

Financial Procedure Rules

Introduction

- i. To conduct its business efficiently a local authority needs to ensure that it has sound financial management policies in place and that they are strictly adhered to. Part of this process is the establishment of Financial Procedure Rules that set out the financial policies of the authority. A modern council should also be committed to innovation, within the regulatory framework, providing that the necessary risk assessment and approval safeguards are in place.
- ii. The Financial Procedure Rules provide clarity about the financial accountabilities of individuals: Elected Members; the District Executive; the Chief Executive; Directors; Section 151 Officer; the Monitoring Officer; Managers and all other officers of the Council. For the purposes of these Rules, "Manager" means Assistant Directors, Leadership Management Team, Lead Specialists, People Managers and any other budget holders,
- iii. The Council has established other internal regulatory documents as set out in Part 4 of the Council's Constitution. The Constitution lays down the Council's governance structure, which sets out how the Council operates, decision making processes, and the Council's operating procedures.
- iv. It is not possible to draft procedure rules to cover every eventuality or circumstance. Consequently, the principles of sound financial management proper exercise of responsibility and accountability, as set out in this document should be applied in all circumstances.
- v. The following general principles apply: -
 - there should be adequate and understood separation of duties so as to maintain adequate control over all financial transactions and operations;
 - there should be a clear hierarchy of control;
 - there should be adequate training and supervision of staff and there should be adequate management and audit trails;
 - there should be adequate management of risks and additional checks where there are high levels of risk;
 - operational financial procedures should be clearly documented, key risks identified, and such documents kept up to date and there should be adequate business continuity plans in place to maintain effective administration of the Council's finances at all times.
- vi. Financial Procedure Rules apply to every Member and employee of the Council and anyone acting on its behalf.
- vii. Executive Members and Senior Leadership Team should, where decision-making is delegated to them, maintain a written record of all decisions. Where decisions are formally delegated to other responsible officers, references to the Senior Leadership Team in these rules should be read as referring to them.
- viii. All elected Members and employees 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 is legal, is properly authorised, provides value for money and achieves best value.
- ix. The S151 Officer is individually responsible for maintaining a continuous review of the Financial Procedure Rules and submitting any additions or changes necessary to the Audit Committee and then Full Council for approval. They are also individually

responsible for reporting, where appropriate, breaches to the Council, to the District Executive, or the Audit Committee. Senior Leadership Team and their staff are responsible for promptly notifying the S151 Officer of any breaches of these Financial Procedure Rules.

- x. The Senior Leadership Team is responsible for ensuring that all Managers are aware of the existence and content of the Council's Financial Procedure Rules and other internal regulatory documents, and that all employees comply with them. The Senior Leadership Team shall also ensure that there is an adequate level of understanding of these rules within their teams and that copies are available for reference within their service area or are accessible via other media.

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1 LOCAL GOVERNMENT REORGANISATION

- 1.1 Under the provisions of the Somerset (Structural Changes) Order 2022 (SCO) a new Somerset Unitary Council will come into existence on the 1 April 2023 and all of the financial resources and commitments of the predecessor Councils will transfer to the new Somerset Council at this date in accordance with the provisions of the SCO and other statutory instruments made under the Local Government and Public Involvement in Health Act 2007 in respect of local government reorganisations generally. In the transitional period to 1 April 2023 South Somerset District Council has a duty under the SCO to:
- (a) take such steps as may be necessary to prepare for the transfer of its functions, property, rights and liabilities to the new Somerset Council;
 - (b) consult and co-operate with the other Somerset councils to secure the economic, effective, efficient and timely transfer of those functions, property, rights and liabilities; and
 - (c) generally, exercise its functions to further the purposes of the SCO.
- 1.2 On 10 May 2022 the Secretary of State for the Department of Levelling Up, Housing and Communities issued a direction under section 24 of the Local Government and Public Involvement in Health Act 2007 that with effect from 16 June 2022 the four Somerset District Councils were required to obtain the consent of the Executive of Somerset County Council before:
- (a) Disposing of any land if the consideration for the disposal **exceeds £100,000**.
 - (b) Entering into any capital contract under which the consideration payable **exceeds £1,000,000**; or which includes a term allowing the consideration payable to be varied.
 - (c) Entering into any non-capital contract under which the consideration payable **exceeds £100,000**, if:
 - (i) the period of the contract extends beyond 1 April 2023; or
 - (ii) under the terms of the contract, its period may be extended beyond that date.
- 1.3 On 15 June 2022 the Executive of Somerset County Council issued the following General Consent to come into effect on 16 June 2022:

General Consent

General Consent is hereby granted to the District Councils to enter into new contracts (over £100k for revenue and over £1m for capital) and to dispose of land (over £100k) where the following criteria are met:

Entering into new contractual arrangements:

1. *Entering into new revenue funded contracts (over £100k excluding recoverable VAT) which can be funded from within the individual Council's 2022/23 approved revenue budget **and** where the contract does not enable extensions beyond vesting day. This could be a contract for goods or services.*
2. *Any contract required as an essential response to a civil emergency, for example response to flooding.*
3. *Entering into new staffing contracts which can be funded from within the 2022/23 approved revenue budget **and** which comply with the agreed LGR staffing protocol.*

4. **General Fund:** Entering into new capital funded contracts (over £1m excluding recoverable VAT) for projects/programmes that are included in the 2022/23 approved capital budget **and** can be funded from financing sources included within the budget reports and/or Treasury Management Strategies agreed by the Councils in February/March 2022. Such contracts can extend beyond vesting day **if** the individual project has an approved phased budget, and no revenue implications beyond 1st April 2023 e.g. a housing development scheme, decarbonisation programme, regeneration project.
5. **Housing Revenue Account:** Entering into new capital funded contracts (over £1m) for projects/programmes that are included in the 2022/23 approved capital budget/HRA Business Plan **and** can be funded from financing sources included within the budget reports and/or Treasury Management Strategies agreed by the councils in February 2022. Such contracts, e.g. social housing development scheme, housing stock decent homes works such as replacement windows, can extend beyond vesting day **if** within the approved budget for the contract and within HRA business plan value for money and affordability limits.
6. Points 1, 3, 4 and 5 above to include budgets previously approved before February 2022 that carry forward into the 2022/23 financial year (e.g. slippage of unspent but approved capital and revenue budget from 2021/22 into 2022/23).
7. Entering into a contract that relates to the operation of prudent treasury management and complies with the district councils' approved treasury management and investment strategies, prudential indicators, and treasury management practices, where any borrowing does not exceed £5m and 365 days. In the event of any long-term borrowing exceeding £5m and exceeding 365 days specific consent of the County Council S151 Officer is required.
8. Entering into a contract that is outside the existing approved budget but is fully funded by external grants / contributions, unless the grant conditions require match funding exceeding the S24 Threshold (not included in the agreed budget) and/or pose potential significant risks and significant obligations on the Unitary exceeding the S24 Threshold. Town Deals is an example of expenditure which would be included in the general consent as it is externally funded

Land disposals:

9. Disposals of council dwellings or grant or renewal of leases (over £100k) under the Right to Buy legislation and disposal of other housing revenue account assets in line with approved budgets, financial strategies and business plans.
10. All lease rental agreements for investment properties (over £100k and continuing past vesting day) at market value.
11. All lease rental agreements for non-investment properties (over £100k and continuing past vesting day) where the rental value secured is at least that contained within the approved rental income budget or within the Business Case previously agreed by the Council prior to issue of the S24 Effective Date. .
12. Completion of land and property disposals (over £100k) that are already approved through the District Council's governance arrangements prior to S24 Effective Date and in line with the 2022/23 approved budget and capital strategy. All capital disposal or land sales outside of those identified will need specific consent.

To aid interpretation the following are examples of financial activities **that can be carried out** by the District Councils without needing the consent of the County Council

- *New use of earmarked reserves and reserves not included in the agreed budget (unless they are to fund new contracts above the S24 financial limits **and** which are outside of the general consent criteria).*
- *Raising new **and/or** changing 2022/23 fees & charges tariffs.*
- *Meeting staffing needs (new contracts) that have funding available within the agreed budget and follow the LGR recruitment protocol.*
- *Debt write-offs of any value in line with the existing Councils' approved constitutions, financial procedures and accounting policies.*

1.4 Where a proposed activity is covered by the General Consent set out in rule 1.3, before taking any action under the General Consent officers must check that it has not been amended by the Executive of Somerset County Council. If the General Consent has not been amended or, if amended, continues to cover the proposed activity, no additional steps are required under these Rules. Note: that a small number of projects are not covered by the General Consent and these are listed in the Schedules to the General Consent which can be found at [hyperlink](#)

1.5 If a proposed activity is not covered by the General Consent set out in rule 1.3, then in addition to the requirements set out in these Rules and the South Somerset District Council Constitution, consent must be obtained from the Executive of Somerset County Council (in accordance with their published Specific Consent Procedure applicable at the time) before the proposed activity commences.

1.6 The Section 151 Officer will provide advice on any proposal needing County Council Executive consent under the section 24 Direction.

2 FINANCIAL GOVERNANCE

2.1 Full Council

- The Full Council is responsible for approving the policy framework and, through a named vote, the annual revenue and capital budgets within which the Executive operates. This encompasses any medium and longer-term plans for both revenue and capital resources. The policy framework shall also include approval and setting the Council Tax rate.
- The Full Council may delegate to a Sub Committee or the Leader the approval of the Full Council Tax Determination that sets out the detailed council tax charges by town/parish and council tax band for each preceptor.
- Full Council is responsible for approving use of reserves, additional to those agreed annually in February as part of the overall budget, that are greater than 5% of the usable receipts balance in any one year.

2.2 District Executive

- The District Executive is responsible for proposing the policy framework and detailed budget to the Full Council and for discharging executive functions in accordance with the policy framework and budget agreed by Full Council and for in year monitoring of the budget. The detailed budget should include the allocations to the various services and projects, proposed funding including taxation levels, and minimum required levels of general reserves.
- District Executive can approve the use of reserves to fund Supplementary Budget allocations within the financial year up to a maximum of 5% of unallocated reserves in any one year.

- c) Where the District Executive delegates executive decisions to a committee, or an individual Executive Member (Portfolio Holder), or a Member of staff, that delegation will include the financial accountabilities relating to the administration of the budget and spending decisions.
- d) The relevant budget holder will be the employee with responsibility for the relevant service, policy, or project, unless the Executive specifically identifies to whom budget responsibility is delegated e.g. to an Executive Member.
- e) Senior Leadership Team or District Executive Members who have responsibility for budgets delegated to them will be accountable to the District Executive or Full Council, as appropriate, for the use of delegated budgets and should report at least quarterly to their accountable body for the use of those budgets and on the latest budget position.
- f) The District Executive is responsible for ensuring individual Executive Members with delegated powers consult with all relevant staff before taking decisions within their delegated authority, so that all implications, including financial implications, are taken into account.
- g) The District Executive will follow general good practice and comply with sound principles of accountability and effective management by delegating management and operational control normally to the Senior Leadership Team / Managers and other suitable officers wherever feasible and practical.
- h) It is the responsibility of the Executive or Executive Member with delegated budget responsibility to consult with the S151 Officer over the availability of funds before committing the authority to expenditure.

2.3 The Chief Executive

- a) The Chief Executive is the Council's Head of Paid Service, and is responsible for the corporate and overall strategic management of the authority as a whole. This includes responsibility for establishing a framework for management direction, style, and standards and for monitoring the performance of the authority. The functions of the Chief Executive are set out in Article 12 of the Council's Constitution.

2.4 Monitoring Officer

- a) The functions of the Council's Monitoring Officer are set out in Article 12.03 of the Council's Constitution.
- b) In particular the Monitoring Officer, in consultation with the Chief Executive and the S151 Officer is responsible for advising the Executive, Full Council, Audit Committee and Scrutiny Committee if any proposal, decision or omission would give rise to unlawfulness or has given rise to maladministration, which would include:
 - initiating a new policy with additional unfunded budgetary implications
 - committing expenditure in future years above the current year budget level or medium term financial plan
 - incurring virement without approval or outside any limits set by Council
 - causing total expenditure to increase above the approved budget

2.5 Section 151 Officer

- a) The functions of the Council's Section 151 Officer are set out in Article 12.04 of the Council's Constitution.

- b) In particular, the S151 Officer, is responsible, in consultation with the Chief Executive and Monitoring Officer, for advising the Executive, Full Council, Audit Committee and Scrutiny Committee if any proposal, decision or course of action will involve incurring unlawful expenditure, or be unlawful and likely to cause a loss or deficiency or if the Council is about to enter an item of account unlawfully, which would include:
- initiating a new policy with additional unfunded budgetary implications
 - committing expenditure in future years above the current year budget level or medium term financial plan
 - incurring virement without approval or outside any limits set by Council
 - causing total expenditure to increase above the approved budget
- c) The S151 Officer is responsible for the proper administration of the Council's financial affairs and shall:
- i. Advise the Council on insurance and financial risk;
 - ii. Advise the Council on effective systems of internal control;
 - iii. Ensure that there is an effective system of internal financial control;
 - iv. Advise the Council on anti-fraud and anti-corruption strategies and measures;
 - v. Present the annual Statement of Accounts to the Audit Committee and submit to the appropriate departments of central government any associated grant claims.
 - vi. Select and consistently apply accounting policies, determine accounting procedures and records, and ensure compliance with relevant Accounting Codes of Practice;
 - vii. Ensure with Senior Leadership Team that there is an effective internal audit function and assist managers to provide effective arrangements for financial scrutiny;
 - viii. Secure effective systems of financial administration and provide appropriate financial information to enable budgets to be monitored;
 - ix. Manage the cash and investments of the Council in accordance with the relevant CIPFA Codes of Practice and the Council's Treasury Management Strategy Statement, and determine effective and compliant Treasury Management Practices;
 - x. Ensure that financial management arrangements are in line with the Council's policy objectives, the Council's overall governance arrangements and comply with any internally or externally set financial management standards;
 - xi. Advise the Council on the setting of its revenue and capital budgets and the adequacy of its reserves to meet possible future commitments and contingencies. It is the responsibility of the S151 Officer to advise the District Executive on the setting of budget guidelines, to ensure budget estimates reflect agreed service levels and any guidelines set by the District Executive, and to liaise with budget holders throughout the budget preparation process;
 - xii. Discharge statutory duties under Section 151 of the Local Government Act 1972, Section 114 of the Local Government Finance Act 1988, the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, the Accounts and Audit Regulations 2015, and the Local Government Act 2003;
 - xiii. Advise the District Executive and Full Council on prudent levels of reserves for the Council and on the robustness of the Revenue and Capital Budgets;
 - xiv. Advise the District Executive, Senior Leadership Team / Managers on all taxation issues that affect the Council;
 - xv. Ensure the effective billing, collection and recovery of all sums due to the Council, in accordance with the Debt Recovery Policy.

2.6 Senior Leadership Team and Budget Holders

- a) The Council delegates all approved budgets for management purposes to a named post of the Council. Each named employee shall:
- i. Ensure that the financial content of all reports, forms and procedures is approved by the S151 Officer (or a named Finance representative);

- ii. Report any irregularities concerning the Council's financial affairs to the S151 Officer or Assistant Director (SWAP Internal Audit Services) at the earliest possible opportunity. The provisions of the Council's Whistleblowing Policy shall also be followed where relevant;
- iii. Ensure that there are sufficient funds available in their approved budget before commitments are entered into;
- iv. Consult with the S151 Officer prior to submitting to the Senior Leadership Team, District Executive or any Committee any report that may have financial implications;
- v. Ensure that the Council's Constitution and other procedural requirements are complied with together with all applicable statutes, regulations, and best practice;
- vi. Monitor and control expenditure against approved budget allocations and report to the District Executive quarterly in conjunction with the S151 Officer on variances and the action being taken to address them;
- vii. Maintain systems of control that facilitate the achievement of the Council's objectives by using resources economically, efficiently, and effectively and by safeguarding the authority's assets and interests;
- viii. Review and appraise their operations so as to achieve continuous improvement;
- ix. Liaise with the Council's external auditor and any other inspectorate with statutory rights of access.
- x. Ensure any compensation payments are authorised in accordance with the limits set in the Constitution (see Scheme of Delegation). The relevant Director will report to the SLT on the number and value of payments made.
- xi. Maintain systems, procedures and sufficient resources to ensure that collection and recovery of all sums due to the Council follow the Income Management Policy.

2.7 Executive Members Exercising Budget Responsibility

- a) Where an Executive Member exercises budget responsibility they shall comply with the provisions of section 2.6 above and all related Financial Procedure Rules.

2.8 All Other Employees

- a) All other employees of the Council have a responsibility to:
 - i. Report any irregularities concerning the Council's financial affairs to the S151 Officer or the Internal Auditor (Assistant Director – SWAP) at the earliest possible opportunity. The provisions of the Council's Whistleblowing Policy and the Anti Money Laundering Policy shall also be followed where relevant;
 - ii. Comply with the Council's Constitution and other procedural requirements are complied with together with all applicable statutes, regulations and best practice.

3 REVENUE AND CAPITAL BUDGETS

3.1 General and Budget Monitoring

- a) Delegation of budgets shall be in accordance with the Scheme of Delegation.
- b) Delegation of budgets is to the Senior Leadership Team. They must maintain a full list of delegations to officers within their functional areas.
- c) Accountability for appropriate budgets shall be held at Senior Leadership Team level.
- d) Budget holders can only vary budgets in accordance with these Financial Procedure Rules. Accounting recharges (such as Support Services and depreciation) can only be varied by the S151 Officer.

- e) Budget monitoring is the responsibility of each Senior Leadership Team member. Where there is likely to be a significant variation between the budget and actual expenditure they must notify the S151 Officer as soon as possible including an action plan to rectify the situation where appropriate.
- f) Budgets must be managed and monitored at nominal code level. The nominal code describes the type of spending and income e.g. salaries, electricity, grants, fees and charges. Virements must be requested where insufficient funds are available at nominal level. Virements are required where the variance is greater than £1,000.
- g) The S151 Officer is responsible for setting a timetable and reporting the Council's financial performance and financial position to the Senior Leadership Team and the District Executive.
- h) The Council has a statutory responsibility to produce a Statement of Accounts and all budget holders must comply with the accounts closedown timetable set by the S151 Officer.

3.2 Variations to Structures and Staffing Levels

- a) Within the total budget approved by the Council each year, Senior Leadership Team shall be entitled to vary the numbers and composition of their workforce in order to meet service requirements, provided such variations do not commit the Council to increased expenditure in future years, receive SLT approval and follow the applicable LGR staffing protocol.
- b) Members of Senior Leadership Team proposing restructures shall liaise with both Finance Specialists and People Specialists to agree overall cost implications and HR process and procedure. SLT members shall ensure they have included the cost implications of the Council's severance scheme, and that the S151 Officer verifies these costs. Salaried posts will be costed at the top of the grade in any workforce design, include all potential redundancies and/or early retirements and salary protections, and then be compared to the previous structure. Where there are any actual or potential additional costs associated with restructuring proposals that may commit the Council to increased expenditure in future years, overall agreement must be obtained from the SLT and District Executive including the method of financing and a section 24 consent must be in place.
- c) Senior Leadership Team shall not enter into or change a contract of employment, including the grading of a post without prior consultation with the Lead Specialist - People.
- d) Senior Leadership Team shall adhere to the Council's staffing policies and staffing delegations, including the proper use of appointment procedures, the applicable LGR Staffing Protocol, systems for determining remuneration and the method used to make payments to employees. Senior Leadership Team may choose to delegate these functions.

3.3 Increases to the approved Revenue Budget

- a) Full Council is to approve the Detailed Budget Analysis including income and expenditure totals for each activity as part of the Annual Budget Report.
- b) Senior Leadership Team can increase their expenditure by up to £20,000 in one financial year for goods purchased for resale with a matching increase in income budgets, in consultation with a Finance Specialist.

- c) Senior Leadership Team can increase their cost centre income budget on services by up to a maximum of £20,000 in one financial year, with supporting evidence, and in consultation with a Finance Specialist.
- d) Senior Leadership Team can increase their revenue expenditure budgets by up to £100,000 if such expenditure is fully grant funded or can be financed by an earmarked reserve (set up for the purpose of funding such expenditure) provided that approval is gained from the overall Senior Leadership Team. Any such increases will be reported to District Executive in the quarterly corporate budget monitoring report and the gross expenditure (and its financing) added to the approved budget totals.
- e) Senior Leadership Team must receive advice from the Lead Specialist – People, on the contract terms, and from the Lead Specialist – Finance, on the budget and financing arrangements, before agreeing any proposal to increase the staffing budget. SLT must ensure any additional costs associated with that Member of staff is fully funded at the outset including any provision for possible redundancy costs.
- f) Any increase needed to the revenue budget over £100,000 will require consent under the section 24 Direction.

3.4 Revenue and Capital Budget Virement Rules

- a) District Executive have delegated authority to approve virements between activities/services/projects within the overall approved budget total and have further delegated this authority as set out in the table below:

Authoriser	Limit	Finance advice required from
Budget Holder	£25,000	Specialist – Finance
SLT Member	£50,000	Lead Specialist – Finance
Portfolio Holder	£100,000	S151 Officer
District Executive	Greater than £100,000	S151 Officer

- b) Any virement involving the staffing budget needs, in addition, advice from the Lead Specialist Finance and Lead Specialist People and, if that advice is not followed, written reasons must be sent to the s151 Officer before the virement is made.
- c) Where virements are between different areas of responsibility the approval of all relevant officers and portfolio holders is required.
- d) All budget virements above £50,000 will be reported to District Executive in the quarterly corporate budget monitoring reports for information and transparency.
- e) All budget virements properly approved shall be actioned in the Council's main finance system only by Finance Officers.
- f) Area Committees can approve budget allocations (virements) from total budgets and ring-fenced reserves delegated to each Committee by District Executive and Full Council. Area Budget information will be reported to the District Executive for information via the quarterly corporate budget monitoring reports.
- g) District Executive has delegated authority to vire amounts from the Corporate Capital Contingency Budget into the schemes previously approved by Full Council in the capital programme.
- h) In urgent cases, the Chief Executive Officer has delegated authority, in consultation with the s151 Officer, to vire amounts from the Corporate Capital Contingency Budget into the schemes previously approved by Full Council in the capital programme.

3.5 Revenue Under/Overspends and Budget Carry Forwards

- a) Senior Leadership Team Members are responsible for ensuring budgetary control is maintained at all times, and shall take all reasonable action to contain spending and meet income targets within approved targets. All forecast and actual variations to approved budgets by activity/service greater than £50,000 must be reported and fully explained to the District Executive through the quarterly corporate budget monitoring reports.
- b) The S151 Officer is responsible for approving all budget carry forwards due to timing differences between financial years in meeting agreed commitments. District Executive approval is needed to carry forward unspent and uncommitted revenue budget.
- c) The S151 Officer shall transfer Revenue Budget Net Underspend or Overspend, after approved carry forwards and agreed allocations to/from earmarked reserves, to General Reserves at the end of the financial year.

3.6 Capital Budget

- a) A rolling five-year Capital Programme is to be prepared and reviewed annually to confirm the Capital Budget and Financing requirement within each financial year.
- b) The S151 Officer is responsible for compiling the Capital Budget and the 5-year Programme including the associated capital financing, in consultation with Senior Leadership Team, for consideration by the District Executive prior to submission to Full Council for approval. 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
 - receipts from expected sales of assets and
 - external contributions expected
- c) Full Council is responsible for approving Supplementary Capital Budgets. In all Supplementary Budget decisions, the decision-maker must consider affordability of both capital and revenue implications of recommended projects, in consultation with the S151 Officer or Lead Specialist – Finance.
- d) Any increase needed to the capital budget over £1,000,000 will require consent under the section 24 Direction.
- e) The S151 Officer is responsible for setting the reporting timetable in consultation with the Portfolio Holder responsible for Finance. The Capital Programme will be monitored by District Executive or, where monitoring has been delegated, by the appropriate Area Committee or Regeneration Board.
- f) The S151 Officer in consultation with Responsible Officers (see 3.7 (f) below) and the SLT will prepare the corporate monitoring reports to the District Executive.

3.7 Bidding for Urgent Capital Resources

- a) Schemes where appropriate shall have completed a feasibility study before submission to Area Committees or District Executive. All schemes requiring Feasibility Funds require approval by SLT and then District Executive.
- b) There is a de-minimis value of £10,000 for each Capital Scheme, £250 for Capital Grants, and £10,000 for capital receipts.

- c) During the annual budget setting process, decisions will be made on which new schemes are to be included in the following year's Capital Budget and 5 year Programme. Capital Investment Appraisal shall be completed in line with Guidance provided by Finance and can be submitted to the S151 Officer at any time during the year but will be considered by SLT for onward approval by District Executive and Full Council in line with the agreed timetable.
- d) Proposals shall be clearly linked to the Council Plan and any relevant Service Plans.
- e) The capital investment appraisal form shall disclose any revenue consequences. If these cannot be absorbed by the service a request shall be made to District Executive for additional resources as part of the Revenue Budget setting process.
- f) Each approved scheme will be the responsibility of a named Responsible Officer, who shall monitor the scheme's progress and report accordingly.

3.8 Urgent Purchase and Disposal of Plant and Vehicles over £10,000

- a) Managers/Lead Specialists are responsible for assessing the need for acquiring, replacing or disposing of plant or vehicles and completing a business case that includes describing the business need and benefit, the costs and funding proposals. This includes regular (at least 6-monthly) reviews of leases.
- b) Managers/Lead Specialists shall liaise with a Finance Specialist to confirm sufficient budget is in place.
- c) Managers/Lead Specialists shall maintain a maintenance and replacement plan for vehicles and plant, and submit future budget requirements in line with the annual Budget Timetable set by the S151 Officer.

3.9 Capital Receipts

- a) Senior Leadership Team shall inform the relevant Finance Specialist of all expected capital receipts as soon as they are identified. Beat Value needs to be obtained when disposing of assets. Proceeds from sale of assets valued at £10,000 or above shall be credited to the Capital Receipts Reserve and allocated in accordance with the approved Capital Programme.
- b) Any disposal where the value exceeds £100,000 will require consent under the section 24 Direction.

3.10 Monitoring the Capital Programme and Capital Projects

- a) Where Responsible Officers require schemes to be re-phased between years they shall notify the S151 Officer at least quarterly so that the overall financing of the Capital Programme can be maintained and investment income maximised.
- b) Financial progress on each project and funding projections must be submitted to District Executive quarterly by the S151 Officer. This must include any slippage in the project timetable and spend with the actions being taken if necessary to bring the project back in line.
- c) Projects should be managed and monitored using the Council's Project Management Methodology and regular reports made to each Project Sponsor for monitoring purposes.
- d) Any projects amended, other than for minor changes that exceed the agreed tolerances between approval and implementation must be resubmitted to the District Executive for

approval. This includes projects that have received further external financing to meet additional costs over £50,000.

- e) All capital projects over a value of £1,000,000 and capital projects over £250,000 that also have a risk impact score of moderate or above, must undertake End of Stage Assessments and if the assessment identifies any change to the original business case for the project, authorisation to move to the next stage will require District Executive approval.

3.11 Capital Underspends

- a) The S151 Officer can approve the carry forward of underspends against budgets to the following year if the project has commenced before the year-end and has not been completed. District Executive or the appropriate Committee will decide at the year-end whether projects that have a delayed start date of more than one year can continue.

3.12 Post Completion Appraisals

- a) On completion of a project over £1,000,000 the Responsible Officer will prepare a report in consultation with the S151 Officer (or nominated representative) and SLT lead stating how the project has performed against its set objectives. This will be reported as part of the outturn report or quarterly capital budget monitoring report to District Executive each year.

3.13 S106 & Community Infrastructure Levy (CIL) Funds

- a) All S106 funds over £10,000 will be included if appropriate in the capital programme once received and included within a quarterly monitoring statement for reporting to District Executive.
- b) The Strategic Development Board (SDB) has delegated authority to determine the criteria for awarding and the subsequent allocation of CIL monies received.

3.14 Regeneration Programme Boards

- a) Governance and delegated authority for implementing the Regeneration Programme shall be approved by Full Council
- b) Full Council shall approve the total budget and its funding for each Regeneration Programme
- c) Full Council shall approve the original Business Case for the investment and any subsequent proposed changes that would have a significant impact on the agreed Business Case. The individual project Boards act within the agreed budget and scope approved by Full Council.
- d) Individual schemes within approved Programme limits shall be approved by the Director of Place and Recovery in consultation with the Programme Board Chair and the S151 Officer.
- e) fficer.

4 FINANCIAL CONTROL

4.1 General

- a) All accounting systems, procedures and records shall be subject to the approval of the S151 Officer. Changes to or discontinuation of existing financial systems/procedures and the introduction of new financial systems shall also be approved by the S151 Officer.

- b) All accounts and reports shall be prepared in accordance with these Financial Procedure Rules and in conformity with any Government Regulations and CIPFA Codes of Practice and any other professional guidance held to represent best practice.
- c) Senior Leadership Team are responsible for specifying the budget requirements for their cost centres and should seek the advice of the S151 Officer, or nominated representative, to ensure that budgets are compiled in accordance with the financial policies agreed by the Council.
- d) Senior Leadership Team is responsible for the proper operation of financial processes within their functional areas.

4.2 Local Code of Governance

- a) The Senior Leadership Team is responsible for preparing a Local Code of Corporate Governance which is to be reviewed on a regular basis and at least every three years. The Audit Committee is responsible for approving the Local Code of Corporate Governance.

4.3 Annual Governance Statement

- a) The Council is required to publish an Annual Governance Statement at the end of each financial year, which is to be approved by the Audit Committee and signed by the Chief Executive and Leader. Senior Leadership Team shall annually declare and evidence that the internal controls within their functional area are regularly monitored and reviewed.

4.4 Internal Audit – South West Audit Partnership Ltd (SWAP)

- a) The general standards for Internal Audit shall be those of the Institute of Internal Auditors (IIA) in conjunction with Public Sector Internal Audit Standards (PSIAS).
- b) The South West Audit Partnership Ltd (SWAP) Chief Executive, or nominated Senior Officer Representative, will be the responsible Chief Internal Auditor (CIA) as agreed with the S151 Officer. The CIA shall compile an Annual Audit Plan in consultation with the S151 Officer & Senior Leadership Team, to be approved by the Audit Committee.
- c) The Chief Internal Auditor shall report audit findings and significant control risks, performance in delivering the Audit Plan, and an annual Audit Opinion to the S151 Officer, Senior Leadership Team, and the Audit Committee.
- d) To assist in the objectivity and independence of the South West Audit Partnership Ltd, all audit employees have:
 - authority to enter any Council premises or land
 - authority to access all Council records, documents and correspondence
 - receive explanations from employees and Members on any matter that they are reviewing or investigating
- e) Such authority will not be used unreasonably.
- f) All thefts and break-ins to Council property shall be reported to the South West Audit Partnership Ltd at the earliest possible opportunity.
- g) Where the Council enters into agreements with partners that involve financial grants or contributions from the Council, those agreements shall give the South West Audit Partnership Ltd authority to examine the financial accounts of the partner.
- h) Partnership Ltd authority to examine the financial accounts of the partner.

4.5 Treasury Management

- a) The S151 Officer is responsible for preparing annually a Treasury Management Strategy Statement (TMSS) setting out the main principles of treasury management to be followed, including Prudential Indicators and other relevant performance measures. Audit Committee is responsible for reviewing the TMSS before Full Council approves it. Revisions to the TMSS or Prudential Indicators require Full Council approval.
- b) All Executive decisions on borrowing, investment or financing shall be delegated to the S151 Officer, who may delegate to appropriately trained Finance Officers in accordance with Treasury Management Practices. All employees are required to act in accordance with the CIPFA Code of Practice for Treasury Management in Local Authorities and the Council's Treasury Management Strategy Statement, and comply with the Treasury Management Practices.
- c) The S151 Officer shall review the TMSS mid-year and recommend any changes to Full Council. The S151 Officer shall also provide a Treasury Management activity monitoring report mid-year, and an annual report by no later than 30th June to the Audit Committee and by the 30th September to Full Council.
- d) All investments and borrowing shall be made in the name of the Council or its approved nominees.
- e) All financial balances in the possession of the Council shall be controlled by the S151 Officer.

5 CONTRACT PROCEDURE RULES

5.1 General

- a) All employees shall comply with the Contract Procedure Rules (Contract Standing Orders). These refer to the appropriate arrangements for purchasing works, goods and services, and include authority to approve/sign/amend contracts which commit the Council to expenditure and potentially related obligations. These also refer to payment made in advance of receipt of goods/services. Authorisation of individual invoice payment transactions – which certifies that invoices are correct and valid for payment – are covered under purchasing below.
- b) All employees when complying with the Contract Procedure Rules must also comply with these Financial Procedure Rules, for example, in respect of budget availability and authorisation, budget virements, and any SCO or transitional requirements.

6 PURCHASING

6.1 Payment of Invoices

- a) The S151 Officer shall make arrangements for the payments of all monies due from the Council, which shall comply with statutory provisions in force.
- b) Invoices to be paid shall not be made out to employees of the Council, except in any case or category of case agreed by the S151 Officer in advance. Employees shall not amend any invoices received but instead return to the supplier to provide an amended invoice if necessary. Copy invoices shall be clearly marked as such, and appropriate checks undertaken to confirm an original invoice has not been received or paid.

- c) Where an order has been raised for goods and services (see Contract Procedure Rules) the invoice must be matched with the order. In most circumstances, it is appropriate for an official order to be raised.
- d) All suppliers shall be asked to quote on all invoices the name of the group and section, the order number and the place where the work was done or goods delivered.
- e) No payment is to be made on the basis of a supplier's statement of account.
- f) Senior Leadership Team (or other delegated employees) shall be responsible for the verification and certification of all payments from their own budgets only. Certification means a manual signature or a computerised authorisation as required by the Council's E5 Financial Management System. The certification by, or on behalf of the Senior Leadership Team shall be regarded as an assurance that:
- value has been received and accounted for in the opinion of the Senior Leadership Team
 - expenditure complies with the Contract Procedure Rules and Financial Procedure Rules in force at the time
 - the document presented to support the payment is correctly priced and the invoice has not been previously passed for payment
 - all trade and prompt payment discounts have been deducted (where appropriate)
 - VAT has been properly accounted for in accordance with the HM Revenues and Customs regulations applicable at the time
 - expenditure and income is posted to the appropriate nominal codes on Cedar to ensure that the financial system reflects the correct nature of the expenditure/income incurred
- g) Where the same person raises the order and authorises the payment, a second person shall input details of the transaction into the Council's E5 Financial System.
- h) Senior Leadership Team can authorise any payments within their area of responsibility, and are allowed to delegate payments of up to £100,000 to their supporting officers. Delegations above this amount require the written approval of the S151 Officer.
- i) A list of those employees authorised to certify all types of expenditure (including those authorisers via the Council's E5 Financial System) shall be prepared and signed by the relevant Senior Leadership Team member / Manager and copies forwarded to the S151 Officer. The database of authorised employees shall be kept fully up to date by the Directors/Managers and all changes notified as soon as possible.
- j) Where invoices are authorised on line via the Council's Financial System the authoriser shall ensure the due date is in accordance with the invoice terms or the Council's payment policy. This requires that all undisputed invoices for goods and services supplied should be paid within 10 working days of their receipt by the Council.
- k) Invoices shall all be stored electronically in a specified folder ready for importing the image into the E5 system.
- l) As soon as possible after 31 March each year, Senior Leadership Team shall notify the Financial Services Team of all outstanding expenditure relating to the previous financial year. When such expenditure is subsequently certified for payment it shall be identified as required by the S151 Officer.
- m) The S151 Officer shall publish detailed closedown procedures each year.

6.2 Corporate Credit Cards

- a) The S151 Officer is required to authorise the issue of a corporate credit card. The card shall only be used for business purchases. Receipts for all transactions shall be passed to Support Services-Finance for reconciliation to the monthly statements.

6.3 Procurement Cards

- a) The issue and use of a procurement card shall be in accordance with the Procurement Card Rules as approved by the S151 Officer.

7 PAYROLL SERVICES

7.1 Appointment of Employees

- a) The appointment of all employees shall be made in accordance with approved Employment Policies and Procedures. Recruiting managers must ensure there is sufficient budget to fund the appointed position, to be certified by a Finance Specialist, and submit to the People Managers Forum for consultation and approval.

7.2 Amendments to Payroll

- a) Senior Leadership team shall notify the Lead Specialist – People as soon as possible, in the prescribed form, of
 - all appointments, promotions, resignations, retirements, dismissals and suspensions from duty
 - all transfers between services within the control of the Senior Leadership Team
 - all periods of sickness and absence, except normal annual leave
 - all changes in remuneration of employees, except normal increments
 - all payments for compensation and any other emoluments to any employee
 - such other information as may be required by the Lead Specialist People in connection with the calculation and payment of pay related expenditure
 - All leavers should be immediately reported to the Lead Specialist Digital Change to enable their access to be cancelled on the financial system
 - Senior Leadership Team is also required to contact the Lead Specialist Digital Change and the Revenues Specialists to identify if there is any outstanding debt owing to the Council – if this is the case, the Director Support Services & Strategy shall then instruct payroll to deduct any debt from the last salary payment
 - The Financial Systems support team will at least once a year circulate an up to date list of Cedar users and access levels to the Senior Leadership Team, who will be required to sign and return this list, noting any amendments

7.3 Other Payments

- a) All travelling, subsistence, financial loss, and any other reimbursements to employees shall be paid through the payroll system and in accordance with the detailed arrangements required by the S151 Officer and approved by the Council. In special cases a payment can be made through BACS.
- b) All travelling claims from both Officers and Members shall be submitted on the appropriate form monthly to payroll by the 5th working day of the month, together with appropriate VAT receipts to cover the mileage claimed. All high mileage claims over 300 miles per month shall be submitted monthly, claims under 300 miles per month shall be submitted at least quarterly.

- c) All payments for allowances, travel and subsistence etc. to elected Members shall be paid through the payroll system and in accordance with the detailed arrangements required by the S151 Officer and approved by the Council.

7.4 Timesheets

- a) All timesheets and records for overtime, expenses etc. shall be in a form approved by the Director Support Services & Strategy. All claims shall be submitted at least quarterly. Any claims submitted outside of this time limit (without the approval of the Chief Executive) will not be paid.
- b) The standard procedure for employees leaving the Council, or transferring to another post shall be followed in all cases. These procedures are laid down in Employment Policies and Procedures.

8 BANKING ARRANGEMENTS

8.1 General

- a) All arrangements with the Council's bankers concerning the Council's bank accounts and partnership accounts which the Council manages on behalf of any partnership, and the issue and deposit of cheques shall be made through the S151 Officer.
- b) The S151 Officer shall be authorised to operate such subsidiary bank accounts as deemed necessary.
- c) Any overdraft on the Council's bank accounts shall be kept within the limits set out in the Treasury Management Strategy Statement. Bank accounts shall be reconciled by the S151 Officer at intervals no longer than one month and kept up to date.

8.2 Cash and Cheques Received

- a) All monies received on behalf of the Council shall, without delay, be banked in the Council's name in accordance with the instructions of the S151 Officer. Post-dated cheques will not be accepted.
- b) There shall be separation of duties between receiving and paying out monies. Employees who collect cash shall not be involved in the maintenance of cash and deposit books or other financial records in respect of that cash. This requirement can only be excepted on the written approval, in advance, of the S151 Officer.
- c) Post that may contain income shall be subject to control by not less than two persons from the point of delivery through to the receipt of a signature at the cash desk. The S151 Officer will issue detailed written instructions for the handling of postal income and these instructions shall be adhered to at all times.
- d) Where a person or body claims to have made a payment which has not been credited to their account, a Support Services Case Officer, or in his/her absence Support Services Case Team Leader, shall follow the agreed procedure immediately.
- e) All copies of cancelled receipts shall be retained for inspection.
- f) Managers are responsible for ensuring the control, monitoring and regular banking of daily receipts arising from cash collection points under their control. The S151 Officer will provide detailed procedure notes which shall be adhered to at all times.

8.3 Money Laundering

- a) The Council has a nominated Money Laundering Responsible Officer (MLRO). The MLRO is the S151 Officer.
- b) Any transaction involving an unusually large amount of cash should cause questions to be asked about the source. This may particularly be the case where cash paid exceeds the amount needed to pay the transaction and a refund is requested but not in cash form. Any suspicious transaction in cash over £10,000 should be directly reported to the Money Laundering Responsible Officer and Money Laundering procedures followed.
- c) Appropriate money laundering checks must be carried out in respect of any property or assets purchased from the Council. Any suspicious transaction shall be reported to the Money Laundering Responsible Officer.

8.4 Payments by Direct Debit

- a) All agreements with banking organisations regarding direct debits shall be approved by the S151 Officer.
- b) Any telephone lines used to transmit confidential banking information regarding the Council's customers shall meet security standards approved by the Lead Specialist Digital Change. The Lead Specialist Digital Change shall ensure that direct debits requested from banks are made on the dates specified by the Support Services Team Leader.

8.5 Direct Debits and Cheques Paid

- a) All cheques and direct debit mandates drawn on bank accounts of the Council shall:
 - be signed only by the S151 Officer or other employee authorised by the S151 Officer
 - bear the name of the S151 Officer as produced by approved systems where this has been specifically agreed by the S151 Officer
- b) The S151 Officer shall arrange for such safeguards as are deemed necessary and practicable, including the separation of duties, so that as far as possible the following procedures are the responsibility of separate employees:
 - the checking of creditors' accounts
 - the control of cheques
 - the preparation of cheques
 - the signature of cheques
 - authorisation procedures for electronic payments (BACS, CHAPS)
 - the entry of the cash account
 - the reconciliation of bank balances

8.6 Handling of Cheques

- a) The Support Services Team Leader shall ensure the list of outstanding cheques is examined at least monthly and reasons sought for cheques that have not been cashed. Cheques, which have not been cashed six months after the date of issue, shall be cancelled.

9 INCOME MANAGEMENT

9.1 Income Collection

- a) Arrangements for the collection of all monies due to the Council shall be subject to the control or approval of the S151 Officer.
- b) Managers shall maintain such information in connection with the work done, goods supplied or services provided so that a correct record of all sums due is maintained. Wherever possible income due should be collected in advance. Managers shall ensure that individual customer debtor accounts are raised as soon as possible but no later than five working days from the delivery of goods or provision of services, unless specified terms have been agreed by the S151 Officer.
- c) Monthly and where appropriate quarterly accounts should be produced five working days after the month or quarter's end. Managers shall record promptly, within the Council's Sundry Debtor System, all money due to the Council. The records shall include details relating to contracts, leases and other agreements and any arrangements entered into which involve the periodic receipt of money by the Council.

9.2 Setting Fees and Charges

- a) In line with the budget setting timetable all fees and charges shall be reviewed annually by each Senior Leadership Team member / Manager in consultation with the S151 Officer. All changes to such charges shall be agreed in advance with the S151 Officer and recorded annually within the Fees and Charges Register. The Register will be published on the Council's website and it is the responsibility of each Senior Leadership Team member / Manager to notify the S151 Officer of any changes made in addition to the annual review.

9.3 Writing Off of Debts

- a) Any debts written off shall be in accordance with procedures approved by District Executive, and shall be approved in line with the following delegations. These delegations only apply when sufficient resources are held to write off the debt in the bad debt provision. If sufficient resources are not held to write off the debt then the S151 officer will submit a report to District Executive / Council for approval.

Income Type	Limits	Authority to Approve Write-Offs
All Income types	£0 system balance	Customer Focus or Case Officer
	£0.01 to £500	Revenues Case Officer (Grade 3 / 4) – (recovery costs only)
	£0.01 to £1,000	Revenues Case Officer (Grade 5) / Finance Specialist / Support Services Team Leader
	£1,000.01 to £10,000	Revenues Specialist / Team Leader / Lead Specialist – Finance
	£10,000.01 to £24,999.99	Lead Specialist – Finance
	>£25,000	S151 Officer

- b) The recovery of all debts shall be in accordance with the Income Management Policy approved by the District Executive and supporting procedures agreed by the S151 Officer. It is the responsibility of Senior Leadership Team / Managers to adhere to policy and procedures, and ensure income due is collected.

- c) Managers shall be responsible for accounting for VAT on income, fees and charges in accordance with the Regulations of HM Revenue and Customs. The S151 Officer shall advise those managers of any changes to the Regulations.

9.4 Cash Floats and Petty Cash

- a) Where cash floats, petty cash or cash remittances are held, Managers shall ensure that cash holdings and receipts should be regularly reconciled and recorded to evidence monitoring and minimise the risk of cash differences.

9.5 Imprest Accounts

- a) The Support Services Team Leader is responsible for the arrangements for Imprest Accounts. Guidance notes will be issued and employees in control of Imprest Accounts shall follow the correct procedures at all times. Managers shall ensure that all monies authorised for reimbursement in an Imprest Account are accounted for in accordance with the guidance notes.

10 RISK MANAGEMENT AND INSURANCES

10.1 Risk Management

- a) The Lead Specialist – Procurement Performance and Change will prepare the authority's Risk Management Policy for the approval of the District Executive. Audit Committee scrutinises and monitors the effectiveness of risk management and internal control arrangements to obtain assurance on their effectiveness. A system of regular review and dialogue with Senior Leadership Team / Managers and relevant stakeholders is maintained to identify and drive evaluation of all significant risks to the authority in the planning and delivery of services.
- b) A consolidated risk register will be maintained by the Lead Specialist – Procurement Performance and Change and is published and accessible to all employees. All risks which are considered relevant in respect of their potential impact on the activities of the Council will be recorded on the register.
- c) Senior Leadership Team is responsible for identifying, assessing and managing all risks in respect of their functions and business plan delivery, and will obtain assurance from named risk owners that risks are evaluated and managed to ensure the achievement of the business plan.
- d) Risks will be identified by:
- A system of regular facilitated reviews, workshops, and ongoing dialogue with the Senior Leadership Team and relevant stakeholders
 - Audit reviews
 - Senior Leadership Team
- e) The Lead Specialist – Procurement Performance and Change will provide risk management reports to SLT quarterly and to the Audit Committee twice yearly.

10.2 Insurances

- a) The S151 Officer shall make arrangements for approved insurance cover, maintaining adequate records and negotiating claims with the Council's insurers.

- b) Senior Leadership Team shall advise the Insurance Case Services Officer of the extent and nature of all new risks where insurance may not exist or may be inadequate.
- c) The S151 Officer can authorise payments of small claims from self-insured funds of up to £2,000.
- d) The S151 officer shall review insurance cover annually,
- e) The Insurance Case Services Officer shall keep Senior Leadership notified as to the nature and extent of the various risks that are covered or left exposed.

10.3 Notification of Loss

- a) Senior Leadership Team / /Managers shall notify immediately the Insurance Case Services Officer, in writing, of any loss, liability or damage or any event likely to lead to a claim in connection with their areas of responsibility.
- b) All employees of the Council shall be included in a fidelity guarantee policy.

10.4 Car Allowances

- a) Recipients of car allowances shall provide Payroll with copies of policies or premium receipts as may be necessary to ensure adequate cover against any liability of the Council arising from official use of their vehicle.

11 STOCKS, STORES, FURNITURE AND EQUIPMENT

11.1 General

- a) Managers shall be responsible for the care and physical control of all stocks, stores, furniture, plant and equipment in their custody.

11.2 Write Offs

- a) Any items of stocks, stores, plant or equipment to be written off shall require the certification of the relevant Senior Leadership team member or an employee nominated by a Manager. The certification shall be in writing and details notified to the S151 Officer as soon as possible.

11.3 Stock Checks

- a) All stocks of goods held as stores, or for resale, shall be subject to stock check annually. Managers, shall certify a certificate of the value held at 31 March each year at cost and the certificate forwarded to the S151 Officer within 10 days of the year end. The minimum level for year-end stock certificate being returned to Support Services Finance is £1,000.

11.4 Corrections

- a) Correction of deficiencies and surpluses on stocks and stores accounts shall be in accordance with the procedures laid down by the S151 Officer.

11.5 Disposal of Surplus Furniture & Equipment (including personal computers)

- a) Prior to disposal Property Services shall offer the surplus furniture or equipment to other services within the organisation at no cost. Only when there is no organisational need to retain the equipment can it be disposed of ensuring value for money is received.

- b) All redundant ICT equipment including mobile telephones and related items shall be returned to Support Services ICT who will return to stock or dispose of securely.
- c) Managers shall amend inventories to reflect disposals and acquisitions.

11.6 Inventories

- a) Managers shall be responsible for ensuring proper maintenance of inventories of plant, equipment and the means for prompt and efficient identification of each item for the purposes of insurance claims or claims under suppliers' guarantees. The information shall be recorded in the format specified by the S151 Officer.

12 CAR LOANS AND LEASED CARS

- a) All loans and leases for the provision of motor vehicles shall be administered in accordance with the scheme approved by the District Executive.

13 BUILDINGS, LAND AND PROPERTY

13.1 Asset Register

- a) The S151 Officer shall maintain a full and accurate register of all Council Property, Plant and Equipment and other Long Term Assets for the purpose of maintaining accurate balance sheet records and calculating capital charges in accordance with relevant Codes of Practice.
- b) The Commercial Property, Land and Development Manager shall ensure all land and property assets are fully and accurately recorded in a suitable property asset register / asset management system.
- c) If the property system and accounting asset register are separate systems, it is the responsibility of the Commercial Property, Land and Development Manager and the Lead Specialist – Finance to ensure these are reconciled regularly including as at 31 March each year to evidence accounting balances in the Balance Sheet.

13.2 Land and Property Transactions

- a) All arrangements for the acquisition or disposal of land and buildings shall be in accordance with approved governance arrangements such as Disposal Assessment Group (DAG), Strategic Development Board (SDB) and Regeneration Programme Boards (RPBs) or otherwise in accordance with the Scheme of Delegation and these Rules. Acquisitions and disposals, including the Council's existing investment for yield portfolio, may involve freeholds, leaseholds or other forms of tenure, gifts, and other property rights and obligations.

13.3 Acquisitions

- a) The following levels of delegation and procedures apply:

	Business Case Assessment By	Values	Approval By
New Property acquisition	S151 Officer, Commercial Property, Land and Development Manager, and relevant Portfolio Holder	Any	District Executive recommendation to Full Council

Note: likely to require specific consent under the section 24 direction

13.4 Sales

- a) The following levels of delegation and procedures apply:

	Business Case Assessment By	Values	Approval By
Property disposal	Disposal Assessment Group (DAG) in consultation with the s151 Officer and the relevant Portfolio Holder	Up to £50,000	Commercial Property, Land & Development Manager in consultation with relevant Director or Portfolio Holder
		>£50,000	District Executive
Asset Transfers to Registered Social Landlords – for social housing or associated parking	Disposal Assessment Group (DAG), and agreement of S151 Officer and Portfolio Holder (Strategy and Policy)	Up to £250,000	Chief Executive
		>£250,000 and within approved Policy and Budget	Chief Executive
		>£250,000 and outside approved Policy and Budget	District Executive
Community Asset Transfers	Disposal Assessment Group (DAG)	Within CAT Policy	Chief Executive
		Outside CAT Policy	District Executive

Note: likely to require specific consent under the section 24 direction

- b) In respect of receipts from sale of assets where values are less than £10,000: net proceeds credited to the appropriate revenue budget.

13.5 Leases, rentals and other dealings with property

- a) The Commercial Property, Land and Development Manager (or delegated representative) shall, in the absence of any specific conditions or exemptions agreed by the District Executive and these Financial Procedure Rules, have authority to undertake the following in consultation with the relevant Director, or Portfolio Holder, where the value of the consideration, rent, licence fees, easement or wayleave payment in each case does not exceed £100,000 annually for Non-Investment and is in accordance with the District Valuer (or other RICS professional) valuation, and operates within approved budgets:-

- the agreement of all monthly tenancies

- the agreement of all licences
- the conducting and agreement of all rent reviews, including rent free periods
- the agreement of all lease renewals
- new leases where tenancy of existing freehold/leasehold owned property changes
- the agreement of lettings
- the agreement of all easements and wayleaves
- the agreement of all changes of use
- the agreement of all compensation claims where there is budgetary provision
- the agreement of all releases/variations of covenants

13.6 Condition Surveys

- a) The Commercial Property, Land and Development Manager 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. Survey details are to be recorded in appropriate systems and work programmes prepared in accordance with priorities set out in the Property Repairs and Maintenance Policy.

13.7 Asset Management Plans

- a) The Commercial Property, Land and Development Manager shall maintain an Asset Management Plan in respect of the Council's land and property portfolio. The Plan must detail the actions to be monitored by the Commercial Property, Land and Development Manager.
- b) The Commercial Property, Land and Development Manager shall advise the Council on alternative uses of land and property as best serves the Council's interests at the time.
- c) The Commercial Property, Land and Development Manager shall ensure that all leases are kept up to date and rents due are revised at the appropriate time.

13.8 Custody of Deeds and Documents

- a) The Lead Specialist – Legal 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.

13.9 Security

- a) Senior Leadership Team shall be responsible for ensuring the proper security at all times for buildings, stocks, stores, furniture, equipment, cash and information held on files. Senior Leadership Team shall consult with the relevant Manager in any instance where security is thought to be defective or where it is considered that special security arrangements may be needed, or where circumstances suggest the possibility of any irregularity.
- b) Senior Leadership Team shall ensure that there are appropriate arrangements for the control of all door, safe and cabinet keys held within their areas of responsibility. There shall be independent control of all receipt forms, cheques, tickets, store notes, order forms or similar documents and it shall be the responsibility of the appropriate Senior Leadership Team member to ensure that all such items are serially numbered and controlled.

14 LOANS POLICY

- a) The Council should only provide small loans to outside bodies where alternative forms of borrowing are not available or at prohibitive costs. The loans will only be made to outside bodies that operate from within the South Somerset District geographical area and are either registered charities, public sector, or not for profit organisations.
- b) All loan agreements will either be charged on the property to which they relate (like a mortgage) or a guarantee will be required from a surety which could be an individual, group of individuals or body.
- c) The maximum repayment period will be 10 years and all loans will be repaid on a repayment basis so that the loan is repaid across the loan period at instalment rates approved in advance (i.e. in the same way as mortgage repayments).
- d) Loans will be given at the appropriate PWLB rate for the period of the loan, or other prudent rate as determined by the S151 Officer in consideration of investment risk. The maximum amount of a loan to an outside body shall be £150,000.
- e) Approval of loans shall be by District Executive and a full appraisal submitted which shall include details of the security offered. In order to qualify for a loan, the outside body shall also submit a Business Plan to the S151 Officer covering the period of the loan.
- f) For small loans of £5,000 or less the approval procedure may be delegated to the area portfolio holders, in consultation with the relevant Managers. The interest rate will be the relevant PWLB rate, or other prudent rate as determined by the S151 Officer in consideration of investment risk, and the loans should be guaranteed by the Town or Parish Council, or similar trustees.
- g) Any loans agreed outside of the loans policy shall be agreed by Full Council.

15 EXTERNAL ARRANGEMENTS

15.1 Partnerships

- a) In leading the community and entering into partnerships the Council will seek to achieve the promotion or improvement of the economic, social or environmental wellbeing of its area.
- b) The main criteria for SSDC entering into a partnership are:
 - to provide improvements in service delivery
 - to provide efficiency in the costs of service provision
 - to share risk
 - to achieve specific corporate priorities
- c) A partnership is defined as a formal working arrangement involving one or more independent bodies, from any sector, who pool resources and share responsibility for agreeing and then delivering a set of planned actions and outcomes. A formal agreement is made by all partners to work together for specific outcomes.
- d) Partners may participate by:
 - acting as a deliverer or sponsor, solely or jointly with others
 - acting as a funder or part funder

- being the beneficiary group (or part thereof) of the activity undertaken in a partnership
- e) The District Executive is responsible for determining and agreeing all key partnerships. Senior Leadership Team is responsible for agreeing all substantial and minor partnerships. At inception a review period must be agreed and any associated delegation arrangements approved by District Executive if a key partnership or by the appropriate Senior leadership Team member if a substantial or minor partnership.
 - f) All partnerships must be reviewed annually and reported by the appropriate Senior Leadership Team member to the relevant committee (either District Executive or Area Committee). All partnerships must be included within the Partnership Register and updated annually by the Senior Leadership Team.
 - g) Senior Leadership Team and Portfolio Holders shall consider and make provision for any overall corporate governance issues and shall ensure account is taken of any legal issues when arranging contracts with external bodies. They shall ensure that risks have been fully appraised before agreements are entered into with external bodies.
 - h) The governance arrangements of all key and significant partnerships require approval of the statutory officers.
 - i) All key partnerships have a requirement to produce, maintain, and monitor a shared risk register.
 - j) The same high standards of conduct that apply throughout the authority shall be maintained in partnerships, and representatives to partnerships should exercise these same high standards.
 - k) The S151 Officer shall ensure that accounting arrangements to be adopted in relation to partnerships and joint venture companies are satisfactory and compliant with relevant regulations and Codes of Practice.
 - l) Regular monitoring arrangements must be in place. For key partnerships monitoring must be reported regularly to the District Executive and other partnerships (substantial and minor) to the Area Committees. This can be carried out through the quarterly budget monitoring reports as a minimum.
 - m) Senior Leadership Team and Portfolio Holders are responsible for ensuring that appropriate Council approvals are obtained before concluding negotiations in relation to work with external bodies.

15.2 External Funding

- a) The S151 Officer in consultation with the relevant Senior Leadership Team member or Portfolio Holder is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts and budgets. Each Senior Leadership Team member and Portfolio Holder is responsible for informing the S151 Officer promptly about such funding. Where such income is receivable against a grant claim the relevant Senior Leadership Team member or Portfolio Holder shall provide written confirmation to the S151 Officer that all output and other grant requirements have been properly and fully met.

15.3 Grants to Outside Bodies

- a) The District Executive or relevant Area Committee shall approve all grants and other assistance to external bodies, except where such annual assistance in total is less than £1,000 in value to any one body and there is budgetary provision for such assistance. It

must not form a commitment of future year's annual budget Where the total value per annum to any one body is below £1,000 the relevant Senior leadership Team member or Portfolio Holder may approve such assistance subject to the requirements of these Financial Procedure Rules being met. Where the total value per annum to any one body is below £1,000 the relevant Senior Leadership Team member may delegate the approval to the appropriate designated officer, again subject to the requirements of these Financial Procedure Rules being met.

- b) The District Executive may approve a framework for the administration of any specified class of grant and assistance under that committee's control over the value of £1,000 by a relevant Senior Leadership Team member for the efficient conduct of business, subject to the agreed framework and meeting the other requirements of these Financial Procedure Rules.
- c) Reports seeking approval to assist an outside body by grant or other assistance in kind shall provide assurance that the following requirements have been met or will be met, to ensure that the Council's interests are protected before any grant or assistance is actually made:
 - the receiving body has been properly identified, has suitable lead parties, a defined work area/purpose, and suitable trust documents/constitution
 - any conflicts of interest have been declared and properly managed
 - any risks to such agreements and the Council's interests are being adequately and appropriately managed
 - it will be possible to confirm the proper use of the Council's assistance
 - the assistance contributes to the delivery of the Council's services or achievement of the Council's corporate objectives
 - the extent and purpose of the assistance have been properly identified
 - arrangements for the repayment of any loans have been made
 - arrangements to gain repayment/recovery for the value of the assistance are in place in the event of default by the recipient
 - any specific conditions relating to the assistance are identified
 - monitoring arrangements are to be set in place to ensure the assistance is used for the purpose approved
 - the recipient will provide evidence to the Council demonstrating proper accounting for, and use of the assistance, including, for assistance over £1,000 in value, access to the accounts of the body for S151 Officer, or designated representative and to supporting information, documents and evidence
 - a legally binding agreement is in place between the Council and the body covering the above conditions relating to the use of grant or other assistance
- d) Full records will be maintained of all grants and related applications for assistance, which should identify which staff are involved in the processing of applications and grants, and record the date of approval of any grant or other assistance and by whom, and any other relevant transaction information.

16 BREACHES OF FINANCIAL REGULATIONS

- a) Where a failure to comply with these regulations is identified the matter should be brought to the immediate attention of the S151 Officer and the Chief Internal Auditor (Assistant Director, South West Audit Partnership).
- b) A report shall be made to the S151 Officer for minor breaches and to the District Executive or Audit Committee where the S151 Officer and the Chief Internal Auditor (Assistant Director, South West Audit Partnership) consider the matter to be of significance.

Appendix A

Guidance on Interpretation – Officer Contacts

Section	Financial Regulation	Contact Officer
1	LOCAL GOVERNMENT REORGANISATION	Section 151 Officer
2	FINANCIAL GOVERNANCE	Section 151 Officer
3	REVENUE AND CAPITAL BUDGETS	Section 151 Officer
4	FINANCIAL CONTROL	
4.1	General	Section 151 Officer
4.2	Statement of Internal Control/Statement of Governance	Section 151 Officer
4.4	South West Audit Partnership	Assistant Director-SWAP
4.5	Treasury Management	Finance Specialist
5	CONTRACT PROCEDURE RULES	
5.1	General	Specialist - Procurement
6	PUCHASING	
6.1	Payment of Invoices	Support Services Case Team Leader
6.2	Corporate Credit Cards	Section 151 Officer
6.2	Procurement Cards	Procurement Specialist
7	PAYROLL	
7.1	Appointment of Employees	Lead Specialist - People
7.2	Amendments to Payroll	Lead Specialist - People
7.3	Other Payments	Lead Specialist - People
7.4	Timesheets	Lead Specialist - People
8	BANKING ARRANGEMENTS	
8.1	General	Section 151 Officer
8.2	Cash and Cheques Received	Support Services Case Team Leader
8.3	Money Laundering	Assistant Director-SWAP
8.4	Payments by Direct Debit	Support Services Case Team Leader
8.5	Direct Debits and Cheques Paid	Support Services Case Team Leader
8.6	Handling of Cheques	Support Services Case Team Leader
9	INCOME MANAGEMENT	Specialist – Finance
10	RISK MANAGEMENT AND INSURANCES	
10.1	Risk Management	Specialist - Procurement
10.2	Insurances	Insurance Case Services Officer
10.3	Notification of Loss	Insurance Case Services Officer
10.5	Car Allowances	Insurance Case Services Officer
11	STOCKS, STORES, FURNITURE AND EQUIPMENT	
11.1	General	Specialist – Finance
11.2	Write Offs	Specialist – Finance
11.3	Stock Checks	Specialist – Finance
11.4	Corrections	Specialist – Finance
11.5	Disposal of Surplus Furniture and Equipment	Specialist – Finance
12	CAR LOANS AND LEASED CARS	Specialist – Finance
13	BUILDINGS, LAND AND PROPERTY	
13.1	Asset Register	Commercial Property, Land and Development Manager
13.2	Land and Property Transactions	Lead Specialist – Finance / Commercial Property, Land and Development Manager
13.6	Condition Surveys	Commercial Property, Land and Development Manager

13.7	Asset Management Plans	Commercial Property, Land and Development Manager
13.8	Custody of Deeds	Lead Specialist - Legal
13.9	Security	Director Commercial Services and Income Generation
14	LOANS POLICY	Lead Specialist – Finance
15	EXTERNAL ARRANGEMENTS	
15.1	Partnerships	Lead Specialist – Finance
15.2	External Funding	Lead Specialist – Finance
15.3	Grants to Outside Bodies	Lead Specialist – Finance
16	BREACHES OF FINANCIAL REGULATIONS	Section 151 Officer or Assistant Director-SWAP