions are recorded on the SharePoint list.

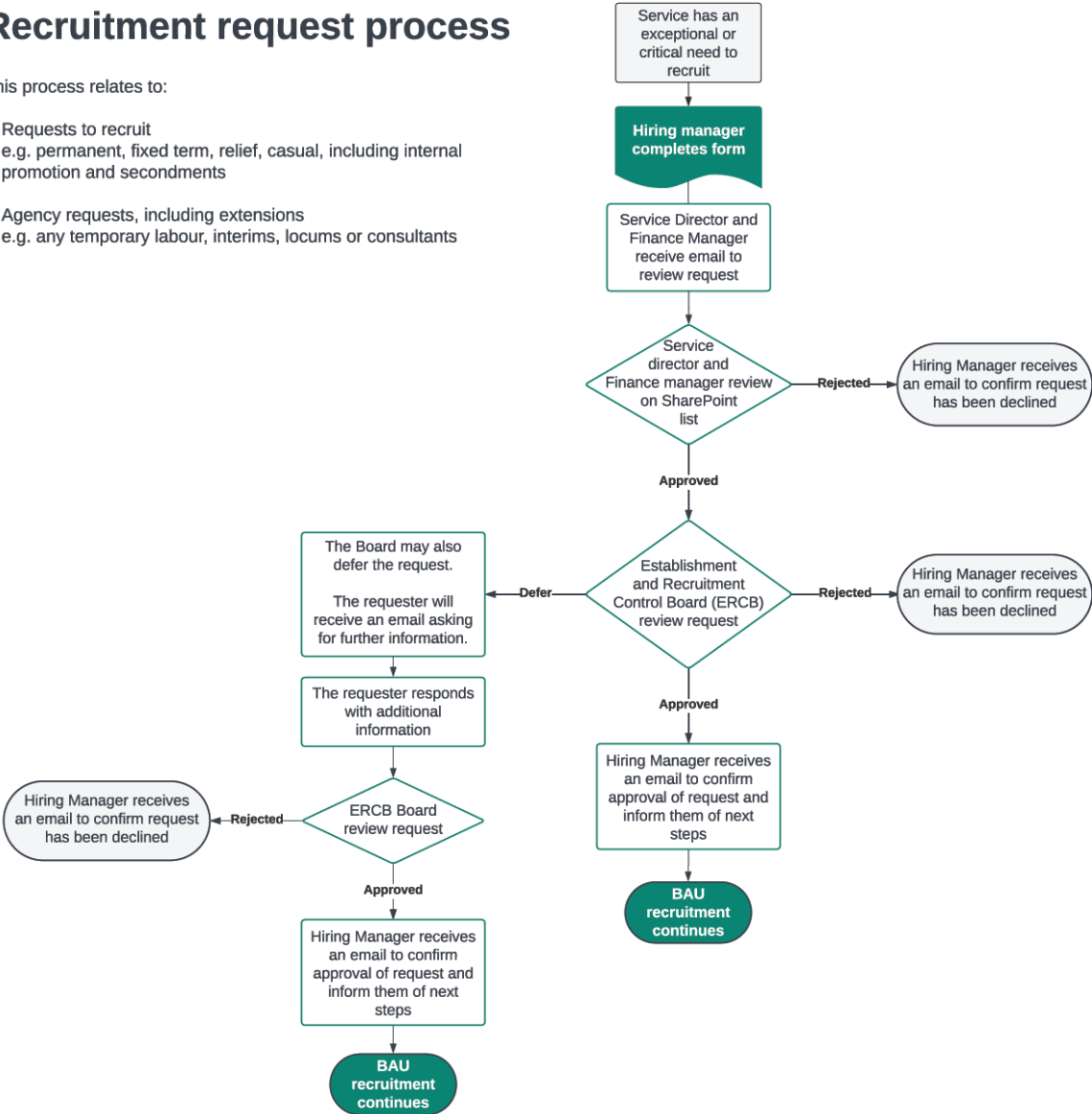
The end to end processes for Recruitment and Payroll Change requests shown below can also be found on the [Establishment and Recruitment Control Intranet Page](#).

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Recruitment request process

This process relates to:

- Requests to recruit
e.g. permanent, fixed term, relief, casual, including internal promotion and secondments
- Agency requests, including extensions
e.g. any temporary labour, interims, locums or consultants

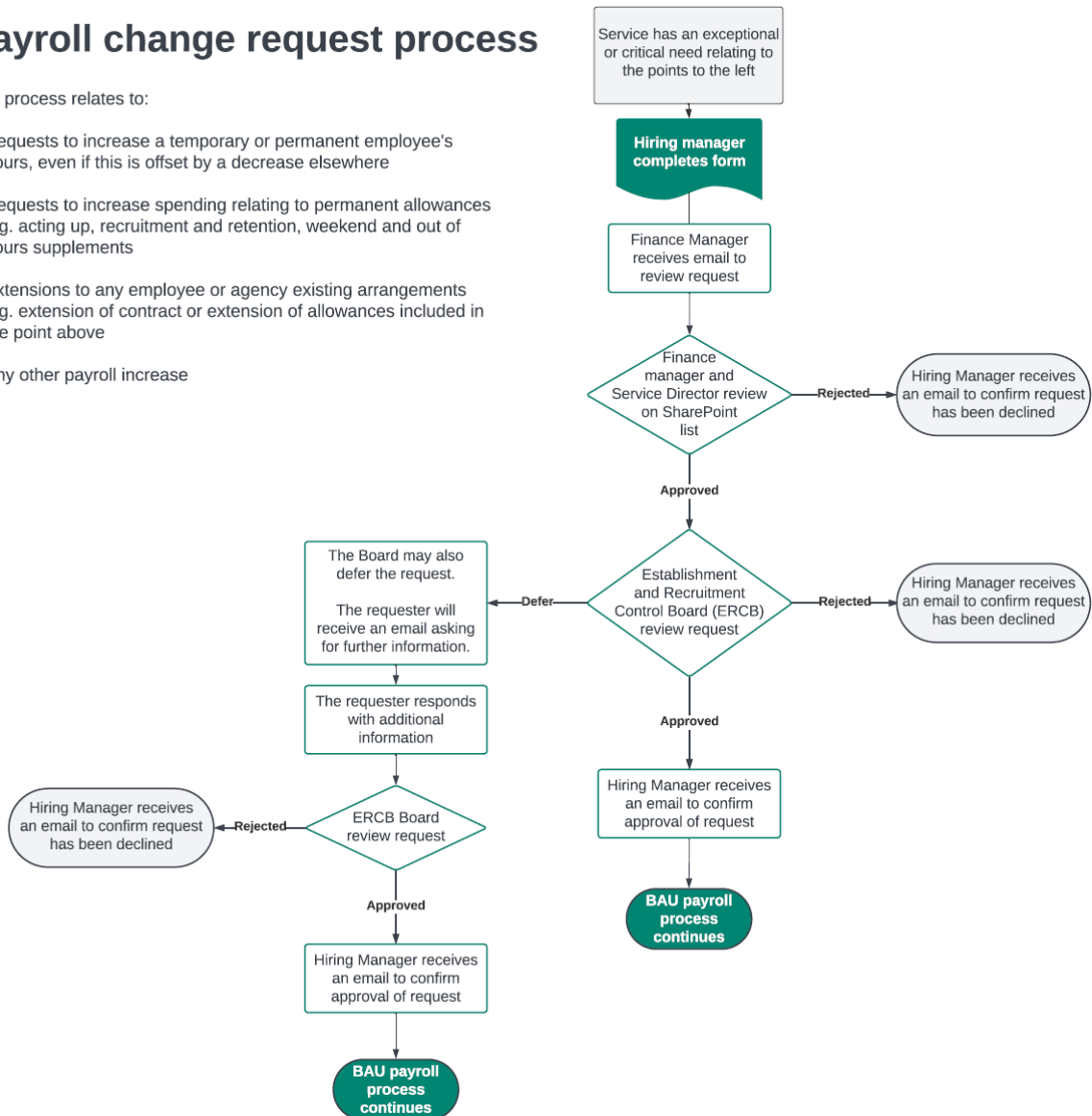


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Payroll change request process

This process relates to:

- Requests to increase a temporary or permanent employee's hours, even if this is offset by a decrease elsewhere
- Requests to increase spending relating to permanent allowances e.g. acting up, recruitment and retention, weekend and out of hours supplements
- Extensions to any employee or agency existing arrangements e.g. extension of contract or extension of allowances included in the point above
- Any other payroll increase



Work is ongoing to ensure all processes involved are sustainable and fit for purpose for the continuation of the Board.

Agency Recruitment

Agency recruitment and extension requests go through the same process as outlined above.

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Adults Services Forums

Peer Forums (PF)

The Peer Forums focuses on strengths-based conversations, to ensure that it is outcome focused and happens at the most effective time for practitioners. The discussions at the Forums are focused on the best outcome for each person, rather than funding.

Peer Forums are a robust critical friend discussion with all attendees contributing. It is multi-disciplinary with valued input from all professionals and community representatives.

The Peer Forums critically discuss individual needs following Care Act assessment and/or review and develop creative solutions for individuals requiring support from Adult Social Care. Peer Forums will discuss the individual strengths, needs, and ensure that all options have been explored including the use of equipment and tech enabled care for everyone before the support plan is completed and any request for paid services are authorised.

Peer Forums will be chaired by Service Managers and will discuss and consider the funding requests following robust strength-based conversations and completion of detailed costed support plans.

If the request is for over the agreed financial thresholds, the Service Manager adds in their supporting recommendations to Peer Forum form on Eclipse and submit for Enhanced Peer Forum consideration. Both the Service Manager and Advanced Practitioner scrutinise the quality and evidence of the Care Act Assessment, Support Plan or Review to support the decision-making process.

The Peer Forums takes place daily and covers all Operational Service areas. The Peer Forums have authorisation to approve an individual personal budget up to £350.

The Forum membership includes a:

- Service Manager (Chair)
- Social Worker or Adult Social Care Practitioner
- Occupational Therapist
- Community Agents
- Health Representative (if appropriate)

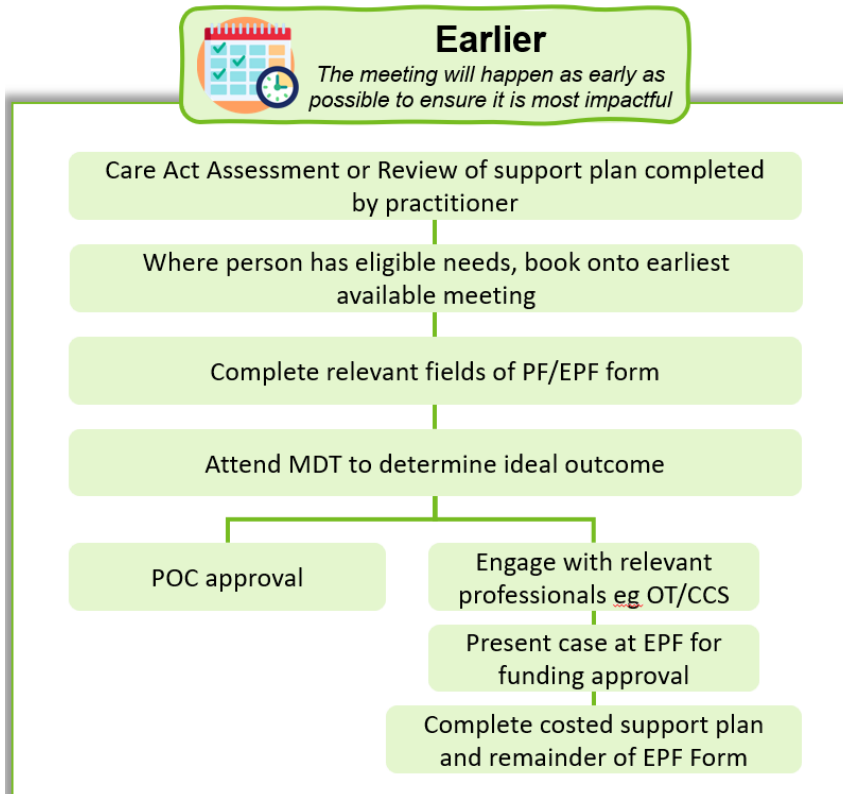
The agenda for each case is as follows:

- Description of the person
- Possible outcomes
- Alternative support
- Outcome approval or recommendation

Process

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The end to end process for a request to be reviewed at the Forum is as follows:



Authorisation Levels

The following table sets out the authorisation levels:

Peer Forum	Authorisation Level
Packages of care in the community including supported living, day services up to a total personal budget of £350	Service Manager
Extra Care Housing up to a total personal budget of £350	Service Manager
Initial consideration for Residential Placement	Service Manager – Authorisation for any placement requests needs to be agreed at Enhanced Peer Forum
Respite at ASC Rates – No more than 4 weeks per year onto of existing Personal Budget.	Service Manager

Audits

To ensure the Peer Forum is strengths-based, Strategic Managers undertake regular practice quality/decision making audits of the Forum alongside audits of the financial spend across all service areas.

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Enhanced Peer Forum (EPF)

The Enhanced Peer Forum considers residential placements, packages of care (POC) in the community which entail a personal budget over £350, or respite for more than 4 weeks per year.

The Forum takes place daily and covers all Operational Service areas.

The Forum membership includes:

- Service Director or Strategic Manager for HiS and Intermediate Care or Strategic Manager for Neighbourhoods (Chair - Rota)
- Strategic Adult Social Care Commissioners
- Adult Social Care Finance
- Sourcing Care
- Principal Practice Leads or Practice Development Advanced Practitioners

Process

Requests for the Forum to consider should be completed via Eclipse, as well as an assessment/review and support plan. Where it is required, the following relevant assessments should also be included:

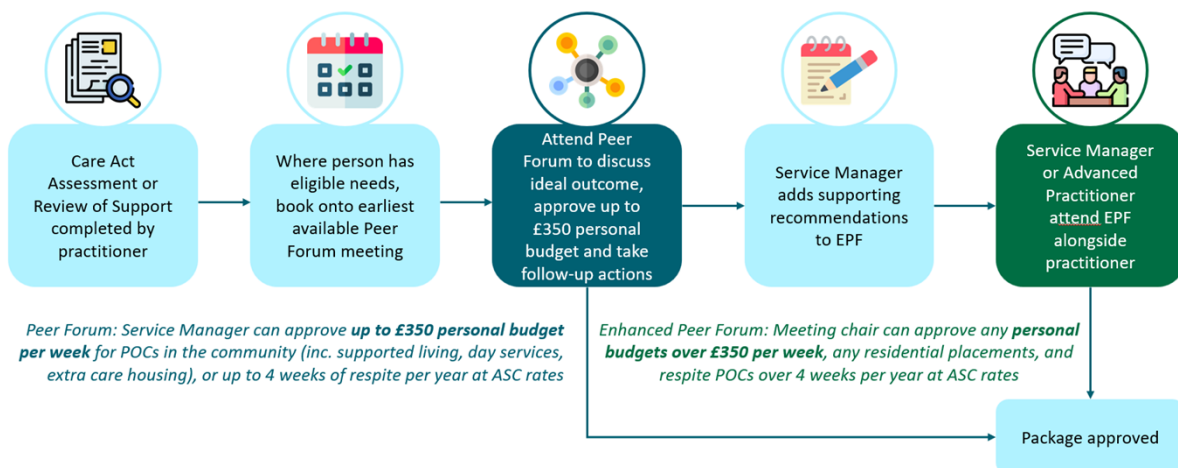
- Moving and handling
- Occupational therapy
- Mental capacity
- Health
- Best interest decision

Audits

Managers attend with the individual worker to ensure the learning and discussion is fed back to the relevant team/s.

The Personal Budget Approval Process

The end to end process for the personal budget approval is:



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Children & Family Services Panels

Prior to the instigation of the Financial Emergency, the Children's & Family Service already had the following decision making panels established within their service:

- Legal Gateway Panel - Weekly
- 16+ Panel - Weekly
- Complex Cases Panel - Monthly
- Unregistered and High Costs Panel – Fortnightly
- External Placements – Monthly

Since the financial emergency, the Service also implemented the following Panels. These Panels will continue from April 2024.

Daily Children's Resource and Finance

The Panel is chaired by the Service Director – Children and Families.

The Panel has authority to review and approve social care family spend between £10 and £100.

Weekly Children's Resource and Finance

The Panel is chaired by the Executive Director – Children, Families and Education.

The Panel has authority to review and approve social care family spend over £100.

Weekly Placement and Transport Panel

The panel is chaired by the Service Director – Inclusion.

The panel has authority to review and approve placement and transport spend from the Local Authority budget and Dedicated Schools Grant for children with Education, Health and Care plans.

Process

For one of the Panels to consider a request, a request is submitted to a specific mailbox where it is then considered by the relevant Panel. Once reviewed by the Panel, the response is logged on each child's records on the Children's Social Care records system.

Exempt spend

Translating and interpreting costs for unaccompanied asylum-seeking children (UASC) is exempt from the Panels as there is no leeway on this spend. This spend is approved by the Operations Manager for CLA.

Emergency same day placement spend is also exempt from the Panels. This spend is approved by the Service Director and are recorded on the Panel retrospectively.