

## **COUNCIL AGENDA**

### **To:- The Members of the Staffordshire County Council**

Notice is given that the meeting of the Staffordshire County Council will be held in the Council Chamber, County Buildings, Stafford at 10.00 am on Thursday, 21 July 2011 to deal with the matters set out on the agenda.

Nick Bell  
Chief Executive  
13 July 2011

## **AGENDA**

(Note: The meeting will begin with prayers)

### **PART ONE**

#### **General Housekeeping and Declaring Interest**

1. **Apologies for absence (if any)**
2. **Declarations of Interest under Standing Order 16**
3. **Confirmation of the minutes of the Annual Council meeting held on 12 May 2011**  
(Pages 3 - 14)
4. **Chairman's Correspondence**

The Chairman will mention a range of recent items of news which may be of interest to Members

5. **Statement of the Leader of the Council** (Pages 15 - 20)

The Leader will inform the Council about his work and his plans for the Council, and will give an overview of decisions taken by the Cabinet (and Portfolio Holders) since the previous meeting of the Council

6. **Questions**

Questions to be asked by Members of the County Council of the Leader of the Council, a Cabinet Member, or a Chairman of a non-Scrutiny Committee. The question will be answered by the relevant Member and the Member asking the question may then ask a follow up question which will also be answered

7. **Notices of Motion**

Mr. P.E.B. Atkins to move the following motion:-

“that the County Council recognises and endorses the efforts by local communities and voluntary groups, the business sector and public sector in making Staffordshire the safe, healthy and aspirational place to live that it is despite the economic challenges our country faces.

That Staffordshire is well placed to tackle the challenges which lie ahead in relation to an aging population, more individuals with long term health conditions, the need to reduce alcohol consumption whilst promoting healthier lifestyles and maintain recent successes in reducing crime and particularly the fear of crime”.

8. **Electoral Review of Staffordshire - response to the Boundary Commissions recommendations** (Pages 21 - 34)

Report of the Leader of the Council

9. **Review of Procurement Regulations and Financial Regulation** (Pages 35 - 138)

Recommendations of the Audit Committee

**10. Report of the Chairman of the:**

- a) Staffordshire Police Authority (Pages 139 - 142)
- b) Stoke-on-Trent and Staffordshire Fire and Rescue Authority (Pages 143 - 146)

**11. Petitions**

An opportunity for Members to present and speak on petitions submitted by their constituents

**12. Exclusion of the Public**

The Chairman of the Council will move the following motion so that the County Council can consider confidential business in private:-

“That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A (as amended) of the Local Government Act 1972 indicated below”.

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**PART TWO**

(All reports in this section are on pink paper)

Nil



### 1. Fire/Bomb Alerts

In the event of the fire alarm sounding, leave the building immediately, following the fire exit signs. Do not stop to collect personal belongings, do not use the lifts, do not re-enter the building until told to do so.

### 2. Attendance Record

Please sign the Attendance Record Book, which will be located at the top of the main staircase. Please ensure that the book is signed again in the afternoon if you are attending the adjourned Council meeting.

### 3. Mobile Phones

Please switch off all mobile phones before entering the Council Chamber.

### 4. Tea/Coffee

Refreshments will be available from 9.30 am.

### 5. Questions

Questions must be addressed to the Chairman, or to the Leader of the Council or to a Portfolio Holder or to the Chairman of a Committee. Notice in writing of any question must be delivered to the office of the Chief Executive at least three clear days before the relevant Meeting of the Council i.e. **by not later than midnight on Sunday, 17 July 2011**. All questions and answers will be circulated around the Chamber before the commencement of the meeting. The questioner will be invited to read out his/her question. Similarly, the person responding will read out the reply. The Chairman will then permit the questioner to ask one supplementary question on each question/answer. Further information on Questions can be found in Paragraph 8 of Section 11 of the Constitution.

**NB. Under the new arrangements approved by the Council on 20 May 2010, questions for the County Council meeting on 13 October 2011 must reach the Chief Executive by not later than midnight on Sunday, 9 October 2011.**

### 6. Notices of Motion

A Notice of Motion must reach the Chief Executive nine clear days before the relevant Meeting of the Council, i.e. **by not later than midnight on Monday, 11 July 2011**. Further information on Notices of Motion can be found in Paragraph 11 of Section 11 of the Constitution.

**NB. Under the new arrangements approved by the Council on 20 May 2010, Notices of Motion for the County Council meeting on 13 October 2011 must reach the Chief Executive by not later than midnight on Monday, 3 October 2011.**

## **GUIDANCE ON DECLARING PERSONAL AND PREJUDICIAL INTERESTS AT MEETINGS - WHAT SHOULD YOU SAY**

### **DEFINITION OF WHAT IS A PERSONAL OR PREJUDICIAL INTEREST**

**A PERSONAL INTEREST** is one where your well-being or financial position, or those of a relative or a friend would be affected by the decision.

You automatically have a personal interest if you have given notice in the Register of Members' Interests under Paragraph 14 and 15, eg. if you are a School Governor appointed by the Council.

**A PREJUDICIAL INTEREST** is where a member of the public knowing the facts would reasonably regard the interest as so significant that it would prejudice your judgement of the public interest.

### **WHAT SHOULD YOU SAY?**

If you have a **PERSONAL** interest you can stay but you must disclose its existence and its nature to the meeting.

An example of what you should say

*"I have a personal interest in item number..... on the agenda. The interest is ....."*

If you also have a **PREJUDICIAL** interest you must withdraw from the room when the matter is being discussed.

An example of what you should say

*"I have a personal and prejudicial interest in item number..... on the agenda. The interest is ..... I shall leave the room when that matter is being discussed"*

### **PLEASE MAKE IT CLEAR WHETHER IT IS A PERSONAL OR PREJUDICIAL INTEREST.**

It would be helpful if, prior to the commencement of the meeting, members informed Democratic Services Unit of any declarations of interest, of which they are aware. This will help in the recording of the declarations in the minutes of the meeting.

### **DECLARING INTERESTS AT FULL COUNCIL**

The Code of Conduct only requires that personal interests (or personal and prejudicial interests) are declared where the matter to which the interest relates is being considered. Some items will be mentioned in the papers for Full Council but are not actually being considered by Full Council. In particular, some items are mentioned in the Leader's Statement as having been dealt with in Cabinet but are not actually mentioned or discussed at full Council. In such circumstances the Monitoring Officer's advice to members is that there is no need to declare an interest unless the particular matter is mentioned or discussed. As a general rule, members only need to declare an interest at full Council in the following circumstances:

- Where a matter is before the Council for a decision and/or
- Where the matter in which the member has an interest is specifically mentioned or discussed at the Council meeting.

## Minutes of the County Council Meeting held on 12 May 2011

Present:

Attendance		
Ben Adams	Veronica Downes	Geoffrey Martin
Paul Atkins	Ray Easton	Mike Maryon
Philip Atkins	Brian Edwards	Mary Maxfield
Ray Barron	Matthew Ellis	Geoff Morrison
Lee Bates	John Francis	David Nixon
Erica Bayliss	Bob Fraser	Jeremy Oates
Brian Beale	Gill Heath	Michael Oates
John Bernard	Mark Heenan	Ian Parry
David Billson	Derrick Huckfield	Kath Perry
Len Bloomer	Christina Jebb	Rex Roberts, OBE
Henry Butter	Ivan Jennings	John Rowley
Frank Chapman	Phil Jones	Liz Staples
John Cooper	Philip Jones	Stephen Sweeney
Tim Corbett	Kathy Lamb	Simon Tagg
Pat Corfield	Mike Lawrence	Steve Tranter
Dylis Cornes	Ian Lawson	John Wells
Peter Davies	Frank Lewis, MBE	Alan White
Derek Davis, OBE	Geoff Locke	Mark Winnington
William Day	Robert Marshall	

Apologies for absence: Janet Eagland, Terry Finn, Steve Povey and Robert Reade

### PART ONE

#### 1. Election of Chairman of the Council for the ensuing year

Mr. H. Butter proposed, and Mrs. V.M. Downes seconded, that Mr. F.W. Lewis be elected Chairman for the ensuing year.

**RESOLVED** – That Mr. F.W. Lewis be elected Chairman of the County Council for the ensuing year.

#### 2. Declarations of Interest under Standing Order 16.5

The following member declared an interest in accordance with Standing Order 16.5:-

Member	Minute Number	Interest	Reason
M. Maryon	76	Personal	Member of Checkley Parish Council

### **3. Confirmation of the minutes of the Council meeting held on 17 March 2011**

**RESOLVED** - That the minutes of the meeting held on 17 March 2011 be confirmed.

### **4. Election of the Vice-Chairman of the Council for the ensuing year**

Mrs. L. Staples moved, and Mr. T. Corbett seconded, and it was:-

**RESOLVED** – That Mr. R. Fraser be appointed Vice-Chairman of the County Council for the ensuing year.

### **5. Chairman's Correspondence**

#### **County Councillors Barrie Mycock and Peter Beresford and Alderman Herbert Derrick Brookes**

The Council were informed of the recent death of County Councillors Barrie Mycock and Peter Beresford and Alderman Herbert Derrick Brookes.

Mr. Mycock had represented the Churnet Valley County Electoral Division on the County Council since his appointment to the Council in June 2001. He had served on the former Social Services Scrutiny Committee and Regulatory and Audit Committee and was also a member of the Regulatory Committee, Partnership Scrutiny and Performance Panel, Staffordshire Health Scrutiny Committee, Social Care Scrutiny Committee, Regeneration and Infrastructure Scrutiny Committee and Audit Committee. Mr Mycock had also represented the County Council on the Stoke-on-Trent and Staffordshire Fire & Rescue Authority

Mr Beresford had represented the Burton Town County Electoral Division on the County Council since his appointment to the Council in 2005. He served on the Communities Scrutiny Committee, Social Care Scrutiny Committee and also the former Children and Young People Scrutiny and Performance Panel. He had also served on the County Council's Cabinet as the Lead Member for Children and Young People and as a representative of the County Council on the Staffordshire Police Authority.

Mr Brookes represented the former Burntwood Chase (Lichfield) County Electoral Division on the County Council between 1989 and 1999. He had served on the Education, Highways, Libraries, Arts and Archives, Policy and Resources and Police Committees. He was also Chairman of the Libraries, Arts and Archives Committee between 1992 and 1997, and was Chairman of the Cultural and Recreational Services Group Committee between 1996 and his resignation from the County Council in 1999.

Mr Brookes was made an Honorary Alderman of the Council in 1999.

Members paid tribute to the contribution made by Messrs. Beresford, Mycock and Brookes, and stood in silence in their memory.

#### **Renaissance Best of the West Awards 2011**

Members extended their congratulations to the Council's Heritage and Arts Service who had won two prizes in the Renaissance Best of the West Awards 2011.



A project run jointly by the heritage and arts service and the county council's prison library service won first prize in the Best Education Project category. The services worked together to deliver learning experience to young offenders in Staffordshire. It involved the county council's mobile museum visiting young offenders' institutions, benefiting 217 young people and 69 staff.

In the Best Exhibition category, Staffordshire won top prize for A Sense of Place at the Shire Hall Gallery. The exhibition, staged last summer, celebrated the diversity of Staffordshire. Local artists worked with school and college students and communities to produce textile postcards, photography, drawing, film and a sound installation. The exhibition attracted over 14,000 visitors.

A Young Curators Project, where four schools worked with local museums to develop touring displays, was runner up in the Best Exhibition on a Shoestring category. The displays created were exhibited at the schools, museums and libraries across Staffordshire.

### **Local Government Chronicle Awards 2011 – Innovation Award**

Members were informed that the County Council had recently won the Innovation Award at the Local Government Chronicle Awards 2011 for the W2R project. The aim of the Council's W2R initiative was to reduce the amount of waste going to landfill, as well as reducing waste management costs. The Council had decided to acquire a site suitable for a major 'energy from waste' facility and then get planning permission for a plant. This 'de-risked' the project for the contractor and thus saved two years in development time. Consequently, the new facility – which would also serve neighbouring authorities at Warwickshire, Walsall and Sandwell – would save Staffordshire £250m, while £400m would be saved in the West Midlands region as a whole.

### **ROSPA Occupational Health and Safety Awards**

Members were informed that the County Council's cleaning services unit had recently achieved the coveted 'Gold Medal' in the Occupational Health and Safety Awards. The prestigious prize was only presented to teams that had won the Royal Society for the Prevention of Accidents' (RoSPA) gold award for seven consecutive years.

### **Staffordshire Fire and Rescue Service Partnership Achievement Award**

Members noted that the Council's adult social care teams had been recognised by Staffordshire Fire and Rescue Service for working in partnership to reduce the risk of fire in the homes of older people and adults with disabilities. John Goosey, Service Delivery Lead - Older Peoples Programme, had won the Partnership Achievement Award for the development of the Olive Branch System and for his contribution to the development of a National Fire Service Older Peoples Strategy.

### **Members' Long Service Award**

County Councillor Philip Atkins was presented with a Long Service Award in recognition of his 24 years service to the County Council. Mr Atkins was first elected to the County Council on 7 May 1987 and had represented the Uttoxeter Rural County Electoral Division since that date. He also became Leader of the Council in 2009.

## **Stoke City Football Club**

The Chairman informed the Council that Mrs. Bayliss, the former Chairman, had written to the Chairman of Stoke City Football Club and the Lord Mayor of Stoke-on-Trent City Council to congratulate the Football Club on their historic FA Cup final and to wish them success in their match against Manchester City FC.

### **6. Appointment of the Leader of the Council**

Mr. I.M. Parry moved and Mr. L.W. Bloomer seconded, and it was:-

**RESOLVED** – That Mr. P.E.B. Atkins be appointed Leader of the County Council for the ensuing year.

### **7. To set the maximum number of Members of the Cabinet**

On the motion of Leader of the Council it was: –

**RESOLVED** – That the maximum the number of members of the Cabinet be set at nine, plus the Leader of the Council.

### **8. Statement of the Leader of the Council**

The Leader of the Council presented a Statement outlining his recent work; his plans for the Council; and an overview of decisions taken by the Cabinet (and Portfolio Holders) since the previous meeting of the Council.

#### **Staffordshire Prosperity Update** (Paragraph 1 of the Statement)

Mr. Heenan indicated that he welcomed the recent Government announcement that Middleport Pottery in Burslem and Alstom in Stafford were to benefit from the new Regional Growth Fund. He added that this was a major achievement that would help to attract jobs and prosperity to the county. Mr Adams responded by indicating that Staffordshire was one of only a few authorities whose bids had been successful. He added that, with confidence returning in the business sector, he hoped that firms within Staffordshire would be well placed to compete in the developing markets in the East.

#### **Staffordshire Families and Communities Update** (Paragraph 2 of the Statement)

In response to a question from Mr. Sweeney concerning the “take-up” of the Young People’s Travel Card, Mr. Maryon indicated that, to date, nearly 7,000 applications had been received. He added that, as a direct result of the success of the scheme, a bus operator had contacted the county Council with a view to creating a new bus route.

Mrs. Heath referred to recent speculation that the County Council was proposing to reduce the number of School Crossing Patrols. Mr. Maryon responded by indicating that the County Council had no such plans.

In response to questions by members, Mr. Ellis outlined the progress being made by the County Council and the Primary Care Trusts in Staffordshire in relation to the integration of Health and Social Care services. He explained that the main thrust was on commissioning services that were “person focussed”, bringing together health and social care so that those services were more “joined-up”.

Mr. Huckfield expressed concern that a recent change in policy had resulted in the Newcastle Weekly Social Club for the Visually Impaired now being charged for the hire of transport. In response, Mr. Maryon indicated that he would investigate this matter further and would respond to Mr. Huckfield in writing.

In response to questions from Members in relation changes made to address alleged failings at Stafford Hospital, Mr. Atkins indicated that the County Council had made some changes in order to improve the scrutiny arrangements.

### **Renewable Energy Generation on the Council’s land and Buildings** (Paragraph 4 of the Statement)

Several Members welcomed the announcement by the County Council that it did not wish to pursue the option of commercial-scale wind energy generation on its land holding because of the potential environmental impacts of that technology. They also noted that the Council had an aspiration to bring forward sufficient projects involving all other renewable energy technologies to ensure that it remained on course to meet its overall carbon reduction target. In response to a question from Mr. Davies in relation to how the County Council would meet its carbon reduction target, Mr. Winnington indicated that the County Council was looking at a number of emerging technologies. Mr. Atkins referred to the need for the county council to work with its partners to reduce fuel poverty by, for example, making homes cheaper to heat.

### **Publication of Statutory Proposal to Discontinue Blake Valley Technology College** (Paragraph 5 of the Statement)

Mr. Bernard indicated that he welcomed the news that the Cabinet had agreed to proceed with publication of the statutory notice to discontinue the Blake Valley Technology College, thus paving the way for it to become an Academy. He requested that he and the other “local members” be kept informed of the progress of the development of the new Academy and expressed the hope that its name would include the words “Blake Valley”.

In response to a question by Mr. J. Oates in relation to the decision by three schools in Tamworth not to pursue Academy status, Mr. Atkins and Mrs. Staples indicated that they were disappointed as this was a “missed opportunity”.

Mrs. Heath extended her thanks to the Cabinet Member for Education and Skills in respect of her decision to postpone the proposal to close Flash CE (VC) Primary School to facilitate the establishment of a sustainable federation with other local schools.

## **Whistle Stop Tours**

(Paragraph 11 of the Statement)

In response to a question from Mr. Chapman concerning the recent visit by the Leader of the Council to the new extra-care development for older people in Madeley, Mr. Ellis indicated that the County Council was working with partners with a view to providing 2,000 extra-care places in Staffordshire by 2013.

## **9. Questions**

Mr. D. Nixon asked the following question of the Cabinet Member for Education and Skills whose reply is set out below the question:-

### **Question**

- (i) Does the portfolio holder welcome the liberation of our schools from L.E.A. control which on a national basis will have gone from one in sixteen schools now to the predicted figure of one in three schools by the end of this year?
- (ii) How many schools in Staffordshire have so far opted out of the L.E.A. or are in the process of doing so?
- (iii) As schools free themselves from L.E.A. control, there is going to be less work for the administrators in county buildings so are there any plans in place to cut-back the number of educational bureaucrats to reflect this?

### **Reply**

- (i) I am proud of the fact that in Staffordshire we have a strong and robust relationship with all schools whatever their status. I am also confident that whilst in some areas schools have felt the need to 'break free' from perceived Local Authority control, in Staffordshire we will continue to work with all schools to improve outcomes and provide the very best education we can.
- (ii) There is an evolving situation with Academies in the county.

We have four operational academies in Staffordshire:-

- JCB Academy, Rocester
- Landau Forte Academy, Tamworth
- John Taylor High School. Barton under Needwood
- de Ferrers Technology College , Burton on Trent

In addition three schools have had their applications approved and will convert to Academy status on the dates shown:-

- Violet Lane Foundation Infant School 1 June 2011
- Chasetown Specialist Sports College 1 July 2011
- Chadsmead Primary School, Lichfield 1 August 2011

The following four schools have applied to the Secretary of State to convert to academy status. Their applications have been approved and they anticipate that they will be operating as an Academy from 1 September 2011:-

- Biddulph High School, Biddulph
- Christchurch VA(CE) Middle School, Stone
- Cheadle High School, Cheadle
- Cannock Chase High School, Cannock

In Hednesford:-

- Blake Valley Technology College will become an Academy from 1 September 2011, sponsored by Staffordshire University

In Rugeley:-

- Fair Oak Business and Enterprise College and Hagley Park Sports College will become Academies, sponsored by the Creative Education Trust.

In total; by September 2011 there will be 13 Academy schools.

(iii) The County Council retains responsibility for ensuring standards of education in schools are high and improving and for making sure that we have enough school places. We have a small team of officers who ensured that this year 93% of all secondary pupils got their first choice of school and 99% were offered one of their preferences (the figures for primary admissions were 93% and 97% respectively). Additionally, we have just completed a review and restructure of our Education Transformation Team to make sure that all Staffordshire pupils get the best education we can provide. Again, the record speaks for itself with my area of responsibility (education and skills) coming in on budget and committed to achieving significant savings over the coming years. I will keep under review both the cost and effectiveness of all those services we are required to provide, whilst at the same time look to trade those services which we can and that schools value.

## **10. Proposed Changes to the Constitution**

The Council considered a report of the Monitoring Officer proposing amendments to the Constitution in the light of the adoption of the New Way of Working for the County Council in July 2010 and the subsequent revisions to decision making structures within the Authority.

In response to a question from Mr. Davis in relation to the proposal to abolish the Safety of Sports Grounds Panel, Mr. White indicated that the Audit Committee had debated this issue “long and hard” and had concluded that, in view of the technical and enforcement nature of the role, it was appropriate to delegate all responsibilities to the Public Protection Manager (in consultation with the Chairman of the Planning Committee when legal proceedings were to be instigated). He added that, for monitoring purposes, an annual report would be submitted to the Planning Committee detailing the actions taken by the Public Protection Manager.

**RESOLVED** – That the recommendations in the report be adopted subject to the following amendments:

(i) That paragraph 11 of Table 1 (Delegations to all Senior Leadership Team Members) be amended to read as follows:

“To incur expenditure of up to £3000 in making an ex-gratia payment in order to resolve a complaint made against the County Council; any proposal to pay a sum in excess of that amount to be reported to Cabinet or Committee as appropriate.”

(ii) That paragraph 9.6 of Procedural Standing Orders be amended to read as follows:

“The length of the debate on the Leader’s Statement shall be at the discretion of the Chairman.”

## **11. Committee Membership**

**RESOLVED** – That the members indicated below serve on the Committees indicated for the period up to the annual Council meeting in 2011:-

### **Corporate Review Committee (13)**

Paul Atkins	Ivan Jennings
Lee Bates	Philip E. Jones
Len Bloomer	Geoff Locke
Tim Corbett	Kath Perry
Derek Davis	Simon Tagg
Brian Edwards	Alan White
Gill Heath	

### **Safeguarding Scrutiny Committee (9)**

Lee Bates	Kathy Lamb
Erica Bayliss	Geoff Martin
Dylis Cornes	Geoff Morrison
Janet Eagland	Steve Povey
John Francis	

### **Education Scrutiny Committee (9)**

Ray Barron	David Nixon
Bob Fraser	Jeremy Oates
Ivan Jennings	Robert Reade
Phil Jones	Stephen Sweeney
Mary Maxfield	

### **Enterprise, Environment and Transport Scrutiny Committee (9)**

Tim Corbett	Ian Lawson
Bill Day	Geoff Martin
Peter Davies	Jeremy Oates
Veronica Downes	Vacancy
Brian Edwards	

### **Communities, Crime and Culture Scrutiny Committee (13)**

Paul Atkins	Kathy Lamb
John Cooper	Mick Oates
John Francis	John Rowley
Bob Fraser	Simon Tagg
Gill Heath	Steve Tranter
Mark Heenan	Vacancy
Derek Huckfield	

### **Assets and Budget Scrutiny Committee (9)**

Brian Beale	Frank Lewis
John Bernard	Mary Maxfield
Frank Chapman	Rex Roberts
Derek Davis	Alan White
Phil Jones	

### **Health Scrutiny Committee (8)**

Dylis Cornes	Geoff Morrison
Terry Finn	Mick Oates
Mark Heenan	Kath Perry.
Phil Jones	Steve Povey

### **Planning Committee (14)**

Erica Bayliss	Ray Easton
John Bernard	Brian Edwards
David Billson	Mark Heenan
Henry Butter	Ian Lawson
John Cooper	Steve Povey
Tim Corbett	Stephen Tranter
Peter Davies	John Wells

### **Pensions Committee (9)**

Philip Atkins	Mike Lawrence
Ray Barron	Geoff Locke
Brian Beale	Mike Maryon
Pat Corfield	Stephen Sweeney
Christina Jebb	

### **Audit Committee (9)**

John Bernard	Frank Lewis
Henry Butter	Robert Reade
Ray Easton	Rex Roberts
Philip E Jones	Alan White
Geoff Locke	

### **Standards Committee (6)**

Paul Atkins	Terry Finn
Frank Chapman	Derek Huckfield
Veronica Downes	John Rowley

### **Joint Appointments Committee Re: Staffordshire Police (4)**

Philip Atkins	Ian Parry
Christina Jebb	Mark Winnington

## **12. Appointment of Chairmen and Vice-Chairmen of Committees**

**RESOLVED** – That the under-mentioned be appointed as Chairman and Vice-Chairman of the Committees stated for the period up to the annual Council meeting in 2011:-

### **Corporate Review Committee**

Chairman     Alan White  
Vice-Chairman     Paul Atkins

### **Safeguarding Scrutiny Committee**

Chairman     Lee Bates  
Vice-Chairman     Janet Eagland

### **Education Scrutiny Committee**

Chairman     Ivan Jennings  
Vice-Chairman     Jeremy Oates

### **Enterprise, Environment and Transport Scrutiny Committee**

Chairman     Brian Edwards  
Vice-Chairman     Geoff Martin



### **Communities, Crime and Culture Scrutiny Committee**

Chairman     Simon Tagg  
Vice-Chairman     Stephen Tranter

### **Assets and Budget Scrutiny Committee**

Chairman     Philip E Jones  
Vice-Chairman     Rex Roberts

### **Health Scrutiny Committee**

Chairman     Kath Perry  
Vice-Chairman     Mick Oates

### **Planning Committee**

Chairman     Tim Corbett  
Vice-Chairman     John Cooper

### **Pensions Committee**

Chairman     Stephen Sweeney  
Vice-Chairman     Brian Beale

### **Audit Committee**

Chairman     John Bernard  
Vice-Chairman     Henry Butter

### **Standards Committee**

Chairman     Charles Mitchell

### **13. To consider the report of the Chairman of the Stoke-on-Trent and Staffordshire Fire and Rescue Authority**

**RESOLVED** – That the Periodic Report of the Stoke-on-Trent and Staffordshire Fire and Rescue Authority be adopted.

### **14. Special Urgency Procedures - Quarterly update**

**RESOLVED** – That the report of the Leader of the Council relating to decisions of Cabinet under the Special Urgency Procedure be received.

## **15. Petitions**

### **Parking in the Vicinity of John of Rolleston Primary School**

Bob Fraser presented a petition for residents of Rolleston-on-Dove and the surrounding area requesting the County Council to investigate ways in which the junction of School Lane and Station Road, and parking around the school, could be made safer.

## **16. Exclusion of the Public**

**RESOLVED** - That the public be excluded from the meeting for the following item of business which involves the likely disclosure of exempt information within the meaning of the Local Government Act 1972.

## **17. Exempt Special Urgency Procedures - Quarterly update**

**RESOLVED** – That the report of the Leader of the Council relating to decisions of Cabinet under the Special Urgency Procedure be received.

**Chairman**

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Documents referred to in these minutes as Schedules are not appended, but will be attached to the signed copy of the Minutes of the meeting. Copies, or specific information contained in them, may be available on request.

## Statement of the Leader of the Council

### 1. Staffordshire Prosperity Update

The Cabinet have noted recent developments to support the local economy including the intention to bid for an Enterprise Zone in Staffordshire; the submission of 12 applications under the Regional Growth Fund, bidding for European Regional Development Fund monies; the proposed joint agreement with Stoke-on-Trent City Council to work together to promote inward investment; and possible reforms to the Business Rates system.

*(Cabinet – 15 June 2011)*

### 2. Keele University Science and Business Park - IC5

The Keele University Science and Business Park (Keele) is a key site for Staffordshire as it has the potential to deliver the high technology, high quality jobs that will drive the future prosperity of Staffordshire. To help deliver this proposal we have been working with Keele on a proposal to construct 30,000 sq ft of new offices in a centre known as Incubator 5 (IC5). IC5 will help to support existing high tech businesses to expand their operations to create new jobs and diversify the local economy.

The Business Case for IC5 requires an investment by the Council of £6.097m and shows that, even on a worst case scenario, the investment will produce a positive return over its 50 year lifetime.

*(Cabinet – 18 May 2011)*

### 3. Staffordshire Families and Communities Update

The Cabinet Member for Environment and Assets has been authorised to write to Bob Neill MP to seek his endorsement to the following approach for aggregate mineral extraction in Staffordshire:

- (i) To set targets for the provision of sand & gravel as well as crushed rock based on an assessment of Staffordshire's needs (except where there is clear justification for needs being assessed on a wider basis);
- (ii) To encourage sustainable construction practices involving prudent use of aggregate minerals;
- (iii) To encourage increased recycling of waste to provide an alternative source of aggregate;
- (iv) To reduce the environmental impact of quarrying particularly, on those local communities situated near to quarries and the local highway network affected by quarry traffic;
- (v) To promote local sourcing of aggregate materials; and

- (vi) To achieve a reduction in carbon emissions by reducing the impact of transporting aggregate minerals.

*(Cabinet – 15 June 2011)*

#### **4. Burton on Trent - Primary School Place Strategy**

There is an emerging need for more primary school spaces in Burton-on-Trent. On the basis of expected population growth (and excluding growth from future housing development) 150 new Reception places will be needed from September 2013 onwards, and ultimately an additional 1,000 permanent primary school places will be needed in the town. The Cabinet have therefore approved the commencement of consultation on a series of proposals aimed at meeting the demand for school places.

A further report on this matter is to be considered by the Cabinet at its meeting in December.

*(Cabinet – 18 May 2011)*

#### **5. School Organisation in Codsall and Perton**

As a result of falling pupil numbers, Bilbrook CE(C) Middle School it is no longer able to guarantee the delivery of a broad and balanced curriculum for its pupils. The County Council has therefore been working with the schools in the area to try and find a solution to this issue that is favoured by the schools and communities themselves. What the consultation has shown, and what is accepted by the governing body for Bilbrook CE(C) Middle School itself, is that if the three tier system in place in the area is maintained, Bilbrook CE(C) Middle School will have to close. However, there is no consensus in the area for a move to a two tier system and the Cabinet have therefore approved the commencement of the statutory consultation process on a proposal to close Bilbrook CE(C) Middle School on 31 August 2012.

*(Cabinet – 18 May 2011)*

#### **6. Determination of statutory proposal to discontinue Blake Valley Technology College**

The Cabinet have approved the statutory proposal to discontinue Blake Valley Technology College on 31 August 2011, to take effect only if by this date an agreement has been made under section 482(1) of the Education Act 1996 for the establishment of an Academy sponsored by Staffordshire University to replace the school.

This proposal provides a tremendous opportunity to transform the learning environment in Blake, both in terms of the access to funding for investment in the school and also the link with the University as the sponsor.

*(Cabinet – 15 June 2011)*

## **7. Staffordshire Alcohol and Drugs Strategy 2010-2015**

The Cabinet have endorsed the Staffordshire Alcohol and Drugs Strategy 2010-2015 which draws together the strands of work undertaken by the County Council and its various agencies and partners into a coherent plan to be led and supported by the Substance Misuse Commissioning Team (formerly the Drug and Alcohol Action Team).

The strategy represents a positive step forward in dealing with the issues of alcohol and drugs in Staffordshire and will inform how alcohol and drug services will be commissioned in the future.

*(Cabinet – 18 May 2011)*

## **8. 2010/11 Final Financial Outturn and Performance Report**

The Cabinet have received details of the updated fourth quarter/outturn performance position for 2010/11. The financial position for services at the end of 2010/11 showed a small overspend of £2.265m which equates to 0.6% of the budget.

*(Cabinet – 15 June 2011)*

## **9. High Speed Rail: Response to Consultation**

The Cabinet have authorised the Cabinet Member for Highways and Transport to respond to the Department for Transport's consultation on High Speed Rail. The basis of the County Council's response will be that the Council welcomes and supports infrastructure improvements that would strengthen the economy both nationally and locally. However, the current proposal is seen as having a number of shortcomings in terms of its justification (over optimistic forecasts of demand, over valuation of time savings and underestimation of environmental impacts), the uncertainties surrounding its potential to achieve its objectives (at best indeterminate international evidence of wider economic benefits and rectifying regional differences) and the possibilities for more effective use of limited available finances (cheaper targeted improvements to the existing network and optimal use of available technology).

As and when the Minister makes his decision the County Council will seek to enhance and protect the economic and environmental affects of whatever decision is made.

*(Cabinet – 15 June 2011)*

## **10. Portfolio Holder Delegated Decisions**

Portfolio holders have recently taken decisions in respect of the following matters:

- The granting of a three year lease of the former Newcastle Countryside Project Offices to Regent College to enable it to continue to undertake practical tasks with its students, all of whom have learning difficulties and behavioural problems.
- (i) To postpone the proposal to close Flash CE (VC) Primary School subject to implementation of a sustainable federation that will ensure a good quality of education for all pupils and provide good quality, stable leadership;  
  
(ii) That should the Cabinet Member for Education and Skills consider that there is evidence of detriment (or risk of detriment) to the quality of education provided for pupils at any time until the end of the 2011/12 academic year, then a Portfolio Holder Delegated Decision be sought for publication of a statutory notice to close Flash in accordance with Section 15(1) of the Education and Inspections Act 2006.
- That the School Organisation Advisory Group be abolished.
- (i) That Hillport House, a residential home for the elderly in Newcastle, is closed.  
  
(ii) That officers bring forward detailed proposals on investment in a new specialist dementia service and flexi-housing scheme within the District of Newcastle. Potentially this would be on the grounds of the former residential home, Homestead, Newcastle.  
  
(iii) That staff and trades unions be engaged with regard to the impact of this on the staff affected
- That the Samuel Parkes War Memorial be erected within the public highway in the village of Wiggington without a Section 50 licence required by the New Roads and Streetworks Act 1991 for a period of no longer than 12 months whilst a long term maintenance agreement is negotiated with other public bodies.
- A policy on the supply of information to the Rural Payments Agency (or any successor body) where landowners have failed to comply with their legal requirements in respect of Public Rights of Way.
- The granting of a six year Farm Business Tenancy in respect of Holding No. 50, Plardiwick

## **11. Forward Plan**

The Cabinet have approved the Forward Plan for the period 1 July to 31 October 2011, which contains details of the decisions which the Cabinet are expected to take during that period.

## **12. Staffordshire Hoard**

I was honoured to officially open the "Staffordshire Hoard" touring exhibition on Friday, 1 July 2011 at the Shire Hall Gallery, Stafford. The Staffordshire Hoard includes the largest collection ever discovered of Anglo-Saxon gold and silverwork. It had been buried in the Staffordshire countryside since the seventh century and unearthed in the summer of 2009.

The touring exhibition is at the Shire Hall until Saturday 24 July, before moving onto Lichfield Cathedral and Tamworth Castle.

I urge everyone to visit the exhibition, even if they have attended previous showings of the Staffordshire Hoard in Birmingham and Stoke-on-Trent. The new collection contains items that have never been seen before and others which have been carefully and professionally cleaned to reveal them in their true splendour for the first time since the seventh century.

## **13. Growing Staffordshire's reputation on the national stage**

During the early summer I met with Caroline Spelman, Secretary of State for Environment, Food and Rural Affairs. I discussed with her how the county council is supporting rural farming by investing one million pounds into county farms to ensure the sustainability of our rural community. This was followed by a lengthy interview on The Politics Show regarding our support to our farming community.

I have also met with Paul Burrow, Minister of State for Care Services, to debate health reform and briefed Staffordshire MPs on all the innovative and great work delivered by our services to Staffordshire communities.

## **14. 2012 Olympic Torch Relay nominations**

We have undertaken a very successful campaign to encourage nominations from Staffordshire to carry the Olympic Torch as part of its relay across the nation. The relay will visit the county during the early summer of 2012 and we are really hopeful that Staffordshire residents will have the honour of being selected as torch bearers. Nominations were especially sought from young people who had positively contributed to their communities or who had achieved sporting distinction.

I am informed that twice as many nominations for Staffordshire people were received than any other area in the West Midlands, so my thanks go to all those who took the time and trouble to complete and submit the nomination forms.

## **15. Staffordshire Fire and Rescue Service - Community Fire stations**

In recent weeks I have had the pleasure of attending a number of official openings of the new Community Fire Stations, including Tamworth and Uttoxeter.

## LEADER'S STATEMENT

The new stations, as well as providing state of the art fire fighting facilities, are designed as community hubs. They are light, airy and welcoming. Community space has been designed into the fabric of the stations and already the space is well used by local people and partner organisations.

If you have not yet had the opportunity to visit one of the new facilities, then please contact your local station as I am sure that they would welcome the chance to show you around.

**P.E.B. Atkins**  
**Leader of the Council**



## **County Council – 21 July 2011**

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### **Electoral Review of Staffordshire**

#### **Recommendations of the Leader of the Council**

1. The views of Members are requested on the attached draft Stage 3 submission to the Local Government Boundary Commission for England (LGBCE) consultation on a pattern of divisions for Staffordshire County Council.
2. That the Director of Law and Democracy, in consultation with the Leader of the Council, be authorised to make any necessary amendments to the draft response to reflect Members' views and to then forward the response to the LGBCE by the deadline of 1 August 2011.

#### **Report of the Director of Law and Democracy**

#### **Reasons for Recommendations**

3. The LGBCE consultation on a pattern of divisions for Staffordshire closes on 1 August 2011 and the County Council must approve a submission by this date. The submission needs to clearly articulate any comments that the County Council has on the draft recommendations from the LGBCE so that they can be taken into account in the development of their final recommendations.

#### **Background**

4. The LGBCE published their draft recommendations for Staffordshire on 24 May 2011, beginning a 12 week consultation process (Stage 3 of the Electoral Review) following which they will formulate their final proposals which will be published in the Autumn. The final recommendations will then be laid before Parliament prior to being implemented in time for the next County Council elections in 2013.
5. The draft recommendations are broadly based on the County Council's stage 1 submission with 37 of the 61 divisions put forward included in the LGBCE's recommendations. This includes the proposals for Staffordshire Moorlands and Tamworth being accepted in full. In addition to this, some of changes to the Council's Stage 1 submission in Newcastle-under-Lyme and South Staffordshire are only minor. The recommendation for Newcastle South and Westlands and Thistleberry in Newcastle-under-Lyme, which has the effect of moving the town centre back into Newcastle South, will not affect a significant number of residents. The recommendation for the Kinver and Wombourne divisions in South Staffordshire was an option that was considered during the development of the County Council's proposals.

6. In the remaining areas, there are some concerns about the community impact of elements of the LGBCE proposals. The attached draft submission provides commentary on the recommendations for the Cannock Chase District Council, East Staffordshire Borough Council, Lichfield District Council South Staffordshire District Council and Stafford Borough Council areas. The submission includes detailed electoral data where changes are proposed and maps showing new proposals will be available on the website on the page for this meeting.

7. In the **Cannock Chase District Council** area, the LGBCE have proposed that the current pattern of divisions (including the dual member Hednesford and Rawnsley division) is retained. This is principally because the Council's proposals for the north of the area would result in the creation of unviable parish wards. The draft Stage 3 submission does not propose any alternative divisions, but it does comment on the impact of the approach taken by the LGBCE to electoral reviews in two tier areas.

8. The LGBCE's proposals for the **East Staffordshire Borough Council** area differ from the Council's submission in two respects. Firstly, transferring the parishes of Hoar Cross and Newborough from the Needwood Forest division to the Uttoxeter Rural division and seconding transferring part of the Stretton ward from the Horninglow and Stretton division into the Dove division. The draft Stage 3 submission provides further community based evidence to support the Council's original Stage 1 proposals for the area including the creation of a new Rolleston and Stretton division and retaining the parishes of Hoar Cross and Newborough in Needwood Forest.

9. In the **Lichfield District Council** area, the LGBCE has accepted an amendment to the County Council's proposals for Lichfield City South, Lichfield Rural South and Lichfield Rural East put forward by Lichfield City Council. This amendment retains the current boundary of Lichfield City South and transfers the parishes of Hints and Weeford into Lichfield Rural South from Lichfield Rural East. The draft Stage 3 submission provides evidence of both the negative impact on electoral equality and on communities in the area of this proposal and advocates that the Council's original proposals are reconsidered.

10. There are two departures from the County Council's submission in the **South Staffordshire District Council** area. As highlighted above, the amendment to the boundary between Wombourne and Kinver divisions was considered during the formulation of the Council's Stage 1 proposals and it is not proposed to make any further comments on this. The other area of difference is the LGBCE's proposal to include part of the town of Penkridge in a Penkridge West and Brewood division and to rename the remainder of the Penkridge division Penkridge East and Huntington. The draft Stage 3 submission proposes a new boundary between the Brewood and Penkridge divisions that keeps the town together as a whole and addresses issues raised by the LGBCE about the impact on parish councils in the area.

11. The development of the Council proposals for the **Stafford Borough Council** area was a complex process. It proved extremely difficult to balance electoral equality and community issues. The LGBCE have accepted a version of proposals put before the County Council meeting in February that was subsequently amended to reflect Members' concerns about community identities. New proposals for Stafford are being developed in consultation with Members and will form part of the Stage 3 submission.

12. Members are asked to consider the draft submission and to give authority to the Director of Law and Democracy, in consultation with the Leader, to make any necessary amendments as a result of comments made by Members before submitting it to the LGBCE for consideration. This will enable the final submission to be submitted before the consultation process closes on 1 August 2011.

## **Appendix 1**

**Equalities implications:** None

**Legal implications:** The Local Government Boundary Commission for England's recommendations in relation to the Electoral Review of Staffordshire will be implemented by a Parliamentary Order

**Resource and Value for money implications:** There are no direct resource implications arising from this report, however there will be some that arise from implementing the final outcome of the review.

**Risk implications:** The Local Government Boundary Commission for England will determine and publish final proposals for boundaries based on the comments it receives on its draft recommendations. If the County Council fails to agree a coherent submission, there is a risk that the Boundary Commission will finalise some of the proposals in the draft recommendations that would not be efficient and appropriate for Staffordshire's communities.

**Climate Change implications:** None

### **Report author:**

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### **List of Background Papers**

#### **Papers**

Letters from Local Government Boundary Commission dated 28 July, 14 September 2010, 30 November 2010 and 24 May 2011  
Local Government Boundary Commission for England – Electoral Review of Staffordshire, Draft Recommendations

County Council Submission to Stage 1 of the Electoral Review  
Submissions from Local Residents, Parish and Town Councils and MPs, Councillors and Political Groups

#### **Contact/Directorate/ ext number**

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All Available Online  
at:-  
<http://www.lgbce.org.uk/all-reviews/west-midlands/staffordshire/staffordshire-county-council-electoral-review>



**Local Government Boundary Commission for  
England Further Electoral Review of  
Staffordshire Draft Recommendations**

**Comments from Staffordshire County Council**



## **Introduction**

1. The County Council welcomes the fact that the Local Government Boundary Commission for England (LGBCE) has accepted the majority of the proposals put forward by the Council in its Stage 1 submission. This recognises the approach taken in order to address the levels of electoral variance across Staffordshire to ensure that electoral arrangements provide effective and convenient local government arrangements whilst reflecting community identities.
2. The County Council particularly welcomes the fact that the draft recommendations significantly reduce the number of electoral divisions where the number of electors varies by more than 10% of the County average. This should mean that there would not be a need for any further review, with the consequent cost and upheaval, for some time. The previous electoral review of the County Council by the Boundary Committee for England concluded in 2004 and the final recommendations included 21 divisions with a variance of 10% or more. Throughout the review process Members have expressed concern about how soon a further review has been required, particularly as the level of variance is not significantly different than predicted.
3. The Council's proposals in the Staffordshire Moorlands District Council and Tamworth Borough Council areas have been accepted in full and the Council has no further comments on the proposals in these areas. In addition, the Council is content to make no further comments on the minor amendment proposed to the Council's submission in Newcastle-under-Lyme between Westlands and Thistleberry and Newcastle South.
4. In the remaining five district Council areas (Cannock Chase District Council, East Staffordshire Borough Council, Lichfield District Council, South Staffordshire District Council and Stafford Borough Council), the Council is concerned that, where the County Council's stage 1 proposals have not been accepted, some of the draft recommendations do not reflect community identity. These concerns, along with alternative boundaries, are detailed below and maps and detailed electoral data are attached as appendices to this report.

## **Cannock Chase District Council Area**

5. The LGBCE has not accepted the Council's proposals in the north of the district council area including Rugeley, the Cannock Chase forest and the area covered by the two Member Hednesford and Rawnsley division. This is due to the impact of the proposals on warding arrangements for the parish councils in the area under the provisions of Schedule 2 to the Local Democracy, Economic Development and Construction Act 2009.
6. The Council notes these statutory provisions and recognises that they make it extremely difficult to make alternative suggestions for new boundaries in this area at this time. However, the Council would like to express its concern that electoral quality at County level has been undeniably compromised as a result. Throughout the review process, elected Members have been concerned that the County Council's boundaries have been dealt with in isolation. Had it been possible to

take a more holistic approach it may have been possible to develop a warding arrangement for both District Council wards and County Council divisions that did not result in unviable parish wards in either Hednesford or Brindley Heath parishes.

7. Due to the issues outlined above, the County Council will not be proposing any alternative arrangements in this area of Cannock Chase. However the Council would ask the LGBCE to take the views expressed above into account when planning future reviews in two tier areas.

### **East Staffordshire Borough Council Area**

8. The County Council is concerned that some of the LGBCE's proposals for East Staffordshire do not provide the most effective and convenient arrangements across the area as a whole, as they do not reflect significant community identities and linkages. In particular, there is concern about the proposal to include the parishes of Newborough and Hoar Cross in the Uttoxeter Rural division and the proposals for the current Horninglow and Stretton division.
9. During the previous electoral review of Staffordshire, the County Council proposed an alternative configuration for the Uttoxeter area comprising Uttoxeter North and South divisions that split the town's urban area in two and combined it with rural areas. At that time, it was proposed that the Uttoxeter South division include the Yoxall ward – which includes the parishes of Hoar Cross and Newborough. These proposals were opposed locally, including by the parish councils concerned. The Boundary Commission for England did not accept the Council's proposals, noting that they failed to adequately reflect the community identities and linkages in the Yoxall area.
10. In developing its current proposals for East Staffordshire, the Council recognised the need to address the significant level of overrepresentation in the current Uttoxeter Rural division. In purely numerical terms, the LGBCE proposals would go some way to addressing this issue. However, in putting forward proposals at Stage 1 of the current review, the County took into account the statutory criteria as well as the views expressed and the decision reached in the previous review. The parishes of Hoar Cross and Newborough do not share linkages with the remainder of the proposed Uttoxeter division; as clearly stated in the previous review, they identify far more closely with the rural communities around Burton-on-Trent that make up the Needwood Forest division. The residents of both parishes look towards Burton-on-Trent as their major centre of population for local amenities and read local papers from the Burton area. In addition, both parishes are within the catchment area for John Taylor High School in Barton-under-Needwood, whilst the remainder of the Uttoxeter Rural division is within the catchment for Thomas Alleyne's High School in Uttoxeter. The highway infrastructure and public transport links in this area also support this, as they provide direct routes through the Needwood Forest division into Burton itself. No such direct linkages exist with Uttoxeter and to include these parishes in a Uttoxeter Rural division would ignore the community identities in the area
11. The County Council therefore recommends that the boundaries of the Uttoxeter Rural division put forward in its Stage 1 submission are reconsidered. These

boundaries provide the most appropriate mechanism of addressing the significant level of over-representation, providing better electoral equality than the LGBCE proposals. The communities from the Crown that it is proposed to include (Marchington and Draycott-in-the-Clay) share far more linkages with Uttoxeter and the surrounding rural areas than the parishes from the Yoxall ward, including transport and educational links with the Uttoxeter Rural division. Indeed, prior to the 2004 review, these parishes were part of the Uttoxeter Rural division and returning to these historic representative linkages will provide the most suitable arrangements for these areas.

12. The second area of East Staffordshire where the LGBCE have not accepted the Council's stage 1 proposals is the recommendation to retain the majority of the current boundaries of the Horninglow and Stretton division. This is another area where the Council's proposals attempted to address significant levels of variance due to the underrepresentation in the current arrangements. The Council's stage 1 proposals sought to address this variance by combining the wards of Stretton and Rolleston-on-Dove, communities which the LGBCE's own recommendations recognise share many common linkages. During the previous review of the County, significant evidence was submitted to demonstrate how it would be inappropriate for either Rolleston or Stretton to be linked representatively with the more urban parts of Burton itself. Whilst Stretton's physical location on the outskirts of the town suggests that it is a suburban area the community itself clearly defines itself as a village, with a history dating back before the Domesday book. The growth of the town of Burton has resulted in the boundaries between the communities becoming blurred however the characteristics of the community have not. For this reason, there are clear common linkages with Rolleston-on-Dove and it is entirely appropriate that these are reflected in their representative arrangements.
13. The LGBCE, in making their draft recommendations, have in part recognised these common linkages by proposing that part of Stretton should be transferred into the Dove division. However, the County Council considers that this is a less coherent approach to the provision of local government in this area. In particular, the Council is concerned about the significant impact that will be felt by the division of the parish of Stretton between three County electoral divisions. This will create representational tension between the areas moving into the Dove division with its more rural focus and the remaining parts of the parish that will share representation with the town. The Council believes that this does not provide for coherent or effective local government arrangements, particularly in comparison with those in the Council's own stage 1 proposals. Under those proposals, not only is the vast majority of the parish part of a single division (as currently) with a single ward in the Burton Town division, the parish becomes linked with other communities with which there are strong common linkages.
14. The consequence of the Council's proposals for Rolleston and Stretton are that part of the Horninglow ward must become part of the Dove division, which is predominately rural. As in other areas, the Council recognised the issues inherent to this approach but believes that it is justified in order to accommodate the strong community identities reflected in the other proposals in neighbouring areas. Several alternatives have been drawn up; however these sacrifice community identity and



do not provide an effective balance across the area as a whole. The Dove division does already include a small urban part of the parish of Outwoods, which is on the outskirts of the area of Burton it is proposed to include in the division so there will be commonalities to be drawn. The overall effect of the Council's proposals in this area will be to focus the Dove division's linkages to Burton principally using the area of Horninglow included in the division as a gateway. As highlighted in the stage 1 proposals, this area includes the Queen's Hospital so highways and public transport links with the remaining rural areas are strong. The impact of the new boundaries overall will ensure that this division evenly reflects the distribution of communities in the area.

15. The County Council therefore recommends that its original proposals for the Dove and Rolleston and Stretton divisions are reconsidered. As outlined above, this would provide strong representative links between Rolleston and Stretton and provides a better balance of representation across the East Staffordshire Borough Council area, providing an appropriate solution to the electoral issues outlined. These arrangements provide the most effective way of using the statutory criteria to ensure convenient and effective local government for the area as a whole.

#### **Lichfield District Council Area**

16. In the Lichfield District Council area, the County Council is concerned about the draft recommendations in Lichfield City South, Lichfield Rural South and Lichfield Rural East. These recommendations follow a suggestion from Lichfield City Council to retain the current boundary of the Lichfield City South division and new boundary between Lichfield Rural East and Lichfield Rural South. The City Council highlighted this suggestion during consultation on the development of the County Council's proposals and was commented on in the County Council's Stage 1 submission. In the submission, reservations were expressed about the both the impact on electoral quality in Lichfield Rural South and Lichfield Rural East and that the proposals would geographically isolate Fazeley and Drayton Bassett from the remaining communities in Lichfield Rural East. The County Council recognised the strong linkages between these communities, a view highlighted during the previous review of the County Council, when developing its own proposals and concluded that retaining the current boundary of the Lichfield Rural East division represented the most appropriate method of ensuring effective and convenient local government within them.
17. The development of the County Council proposals for the Lichfield District Council area sought to address a number of distinct issues, one of which was the significant overrepresentation in the current Lichfield Rural South division. The County Council sought to address this by including part of the St Johns ward in Lichfield City with the remainder of the current Lichfield Rural South division. In doing so, the County Council recognised the potential impact of housing led population growth in the current Lichfield City South division on the future size of the electorate. This approach aims to deal with electoral inequality over the long term and reduce the need for a further disruptive review within one or two electoral cycles. By combining part of this area on the edge of the City with the neighbouring rural populations to the South, the County Council's proposals address both the current inequality in Lichfield Rural South as well as reducing the

potential for future underrepresentation in Lichfield City South as a result of further housing led population growth.

18. In contrast, one of the major impacts of the LGBCE's draft recommendations will be the creation of additional and unnecessary overrepresentation in the Lichfield Rural East division. Lichfield City Council's stage 1 submission speculated that the announcements about the planned greater use of the barracks at Whittington by Defence Medical Command would lead to an increase in the electorate in Lichfield Rural East that would address some of this inequality. However, it is not expected that this will result in significant increases of personnel stationed at the barracks and the experience in other parts of the County suggests that military voters tend not to register where they are stationed and are not therefore likely to result in a significant increase in the electorate locally. The County Council is concerned that, by seeking to address the overrepresentation in Lichfield Rural South by creating more underrepresentation in Lichfield Rural East, the LGBCE's draft proposals may create the potential of a further review being required in a much shorter timescale than the Council's own proposals. Overall, as well as providing much greater electoral equality, the County Council's proposals ensure that balanced levels of electoral representation across the area will be maintained in the future by recognising the areas where trends in population changes are likely to create representational pressure.
19. The County Council recognises that it is not ideal to combine urban and rural areas; however it is sometimes necessary in order to ensure effective electoral equality. There is also a precedent for this in the Lichfield area where the Boley Park District and City Council ward is part of the Lichfield Rural North County division. This arrangement works successfully and provides effective and convenient local government and the County Council's proposals for Lichfield Rural South will work in a similar manner. The boundary between the area of the City that it is proposed to move into Lichfield Rural South division and the remainder of the St Johns ward is clearly and logically demarcated by the railway line, providing a physical boundary. This area also includes the part of rural Southern area of the City Council's parish area that borders the parish of Wall on the outskirts of the City to provide strong community linkages and the road network, principally Fosseyway and Claypit Lane provide direct communication links between the City and the remainder of the division.
20. As the comments above highlight, the arrangements proposed by the County Council at stage 1 would provide effective and convenient local government for the Lichfield District Council area as a whole. The County Council is concerned that the draft proposals put forward by the LGBCE do not provide sufficiently balanced electoral equality or reflect communities across the District. The County Council therefore recommends that the boundaries of Lichfield City South, Lichfield Rural South and Lichfield Rural East put forward as part of its stage 1 submission are reconsidered.

## South Staffordshire District Council Area

21. The LGBCE has accepted the majority of the County Council's proposed divisions in the South Staffordshire area, proposing different boundaries between the Wombourne and Kinver divisions and the Penkridge and Brewwood divisions. The Council's stage 1 submission highlighted the fact that transferring the parish of Lower Penn from the Wombourne to Kinver division had been considered during the development of the Council's own proposals. The local Member for the area expressed concern around this proposal, highlighting the historical linkages between Lower Penn and Wombourne. He also referred to the most recent review of the District Council ward boundaries, when the linkages were recognised through the formation of the Wombourne North and Lower Penn ward. Whilst these concerns remain, in view of the electoral quality achieved by the LGBCE proposals, the Council is content to make no further comments and will not submit any alternative boundaries in this area.
22. The County Council has significant concerns about the LGBCE's proposals in the Penkridge and Brewwood area, particularly the fact that they involve dividing the town of Penkridge. The Council recognises that to achieve greater electoral equality in this area it is necessary to divide the parish of Penkridge and the intention of the proposals was to do this in way that maintained both the integrity of the urban area and the rural nature of the Brewwood division.
23. The Council also recognises that its original proposals, in an effort to reflect community identities, did not take sufficient account of the impact on warding arrangements for parishes. Therefore, an alternative configuration for the boundary between the Penkridge and Brewwood division is proposed that follows the Council's originally proposed boundary in the North along the Penkridge North East and Acton Trussell ward boundary to the railway line, which is used as the East West boundary between the Divisions until it reaches the boundary of the Penkridge parish ward of Gailey. The boundary between the Parish wards of South East and Gailey is then used as the North South boundary until the boundary between Penkridge and Hatherton parishes, which is used as the remainder of the North South boundary. The boundary between the parishes of Hatherton and Huntington is used as the East West boundary in the South.
24. This proposal would result in a **Penkridge** Division with a current electorate of 11,052 (3.8% in variance) which is projected to rise to 11,841 (8.2% in variance) by 2016 and a **Brewwood** Division with a current electorate of 9,819 (-7.8% in variance) which is projected to fall slightly to 9,780 (-10.7% in variance) by 2016<sup>1</sup>. The proposals involve incorporating the whole of the parish of Hatherton, the Gailey ward and part of the West ward of the parish of Penkridge into the Brewwood division. As a result of these proposals, two new parish wards (currently with 1,350 and 340 electors) would need to be created from the existing West ward of Penkridge parish.
25. The County Council believes that, whilst these proposals would not achieve the same level of electoral equality as the LGBCE proposals, they provide the most

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<sup>1</sup> See Table 1 of Appendix 1 for Detailed Electoral Data and Map 1 of Appendix 2.

appropriate method of reflecting the community identities in the area. In particular, this approach ensures that the urban area of Penkridge is retained within a single division which is essential to the provision of local government in this area. The town forms a distinct area within the parish that has a defined set of needs that would be best served through being represented as a whole. In contrast, the areas of the parish which would form part of the proposed Brewood division are predominately rural and it makes greater sense for these communities to share representation with the existing rural populations in the Brewood division. Brewood itself has no comparably large centre of population and thus the communities across the division share common features with the rural areas of Penkridge and Hatherton and not with the western part of Penkridge. Including this area in the Brewood division would create arbitrarily linkages between urban and rural area that are likely to result in some representative tensions.

26. These new proposals also address the issues raised by the commission in respect of the unviable parish wards in Penkridge South East. The required rewording would involve the creation of a West ward of 340 electors (on the current electorate) and a Central ward of 1,350 electors. Both of these would be viable (the current Gailey ward of the parish has only 160 electors) and could return 1 and 3 councillors respectively, reflecting the level of representation in the current West ward. These proposals are supported by Penkridge Parish Council, which is extremely concerned about the LGBCE's recommendations and their impact on effective and convenient local government within their parish. The County Council believe that these alternative boundaries provide a more appropriate balance of the statutory criteria, achieving better electoral equality than the proposal outlined in its stage 1 submission whilst retaining the importance of reflecting community identities and linkages.

### **Stafford Borough Council Area**

27. The development of proposals for the Stafford Borough Council area was an extremely difficult process. It proved extremely difficult to find an appropriate balance between electoral quality and community identities, particularly in reconfiguring the boundaries between the rural part of the Borough and the urban centre of Stafford town. A number of draft proposals were developed and the final proposals were only agreed following an amendment at the full meeting of the County Council in February.
28. The LGBCE's draft recommendations for the Stafford Borough Council area (with the exception of the arrangements for Stone Rural and Stone Urban which are based on the County Council's own stage 1 submission) are based on proposals that the County Council consulted on whilst developing its own submission. They also formed part of the draft submission put forward to the County Council meeting in February. At that meeting, Members were concerned that the proposals would be overly disruptive and agreed an amendment to the proposals that would be closer to the current arrangements and affect fewer voters. The County Council remains concerned that the draft recommendations as they currently stand are not the most appropriate arrangements for securing convenient and effective local government for the Stafford Borough Council area. A new pattern of divisions has been developed by the County Council that reflects the communities represented.

**29. DETAILS OF PROPOSALS FOR STAFFORD BOROUGH COUNCIL AREA TO BE ADDED WHEN FINALISED.**

**Conclusion**

30. The County Council broadly welcome the draft recommendations and proposes to make no comments on the recommendations for the Newcastle-under-Lyme Borough Council, Staffordshire Moorlands District Council and Tamworth Borough Council areas. No changes to the draft recommendations are proposed for the Cannock Chase District Council area and in the East Staffordshire Borough Council and Lichfield District Council areas the County Council has provided further evidence in support of its original proposals. In the South Staffordshire District Council and Stafford Borough Council areas, the County Council proposes new boundaries for the Brewood, Penkridge, Stafford North, Stafford Central, Stafford South East and Stafford South West divisions in response to the issues raised by the LGBCE in forming their own recommendations.
31. The County Council believes that these proposals represent the most effective arrangements across the County, balancing the LGBCE's statutory criteria to achieve effective and convenient local government that reflects community identities and achieves good electoral equality. Where the County Council has proposed changes to the draft recommendations it has done so in order to ensure the community identities of Staffordshire are effectively reflected. This, along with achieving high levels of electoral equality has been the aim of the County Council's approach to this review and these comments are submitted in the hope that this will be achieved.

## Appendix 1 – Detailed Electoral Data for New Divisions

**Table 1 – South Staffordshire (Penkridge and Brewood)**

<b>Penkridge</b>		<b>Current County</b>	<b>Electorate</b>	<b>Electorate</b>	<b>2010</b>	<b>2016</b>
<b>Polling District</b>	<b>District ward</b>	<b>Division</b>	<b>2010</b>	<b>2016</b>	<b>Variance</b>	<b>Variance</b>
AAA	Penkridge North East & Acton Trussell	Penkridge	709	765		
ABA	Penkridge North East & Acton Trussell	Penkridge	367	360		
ATA	Penkridge North East & Acton Trussell	Penkridge	243	269		
AUA	Penkridge North East & Acton Trussell	Penkridge	229	261		
BNA	Huntington And Hatherton	Penkridge	1167	1,249		
BPA	Huntington And Hatherton	Penkridge	2029	1,942		
CAA	Penkridge South East	Penkridge	1030	932		
CCA	Penkridge North East & Acton Trussell	Penkridge	1527	1,860		
CDA	Penkridge South East	Penkridge	2401	2,531		
CEA (part)	Penkridge West	Penkridge	1350	1,672		
			<b>11,052</b>	<b>11,841</b>	<b>3.8%</b>	<b>8.2%</b>

  

<b>Brewood</b>		<b>Current County</b>	<b>Electorate</b>	<b>Electorate</b>	<b>2010</b>	<b>2016</b>
<b>Polling District</b>	<b>District ward</b>	<b>Division</b>	<b>2010</b>	<b>2016</b>	<b>Variance</b>	<b>Variance</b>
ADA	Wheaton Aston, Bishopswood & Lapley	Brewood	367	358		
AEA	Wheaton Aston, Bishopswood & Lapley	Brewood	270	271		
AGA	Wheaton Aston, Bishopswood & Lapley	Brewood	615	663		
AHA	Brewood And Coven	Brewood	2528	2,544		
AJA	Brewood And Coven	Brewood	2625	2,577		
AKA	Brewood And Coven	Brewood	302	290		
BJA	Huntington And Hatherton	Penkridge	477	478		
BUA	Wheaton Aston, Bishopswood & Lapley	Brewood	261	261		
BVA	Wheaton Aston, Bishopswood & Lapley	Brewood	90	84		
BWA	Wheaton Aston, Bishopswood & Lapley	Brewood	1784	1,759		
CBA	Penkridge South East	Penkridge	160	149		
CEA (part)	Penkridge West	Penkridge	340	345		
			<b>9,819</b>	<b>9,780</b>	<b>-7.8%</b>	<b>-10.7%</b>

**Table 2 – Stafford Borough**

## Review of Procurement Regulations and Financial Regulations

### Recommendation of the Audit Committee

1. There is a requirement to review and update Procurement Regulations and Financial Regulations on a regular basis.
2. The Audit Committee (with members of the Assets and Budget Scrutiny Committee in attendance) approved revisions at their meeting on 24 March 2011 and authorised the Director of Finance and Resources and Director of Law and Democracy to make any (minor) changes to the wording of both documents to ensure they can carry the Plain English Crystal Mark.
3. Adoption of revised Procurement Regulations and Financial Regulations are matters that are reserved for Full Council.
4. **Recommend** – That County Council approve revised Procurement Regulations and Financial Regulations for inclusion within the Constitution (attached as Appendices 1 and 2).





**APPENDIX 1**

# **Procurement Regulations**

**Approved by the Audit Committee on 24 March 2011**

## **Summary of the main controls and regulations shown in the procurement regulations**

- Check with the Head of Procurement if there is any doubt about whether these Regulations apply to a specific contract, or check with a procurement advisor if you are not sure about any part of the regulations (section 1 and various).
- Ignoring the role of procurement advisors, individual managers (various) will be responsible for governing the procurement process.
- When buying anything for us, you have to consider the importance and effect of our other policies, for example, the Environmental Policy, relevant Health and Safety Policy and so on (section 2 and section 3).
- If you are involved in the procurement process or manage any contracts, you must declare any possible conflict of interest to your manager and the Director of Law and Democracy. The golden rule is, if in doubt; declare it (section 3).
- The contract value does not just mean its yearly value but all payments over the length of the contract (including any extensions) – special rules apply if there is no set length for the contract (section 3 and section 8).
- You must keep all tender-related documents in line with our policies on keeping documents and to satisfy audit requirements (section 3 and section 14).
- Staff involved in the procurement process must act in line with the Scheme of Delegation for Procurement (section 3 and annex 2).
- Before beginning the procurement process, you must produce a contract strategy where we buy goods, work or services (section 3, section 4 and section 5).
- You must follow the correct tendering process – this will depend on the value of the contract and the extent to which a framework agreement is already in place (section 6). See the table over the page.
- A Procurement Advisor will provide advice on the nature and scope of those framework agreements already in place (various).
- For all contracts over £100,000, you must consult a Procurement Advisor before buying what is needed (section 2 and section 6).

- Electronic procurement (including e-tendering) is a developing area. You must consult a Procurement Advisor before using this facility (section 6).
- When you evaluate a tender using MEAT (most economically advantageous tender), you must use the tender evaluation methodology referred to within section 13 and annex 7.
- You cannot accept a tender or appoint a provider unless you have carried out a financial check in line with the supplier financial appraisal strategy (section 14 and annex 3).
- We can only change our requirements for insurance if the Director of Finance and Resources agrees (section 18).
- Special rules apply for ICT items (section 3 and section 19).
- In certain situations, we allow an exception to these regulations as long as you fill in a waiver form and this is authorised (section 22 and annex 1).

## Options available for the tendering process

Low-value transactions	Up to £15,000	<p>A framework agreement if there is one, unless the Director of Law and Democracy decides otherwise</p> <p>Two written tenders or quotations</p> <p><b>Note</b></p> <p>For transactions valued below £500, you can use a purchasing card.</p>
Intermediate-value transactions	Over £15,000 and up to £100,000	<p>A framework agreement if there is one, unless the Director of Law and Democracy decides otherwise</p> <p>Three written tenders or quotations</p>
High-value transactions	Over £100,000 and up to EU transactions limit	<p>A framework agreement if there is one, unless the Director of Law and Democracy decides otherwise</p> <p>Public advert</p>
EU transactions	<p>Goods and Services over £156,442</p> <p>Work over £3,927,260</p>	<p>Special rules apply – speak to a procurement advisor</p>

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## **1 Introduction**

- a These regulations are part of our constitution and are our procedural regulations for buying items for us (the regulations). They do not apply to buying items or services from within the council.
- b We explain the difference between goods, work and services in the glossary of terms at the end of the regulations.
- c The regulations apply to any contract that results in us making a payment and some types of contract where a service is being provided for us which results in some income being generated for us.
- d The regulations also apply if we are acting as the lead organisation in partnership or other joint arrangement or if we appoint a subcontractor in connection with any contract.
- e The regulations do not cover grants which we may receive or make (unless the grant is part of a contract for services).
- f The regulations do not apply to:
  - contracts of employment;
  - contracts relating to interest in land (also known as property);
  - contracts entered into by schools using delegated budgets;
  - contracts placed by the Director of Finance and Resources for treasury management;
  - contracts placed by the Director of Finance and Resources investing money or assets of the Staffordshire County Pension Fund; and
  - contracts relating to selling or otherwise disposing of our assets.
- g If you are in any doubt about whether the regulations apply, you must always check with the Head of Procurement.
- h Our 'best value duty' is very important. It means that we must always consider how each procurement meets our duty to secure continuous improvement in what we do after taking account of economy, efficiency, effectiveness and outcomes. As a result, we need to question whether we should be buying anything at all and, if we do, whether we can buy it best ourselves or jointly, or if we should rely on someone else to get better value.
- i Government and EU public procurement regulations require that we must allow, and be seen to be allowing, freedom of opportunity to trade and to be open and clear about how we do things.

- j If we fail in this duty, a provider could make a complaint against us which could result in them claiming damages and even suspension of the contract.
- k The most important principles are being clear, open and providing fair competition. Whenever we are buying goods and services for the council, we must always act to promote competition and to achieve value for money.
- l The regulations have three main aims. These are to:
- keep to the obligations that govern spending public money, such as the EU Public Procurement Regulations;
  - get best value in the way we spend money, so that we may in turn offer better and more cost-effective services to the public; and
  - protect people who follow the regulations.
- m The regulations:
- are written in plain English; and
  - help decisions to be made by the right people at the right level in the council.
- n In these regulations we have marked certain sections in bold and added a \* symbol. These sections are compulsory and must always be followed whatever you are buying for us. If there is no \*, you should treat the regulations as best practice and follow them wherever appropriate.
- o These regulations may be suspended if the relevant Senior Leadership Team Member decides if:
- a contract or subcontract is being let on behalf of a public agency for example the Department of Transport, and any condition under these regulations does not match the requirements of that agency;
  - you are buying something jointly with one or more public organisations and you are following their procurement processes;
  - a contract or subcontract which is governed by nationally negotiated conditions of contract from one or more professional institutions, for example ICE building contracts and any condition of these regulations, does not match a condition in those conditions of contract; and
  - we are working in line with procurement regulations entering into a framework agreement negotiated by another public organisation.



- p We will review these regulations at least once every two years after they are considered by the Audit Committee. In the meantime, the Director of Law and Democracy and Director of Finance and Resources, by consulting the Chairman of the Audit Committee, will make any required minor changes to them.
- q These regulations apply to all contracts for goods, or for work, services or utilities for us or which we provide unless paragraphs 1f and 1o apply or you have a valid waiver under regulation 22 (section headed 'Exceptions from the regulations').

## **2 Context**

- a The European Union sets down (through a treaty) what obligations are placed on us when we are buying. The main principle is to make sure that everyone in the marketplace who could provide the goods, work or services to us has the opportunity to do so.
- b We all now need to think about the way we arrange this, for example, e-auctions, e-tendering, or setting up a framework or placing a supply contract. More and more, councils are working collaboratively through joint procurements (in other words, buying the goods and services you need with another department or another council or councils and sometimes other public organisations).
- c When you are buying anything for us, you **must** consider the importance and effect of our other policies on what you are buying. For example, this could include the Strategic Plan, the Community Engagement Framework, the Staffordshire Compact and Third Sector Commissioning Standards, the Corporate Equality Plan and the Environmental Policy.
- d If you are buying larger or expensive goods, work or services, remember that the regulations for higher value orders and contracts are stricter than for those of lower value. This is so that the benefits of a more thorough, complicated process are not outweighed by the price compared to the value of the goods, work or services in question.
- e At the highest end of the value scale, we **must** follow full EU public procurement directives, which say that we must keep to certain other procedures. In these cases, you **must** consult a Procurement Advisor before you start buying what you need.

## **3 Before we start**

### **Making sure we keep to law and policies**

- a When making or proposing a contract on our behalf, the senior leadership membership team will:
- keep to all relevant legal requirements including EU procurement regulations, relevant health and safety, environmental and equalities and discrimination law;

- keep to these regulations;
- keep to our financial regulations; and
- keep to the principles of the Staffordshire Compact.

### **Honesty and conflicts of interest**

- b Every officer who takes any decision or has any influence about a contract must keep to our integrity policy statement and local code of conduct for employees. They must also complete and sign the Declaration of Interest and Confidentiality document. [See attached hyperlink](#)
- c Every officer who has a financial interest in a contract must contact the Director of Law and Democracy who will make a record in a book we will keep for the purpose, under Section 117 of the Local Government Act 1972.
- d You should not accept any gifts or hospitality from anyone tendering for a contract we are leading on or from any current supplier. If you do, this may be a disciplinary offence. You **must** tell the Director of Law and Democracy if you are dealing with a contract for the council and have been offered such a gift or hospitality. You can get more advice and guidance on the intranet under Gifts and hospitality.

### **The competitive process**

- e EU directives, UK law and Government policy says that we **must** always make sure that we are offering the opportunity to provide goods, work or services to the whole market to make sure there is fair competition.
- f If your contract is a very high value (in other words, with a value of more than £100,000), you **must** follow the section on high-value procurements.
- g The value of a contract means the estimated total value over the length of time it will apply, including any extension options (**not the yearly value**), before VAT.
  - If the contract is for buying a single item, which is not related to buying other items, the contract is worth the price, or estimated price, referred to in that contract.
  - If the contract is for buying a related group of items, the contract is worth the total price, or estimated total price, of the group.

- h If there is no set length of time for the contract, this is the estimated value of the contract over a period of four years. You should not split contracts to avoid the values, either by item or length. Special arrangements will apply for ICT contracts.

### **Who can buy goods and services?**

- i Annex 2 of these regulations gives details of the Scheme of Delegation for Procurement which defines who can buy goods and services for us.
- j Senior leadership team members should make sure that any buying is carried out by their procurement professionals or by an authorised person who can prove they have the skills and knowledge appropriate for buying the goods, work and services. These people should already have authority under our scheme of delegation for procurement. If not, they need to be granted authority from the relevant person or organisation.
- k Each senior leadership team member **must** make sure that we do not go over the limits in the scheme of delegation.
- l The Director of Finance and Resources will review the scheme when necessary and this will be considered by the Corporate Governance Working Group.
- m Before starting a procurement process, you need to make sure that you have carefully identified the need and fully assessed the options for meeting it. Before you start, you **must** consider the following.
- Is there a clear business need, supported by appropriate evidence and a budget in place?
  - What is important to the council in this procurement? Do you just need the goods, work or services? Or are there other things you want to bring about (for example, improved environmental performance, new jobs) or added social value. In certain cases the procurement process can help achieve this wider social value by meeting a particular social, environmental or economic aim. It allows commissioners to achieve broader aims but you **must** consult a Procurement Advisor.
  - Can you buy what you need with another directorate or another council? If you think you could save us money or achieve other advantages if you bought what you need with someone else, consider whether there is an existing framework arrangement, in-house provider or contract you can use. This framework or contract could be one we have already set up or one set up by another council or joint-purchasing organisation or run centrally by the Government (such as Buying Solutions).

- Is there some kind of recognised purchasing group in place (often referred to as a buying consortium) where members can use the purchasing arrangements to buy goods or services? If there is a group in place, you do not have to keep to these regulations. However, you can only buy the goods or services that are covered by the group arrangements. If the goods or services are outside the scope of the group arrangements, you must use some other method of procurement in line with these regulations. A procurement advisor can give you more advice on this.
- n If after considering other buying solutions you are going to use a joint procurement with another council, this should be done using conditions at least as strict as these.
- o If you decide that you or your partners are likely to need to buy the goods or services again in the future, it may be that the best way to buy them is by setting up a framework agreement. A framework agreement allows a number of providers to sell you the goods, work or services you need when you need them. There are many types of contracts which will be suited to a framework agreement and it is important that you agree this with a procurement advisor before you start to make sure that the type of contract being used is most suitable.

### **Employment issues and TUPE (Transfer of Undertaking Protection of Employment Regulations)**

- p Entering into new contractual arrangements or changing existing contractual arrangements can give rise to TUPE implications. It is not always obvious that there are TUPE implications (for example, when a contract with another supplier comes to an end and is to be put out to tender again). So, **if in any doubt**, you **must get the** advice of a Procurement Advisor or an HR specialist to make sure that any relevant TUPE arrangements are in place.
- q Where it has been decided that goods, work or services should be bought from an external source, you **must** consider the effects this may have on the existing in-house team and the possibility of staff transferring to the new provider under TUPE.
- r These contracts **must** contain conditions to make sure appropriate workforce (and other) information will be made available in enough time when that contract is due to end to make sure that we can fulfil TUPE obligations.
- s TUPE situations will almost always give rise to pensions issues. You can get advice on this from the Pensions Section. You will need an actuarial statement on pension information for any proposed TUPE transfers. You can get this from the Pensions Section. It is the responsibility of the person managing the tender process to get this. Sometimes, we may need a pension admissions agreement.

- t You can get more information on TUPE from [www.acas.org.uk](http://www.acas.org.uk).

### **The main contracts**

- u For major, specialist, higher value or important contracts, for example those which involve transferring council employees to a contractor under a PFI (private finance initiative) or outsourcing arrangement, a senior leadership team member must get further relevant approval if this is appropriate. This will concern whether a contract is to be awarded and to whom.
- v Senior leadership team members **must** consider if members should be involved in decisions during the tender process, for example by deciding on the conditions for awarding the contract. This will be more relevant for high-value procurements including PFI projects.

### **Other**

- w A senior leadership team member will not, without approval from the Director of Finance and Resources, enter into a contract for supplying goods or services under any operating lease, hire, rental or any other credit arrangements.
- x Senior leadership team members must make sure all contracts and related records are kept, so they can be inspected, for a period we decide. This includes decisions to suspend these regulations and using any delegated powers.
- y The Director of Law and Democracy may make arrangements under these regulations about keeping records for certain types of contracts.
- z Any interim contractor or consultant who is responsible to us for preparing or supervising a contract on our behalf must do the following. They must:
- keep to these regulations as though they were a senior leadership team member, though the procedure may be modified so that inviting, opening and accepting tenders can be approved beforehand by the senior leadership team member concerned;
  - if the Director of Finance and Resources or any officer we have authorised asks, produce all the records they keep in relation to the contract; and
  - at the end of a contract, send all records, documents and so on relating to the contract to the senior leadership team member concerned.

#### **4 Defining the need**

- a At the least, you **must** clearly and carefully specify the goods, work or services to be supplied, the agreed programme for delivery and the terms for payment together with all other terms and conditions. You also need to make sure that you will have the funds in the budget to pay for them.
- b This means you **must** decide before beginning the procurement process the size, scope, and specification of the goods, work or services needed. If you are buying with someone else, you **must** decide this scope with your partners first.
- c You **must** keep to any other council policies which could apply to what you want to buy. If in doubt, **check** with a procurement advisor.
- d When identifying and defining the need, you should make sure you have involved a wider range of organisations relevant to the goods, work or services to be supplied. By knowing the market and encouraging a wider supply base, you have more chance to find the right providers and achieve the right services at the right price.

#### **5 Contract strategy**

- a Once you have decided on the need, you **must** decide on a contract strategy for buying the goods, work or services.
- b This means taking a step back from the traditional procurement process and assessing the purchasing options particularly when purchasing services. For example, using a grant may be appropriate for a highly specialised service, if you know there is only one provider, or a very few suspected providers, or the project is of a low financial value. This is because it would not make financial sense for one specialist provider to go through a full tendering process.
- c You **must** consider options for delivering goods, work or services. The options for goods, works or services are:
  - not buying the goods, having the work done or providing the services at all;
  - providing the goods, work or services ourselves (for example, by taking spare goods from another directorate or using their staff);
  - getting someone else to provide the ongoing goods, work or service (using the 'voluntary sector' or another local authority or public organisation); or

- providing the goods, work or services with someone else (the private or 'third' sector or another local authority or public organisation). Be aware that for the voluntary sector, we have a special agreement.
- d If you are in any doubt about the above, you should get advice from a Procurement Advisor.

## 6 How we buy the goods and services we need

### Framework agreements (including Buying Solutions, ESPO, WMS)

- a You **must** use framework agreements for goods, work and services (including approved lists) **if they exist**, no matter what the value, unless the Director of Law and Democracy confirms, in writing, that the particular needs justify another procurement route.
- b Framework agreements (also known as call-off contracts) are arrangements with providers for providing goods, work or services on agreed terms for a set period for estimated quantities against which orders may be placed if and when needed during the contract period. They offer benefits of bulk-buying, improved services and reduced administration costs over the period of the arrangement.
- c A framework agreement may have the option for you to hold a mini-competition with all the capable providers on the framework when you come to buy for us. You **must** get advice from a procurement advisor on carrying out a mini-competition.
- d You **must** investigate whether call-off contracts or frameworks are relevant in your own case. You could get better value for us by using an existing framework agreement (and if relevant the central government agreements). You also need to check if legally you can use them.
- e If there isn't a framework already in place (or if one does not exist with partners which you can use), you **must** consider if it would be better value to set up a framework. This is likely if you are going to need to buy the same or similar goods and services again in the future. You can get guidance on how to set up a framework from a procurement advisor.
- f Countywide arrangements for routine goods and services and directorate-specific contracts, for example, maintaining premises (such as gas servicing) and terms of tenders for highways maintenance would fall into the definition of a framework.

### **Full tender procedures (over the EU thresholds)**

- g If you are inviting tenders for contracts over EU procurement thresholds, you **must** decide on the procedure to follow before you advertise and it **must** be one of the following.
- Open procedure (all interested providers send us a tender in response to an advertisement).
  - Restricted procedure (expressions of interest from interested providers in response to an advertisement, with us inviting a selection of those providers to send us a tender).
  - Negotiated procedure (expressions of interest from interested providers in response to an advertisement, with us inviting a selection of those providers to negotiate). Only use this procedure if it is agreed by the Head of Procurement.
  - Competitive Dialogue procedure (where the purpose of the procurement is known but not the solution). Only use this procedure if it is agreed by the Head of Procurement.
- h For all transactions valued above the EU threshold, and for all transactions over £100,000 (not including VAT), you must get approval of the proposed tender process from a procurement advisor.

### **Full tender procedures for high-value transactions**

- i For transactions valued at over £100,000 (not including VAT) but below the EU thresholds, you must carry out a formal tender process in line with the following principles.
- Openness
  - Transparency
  - Visibility
  - Value for money
  - In the best interests of the council
  - Competition
- j You can get more guidance on the types of procurement from a procurement advisor.



## Intermediate-value transaction

- k For transactions valued over £15,000 but at or below £100,000 (not including VAT), you **must** get three written tenders or quotations before you issue a purchase order or contract, specifying the goods, work or services. This must set out prices, our terms and conditions of contract and terms of payment, unless a framework already exists and this must show value for money. If there is a framework, you **must** follow the procedure as set out in the framework, unless the Director of Law and Democracy confirms, in writing, that the particular requirements justify using another procurement route.
- l If you only receive one quotation, you must try and get other quotations or an exemption from the regulations in line with regulation 22 (section headed Exceptions from the regulations). If you get two suitable quotations, that will be enough.

## Low-value transactions

- m For transactions valued over £500 but below £15,000 (not including VAT), you **must** get at least two written quotations from a provider before you can issue a formal purchase order specifying the goods, work or services and setting out prices and terms of payment, unless a framework already exists and this must show value for money. If there is a framework, you **must** follow the procedure set out in that framework, unless the Director of Law and Democracy confirms, in writing, that the particular requirements justify using another procurement route.
- n Your purchase order **must** contain our standard terms and conditions of contract between us and the provider. A quotation and a purchase order will create a legally binding contract. We use the purchase order to formalise the terms of the contract.
- o For transactions valued below £500, when buying goods, work or services, you can use a purchasing card in line with the financial regulations.

## Electronic procurement and emailed quotations

- p You should always aim to use electronic procurement (or e-procurement) systems rather than paper systems. If you are going to us e-tendering provided by another organisation, this must be agreed by a procurement adviser. Using e-tendering may disadvantage some smaller providers. You should make it clear that paper systems can still be used, so that we attract the widest range of providers.

- q If you accept electronic quotations, these **must** be:
- sent to a specific email address;
  - opened at a set time;
  - opened in the presence of a duly authorised officer;
  - logged under the price given; and
  - kept on the relevant file.

### **Concession contracts**

- r You must use a concession contract if we want to hire someone to provide a service within the council area if they will be charging the public for the services being provided.
- s There are a number of exemptions if a public works concession contract is proposed. You can get advice on these from a procurement advisor.
- t If the company which plans to provide the services is going to subcontract the services, this may fall within EU procurement rules. In all cases, if the company is buying goods or services as part of the concession contract, any procurement should be carried out in line with these regulations.
- u You **must** get advice from a procurement advisor before carrying out any procurement relating to a concession contract.

## **7 The EU directives**

### **Extra requirements for transactions valued over EU limits**

- a Below are the contract values above which you must follow procedures governed by the EU directives.

For goods and services (including goods and consultancy services)	£156,442
For work	£3,927,260 (from January 2010)

These limits are changed in January every two years. You **must** check the latest limits before you go ahead.

## 8 Adding contracts together

- a You **must never** deliberately split down the value of contracts.
- b Wherever possible, we should make our purchases in the form of a single large contract rather than a series of smaller contracts. However, there will be circumstances where using lots of (smaller) contracts, is appropriate. You can get advice and guidance on this from a Procurement Advisor.
- c You **must** add together the value of the separate contracts of the same type over a short period so you can decide whether the value of the contract falls within the limits.

## 9 Procedures governed by the EU directives

- a If your contract has a value over the limit, you **must** use the UK Public Contracts Regulations 2006. The definitions of part A and part B services are contained in Annex 5. EU treaty rules only apply to Part-A services. If they are Part B and assuming the value is above the limits, your only responsibilities are to:
  - provide a detailed specification (regulation 9(7));
  - use a tendering exercise that is clear, and which treats bidders equally and without any discrimination (regulation 4(3));
  - publish a contract award notice after the event (regulation 31); and
  - provide a statistical return report.
- b The 2006 Public Procurement Regulations contain conditions relating to providing notices and other documents electronically.
- c You **must** tender the contract under the open, restricted, competitive dialogue (for particularly complicated contracts). Or, in exceptional circumstances, you must agree a negotiated procedure with the Head of Procurement.
- d EU directives and UK Public Procurement Regulations are very detailed and we can only give details of the main ones here. If in doubt, you should get the guidelines and advice from a procurement advisor.

- e For each contract, unless we say differently below, you must publish a contract notice in the Supplement to the Official Journal of the European Union (OJEU). Advertisements you publish as well as this **must not**:
- appear in any form before we have sent a contract notice to OJEU; and
  - contain any information on top of that in the contract notice in OJEU.
- f You **must** always follow the minimum timescales relating to tender procedures governed by the EU directives. The timescales given for completing and returning tenders are only the minimum, so there is flexibility to extend timescales to encourage bids from smaller providers or consortiums. If procurement falls under part-B services, or is under the EU procurement limits, there is no formal time limit. Similarly, when faced with short timescales within which to use the funds, you should still make sure the process used is fair, clear and accessible to all.
- g If you have sent a prior information notice (PIN) announcing a forthcoming contract notice to OJEU between 52 and 365 days before you have sent the contract notice, reduced timescales may apply.

#### **Using the competitive dialogue procedure governed by EU directives**

- h You **must** get advice from the Head of Procurement as soon as possible before starting a tender process governed by EU directives, particularly when using either the competitive dialogue or the negotiated procedure.
- i Under EU directives, you can use the competitive dialogue procedure for contracts valued at or over EU limits in certain circumstances if:
- we want to award a particularly complicated contract and think that using the open or restricted procedure will not allow us to award that contract; and
  - the contract is for a service or goods and the precise nature of the service cannot be clearly given or accurately priced (for example, some PFI contracts, bespoke software applications, insurance services, intellectual and artistic services).
- j You should not use the negotiated procedure (except in very specific circumstances) to procure particularly complicated projects. The competitive dialogue procedure should be the normal method of procurement for complicated projects.
- k If in doubt, you **must** contact a procurement advisor.

## 10 Tender documents

- a Every invitation to tender using a Pre-Qualification Questionnaire (PQQ) should include:
- the nature and purpose and, if it applies, the proposed length of the contract;
  - an outline of the goods, work or services to be supplied or carried out;
  - a statement on our procedures for getting tenders;
  - a requirement for the applicant to provide information about their technical, commercial and financial standing if we do not already have the information;
  - a closing date for receiving applications;
  - the evaluation criteria (with weightings) to include in any tender process (see regulation 13);
  - an outline process and timetable;
  - a statement that we do not have to accept the lowest or any tender; and
  - a named Procurement Advisor.
- b Unless we change it under regulation 10a, every **invitation to tender should** include:
- the nature, purpose, start date and period of the contract;
  - the detailed specification and quantities of goods, work or services to be supplied or carried out;
  - the times at, or within which, and the places at which the goods, work or services are to be supplied or performed;
  - a copy of the conditions of contract which the successful contractors will have to keep to;
  - a requirement for the tenderer to provide information about their technical, commercial and financial standing if we do not already have the information;
  - information on TUPE;
  - the evaluation criteria (with weightings) for awarding the contract (see regulation 13);

- a statement that we do not have to accept the lowest or any tender;
- the closing time and date, and address for receiving tenders; and
- a named procurement advisor.

## **11 Getting tenders**

- a The senior leadership team member must send to every person who wants to give us a tender any documents which meet the requirements of regulation 10. This includes a returnable tender form or other document which tells each company wanting to tender to:
- include their offer price (or prices) for the goods, work, services or utilities;
  - include their signature or seal;
  - return the filled-in tender form to the senior leadership team member concerned at the address given by a certain date and time;
  - send the filled-in tender in an envelope with the word 'TENDER' followed by the subject the tender relates to and the closing date and time for receiving tenders;
  - be told that, depending on procurement regulations relating to e-tendering arrangements, we will not consider tenders sent in only by fax or email.

## **12 Receiving and opening tenders and PQQs (pre-qualification questionnaires)**

- a Every response to a PQQ or an invitation to tender should be delivered:
- no later than the time given for sending us the tender in the invitation to tender (and addressed to the person at the place shown in the invitation to tender (or e-mail address));
  - on a read-only CD-ROM clearly labelled with the tenderer's name and contract reference, or via email (depending on your procurement approach) (or provided in hard copy as a last resort); and
  - with no other labelling or markings on the packet that identifies who is providing the tender.

- b The senior leadership team member **must** keep the tenders secure until the time we have given for their opening. We will not open tenders before the closing date and time. Two officers **must** open all tenders at the same time. They **must** not be involved in the tender evaluation and award.
- c We **must** list the opened tenders on a list of tenders. Tenders must be signed and dated by the people opening them. Pages with prices in them do not need to be signed, only the total price page.
- d Email tenders **must** be stored in a specific site which is secure and which meets our audit requirements.
- e We will not open a tender if it is received late and after we have opened other tenders for that contract.
- f If the circumstances mean it is appropriate, the senior leadership team member may postpone, for a reasonable period, the closing time and date for receiving tenders. This applies as long as we have let everyone know, in the same way, who we have asked for tenders from and that tenders have not been opened. The powers in this paragraph cannot be enforced by an officer unless they are approved in line with the scheme of delegation.

### **13 Evaluating tenders and quotations**

- a If we have asked for written quotations for contracts valued at or below £100,000 (not including VAT), we **must** give the contract to the bidder with the lowest price, unless other conditions are shown in the document used to invite bids. If this is the case, the contract should be awarded on that basis.
- b For contracts valued over £100,000 (not including VAT) and for all contracts governed by EU directives, we **must** use the 'best value' tender evaluation procedure based on identifying the most economically advantageous tender (MEAT). The tender evaluation methodology must be used [\(See attached hyperlink\)](#). However, there are some situations where using MEAT will not be an appropriate method of evaluation. This is usually if the only obvious difference between products or solutions will be that of price (for example, if you are buying stationery or other standard items). It is unlikely that you could choose providers for services or work on price alone as these will often need wider evaluation techniques. When deciding on how we evaluate tenders, we need to be careful that using a lowest-price method of evaluation rather than MEAT is appropriate for the procurement.

- c This evaluation involves scoring tenders fairly by a panel of officers or independent experts using criteria which **must**:
- be already set out in the invitation to tender documents in order of importance;
  - be strictly kept to at all times throughout the tender process;
  - reflect the principles of best value;
  - include price;
  - consider whole-life costing, particularly in the case of capital equipment where the full cost of maintenance and so on should be taken into account;
  - be able to be assessed independently;
  - be weighted according to importance;
  - show wider social value if this has been included in the specification; and
  - avoid discrimination on the basis of nationality, or other cause which goes against any of our policies.
- d If you use this evaluation method, you must award the contract to the company which sends us the most economically advantageous tender. (In other words, the tender that achieves the highest score in the independent assessment.)

## **14 Awarding contracts and audit trails**

- a You **must** record in writing the results of the tender-evaluation process and the decision to award a contract.
- b You **must** only award a contract if you are authorised to do so, in line with the Scheme of Delegation for Procurement. You **must** make sure that the appropriate budget holder has the funds in place before you make the award.
- c Senior leadership team members should make sure that proper records of all procurement activity are kept in electronic or hard-copy format as appropriate. This is in line with our policy on keeping documents.
- d We cannot accept any tender which breaks EU procurement regulations.
- e We cannot accept any tender unless we have carried out a financial check in line with our supplier financial appraisal strategy (Annex 3).



## 15 Standstill period (for EU tenders only)

- a For all contracts tendered under EU directives, we **must** have a 10-day 'standstill period' between the decision to award and the end of the contract. Once we have made the decision to award a contract, we must write to each company that provided a tender with the outcome of the tender process. This notice **must** include:
- details of the criteria for awarding the contract;
  - if possible, the score or ranking the company achieved against those criteria;
  - if possible, the score or ranking the winning company achieved; and
  - the name of the winning company
- b There **must** be at least 10 calendar days between sending this notice and the end of the contract. Special rules apply if a company asks us for a debrief on the tender process. Even if a company asks for a debrief outside of the standstill period, we **must** still provide this. In this instance, you must get advice from a procurement advisor as soon as possible.

## 16 Contract award notice

- a We **must** announce all contracts awarded under the EU directive using a contract award notice in OJEU which must be sent no later than 48 calendar days after the date we award the contract.

## 17 Conditions of contract

- a There must be written evidence of every contract and all contracts must be in a form agreed with the Director of Law and Democracy.
- b All transactions **must** use an appropriate model form of contract approved by the Director of Law and Democracy (or a form decided by the senior leadership team member after consulting the Director of Law and Democracy).
- c For all contracts for services estimated at a value over £100,000 (not including VAT), if the model conditions of contract are not suitable, you **must** consult the Director of Law and Democracy to produce a suitable set of conditions of contract (with other advisors if necessary) before inviting tenders. PFI contracts fall within this definition.
- d If a contract is strategically important or politically sensitive, or if the extended limits would be valuable, for example, contracts for land or property, the contract **must** be in writing and an official seal must be placed on it.

e The Director of Law and Democracy **must:**

- keep a record or list of all model sets of conditions of contract that gives details of when the conditions were last updated, who is responsible for updating them, any changes and contact references;
- keep all current model conditions of contract under review;
- monitor and review conditions of contract issued by other organisations; and

make sure that information is sent to directorates and access is given to available framework agreements and contracts, local or joint framework agreements and call-off contracts.

## 18 Insurance

- a Insurance conditions will be contained in the conditions of contract. In terms of insurance, we will normally need the successful contractor to have the following types and minimum limits of cover.

	Work contracts	Goods and services contracts
Public liability	£5 million	£5 million
Employers' liability	£10 million	£5 million
Professional indemnity	£5 million	£2 million

- b The above limits relate to each claim. For public liability and employers' liability, the cover must be in place throughout the period covered by the contract. For professional indemnity, the conditions are more complicated. Not only must the cover be in place throughout the period covered by the contract but also for another six years after the end of the contract (or 12 years if the contract is under seal). For certain types of services, for example, financial advice, the amount of professional indemnity insurance cover will need to be higher to protect us in case anyone gives inappropriate advice.
- c When providing goods and services, the above limits may not be appropriate for small and medium enterprises (SMTs) and sole suppliers. In these instances, we can reduce these limits after carrying out a risk assessment and filling in the relevant sections of the waiver form (Annex 1) after consulting the Director of Finance and Resources.

## 19 Contracts for ICT hardware, software and services

- a If you are planning to buy any ICT hardware, software or services, you must consult the ICT contracts manager to make sure it keeps to our ICT policy and existing software or equipment where relevant.
- b You **must** buy ICT hardware, software and services using ICT procurement and have the spending approved by the relevant portfolio ICT manager.

- c All ICT contracts **must** be signed in line with the ICT sub-scheme of delegation for procurement.

## **20 Transferring contracts**

- a In appropriate circumstances we may agree to transfer a contract, by novation or re-assignment. You must ask for advice on how to transfer a contract from the Director of Law and Democracy, before any contract is transferred.
- b The Director of Law and Democracy **must** take this decision.

## **21 Changing and extending contracts**

- a Depending on any legal restrictions and the need to keep to these regulations and the Scheme of Delegation for Procurement, a senior leadership team member may authorise the following extensions and changes to an existing contract.
- An extension for a particular period under the terms and conditions of the contract (but depending on the satisfactory performance when monitoring the contract).
  - A single extension of the contract by up to half the contract term as long as this would not place the contract over the EU limit or break any law.
  - Any other change, and if relevant a resulting change in price, decided in line with the contract terms.
- b Any extension to the contract period cannot be longer than the original length of the original contract.
- c You **cannot** extend or change contracts arranged under the EU regulations without consulting a procurement advisor.

## **22 Exceptions from the regulations**

- a An exception to these regulations means we give permission to agree a contract without keeping to one or more of these regulations. We may grant an exception under conditions set out below. We cannot grant an exception if to do so would mean breaking any laws on public procurement or other relevant legislation.
- b The Director of Law and Democracy may grant an exception to these regulations for contracts over £100,000 (not including VAT). Senior officers may grant an exception to the regulations for contracts up to £100,000.
- c If you want an exception, you must apply in writing using the request for waiver form (Annex 1 of these regulations) and send it to the

Director of Law and Democracy or the relevant senior officer. Please include the exception you want and your reasons for it.

- d The Head of Procurement will keep a register of all exceptions to these regulations.
- e We will not agree an application for an exception unless you have a good reason. We do not consider a lack of time caused by poor forward planning as a good reason and so will not allow it.

**Exceptions which involve the request for waiver form (Annex 1 of these regulations)**

General contracts

- f We may grant an exception in the following circumstances.
  - If there is an unexpected emergency involving danger to life or health or serious damage to property, if the goods, work or services are needed more urgently than would be possible if we followed the tender or quotation procedure.
  - If, for technical reasons, the goods, work or services can be bought from only one provider and this can be justified.
  - If the proposed contract is an extension or change to the scope of an existing contract with a value (including the change or extension) that is below the relevant EU limit. However, this does not apply if the existing contract provides for an extension.
  - If you are buying works of art, museum artefacts, manuscripts or archive collection items.
  - If there is a need to develop and influence the market by extending the range of services, as long as the contract is for a fixed term of no more than three years.
  - If it is necessary so we can continue to provide a new service, which was developed using grant aid and as long as the contract is for a fixed term of no more than three years.
  - If we can achieve value for money by buying used vehicles, equipment or materials.
  - To develop our aims to develop the economy, without breaking public procurement rules.

Contracts for social care and health care

- g We may grant an exception to the requirements to follow the tender or quotation procedure in the following circumstances.

- If the service to be provided is to be paid for using a grant paid to us under section 93 of the Local Government Act 2000 (amended in 2002) (the Supporting People Scheme) and the contract allows us to renew it with an existing provider. This applies if the renewal has been recommended by the Officers Board of the Commissioning Body set up for the purpose of that scheme because it offers value for money in line with our legal obligations. For the purpose of this exemption, renewing a contract includes changing the terms of a contract to allow for developing a service or to reduce the service. It does include providing a service but not a renewal which would allow an increase of 50% to the service provided.
- If the service to be provided is for a life-long residential, supported living or fostering placement for a named person. Throughout the contract, we will control best value using price increases based on the yearly level of inflation decided by the Place Directorate. We will also monitor best value by using the care funding calculator during the care-plan-review process or at up to intervals of four years (whichever happens first). After doing the calculation, we must formally record all future negotiations.
- If the services to be provided relate to renewing a contract for providing residential accommodation, care, education or arrangements under section 28BB of the Health Services Act 1977 (or similar for buying goods or services for a recognised group of people who have special needs) and the relevant senior leadership team member believes the wellbeing of members of the recognised group would be affected if the goods or services were provided by someone other than the proposed provider. However, the senior leadership team member must be satisfied that the provider has the skills or experience needed to provide that service or goods and that the cost of the goods or services is reasonable and represents best value in all the circumstances.
- If the services to be provided relate to renewing a contract for providing residential accommodation, care, education, fostering or arrangements under the Health Services Act 2006 for buying services for a recognised group of individuals which is being provided by another public organisation. And:
  - 1 the wellbeing of members of the recognised group would be affected if the goods or services were provided by someone other than the proposed provider; or
  - 2 the services can more effectively be provided using a joint or associated contract with the provider, and the other public organisation want to renew the contract with the provider; and

the relevant senior leadership team member is satisfied that the supplier in question has the skills or experience needed to provide the goods or services and that the cost of the service is reasonable and represents best value in all the

circumstances. **Exceptions which do not need you to fill in the request for waiver form (Annex 1 of these regulations)**

- h We will grant an exception to these regulations and you will not need separate authorisation in the following circumstances.
- If you place an order with a single provider under an existing corporate contract or framework agreement.
  - If you place an order through a buying consortium of which we are a member.
  - As part of a partnering contract that involves a series of contracts with one provider.
  - If any law says we must contract differently from these standing orders.
  - If you place an order under an arrangement, of which we are a member that has gone through a competitive process which meets EU conditions, for example, Buying Solutions.
  - For goods, work or services which must be provided by a public utility or a local authority other than us under their legal powers.

For office use only	
Value of the waiver	
Granted or refused	
B case	
Risk	
Date	
<b>Note:</b>	

## Request for waiver (exception) form

### Notes

- Please see the regulations on asking for waivers.
- **We must carry out a financial check in line with the council's Supplier Financial Appraisal Strategy (Annex 3).**
- No officer (including the Director of Law and Democracy) may approve a waiver that would mean we break the law or EU procurement law.
- You can make a request by email. You must make your request before the start of any procurement activity.
- You need to fill in and pass this form to the relevant officer authorised to sign and seal the contract or framework agreement, before you enter into any contract or framework agreement.

You still need to keep to certain EU directives even if we do grant a waiver. Please ask for the advice of a procurement advisor for the following procurements.

- Part-B services (for example, education, social services and health) and single-supplier procurements (regulation 14) that are over the EU limit are only partly exempt from EU procurement law.
- A copy of the filled-in waiver form signed by everyone involved should be placed on the contract file and a copy must be sent to Staffordshire Procurement for filing on our waiver database. Send it to: [alison.morgan@staffordshire.gov.uk](mailto:alison.morgan@staffordshire.gov.uk).
- If your request is for a contract over £100,000 (not including VAT), you must send it to the Director of Law and Democracy for approval.
- This request must not be filled in or signed by any individual who has a direct or indirect interest in the request.

		Add the information here
1	<b>Title of the contract or framework agreement</b>	
2	<b>Description of goods, work or services</b>	
3	<b>Name of proposed provider, if you know it</b>	
4	<b>Length and value of contract</b>	
4a	<p>Length of the contract or framework agreement (include initial term and any options to extend)</p> <p>Note</p> <p>A framework agreement should not generally be for more than four years.</p>	..... years
4b	If the contract or agreement lasts for more than four years, you need to provide justification for the extended period.	
4c	If the proposed contract has been renewed or extended previously with the same provider or group of companies, please show this. (This may affect the total value of the contract.)	
4d	Have there been any previous waivers for this contract?	<div> <input type="checkbox"/> Yes           <input type="checkbox"/> No         </div> <p>If <input type="checkbox"/> Yes, please provide details of:</p> <ul style="list-style-type: none"> <li>the date and value of the contract;</li> <li>the dates and values of any previous waivers and any limits attached to previous waivers; and</li> <li>the value of this waiver request.</li> </ul>



		Add the information here
4e	<p>Total value (not including VAT) of the proposed contract or agreement. This will <b>include any amounts shown in 4d total value over the full length of the contract including any extension period.</b></p> <p>Note</p> <p>Include all other expected matters such as maintenance support, licences, training, expenses and so on.</p>	
4f	If you cannot give a value, please provide a brief explanation.	
5	<b>Budget</b>	
5a	Is there a budget available for the total value of the contract?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5b	If <input type="checkbox"/> No , where is the funding coming from?	
5c	Are there conditions attached to the funding?	<input type="checkbox"/> Yes <input type="checkbox"/> No  If <input type="checkbox"/> Yes , include a brief summary of the funding conditions.
6	<p><b>Evidence of value for money</b></p> <p>Note</p> <p>If you are not carrying out a formal tendering process, you <b>must</b> give evidence of value for money.</p>	Details of value for money:
7	<p><b>EU limits</b></p> <p>Is the contract over any EU limits?</p> <p><b>EU limits in January 2010</b></p> <ul style="list-style-type: none"> <li>• Work of £3.9 million or more</li> <li>• Goods and services of £156,442 or more</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No  If <input type="checkbox"/> Yes , fill in point 13.

		Add the information here
<b>8</b>	<b>Procurement route</b>  If the contract is over £100,000 (not including VAT), a procurement advisor must sign confirmation that there is not another more suitable procurement route.	Signature .....  Name of procurement advisor
<b>9</b>	<b>Reason for request</b>  Give a brief description of why you want the waiver.  Note  We tend to presume that all contracts and framework agreements will be formally tendered. If this is not the case, you must explain the reasons along with the actual procurement route you will use.	
<b>10</b>	<b>Risks</b>	
<b>10a</b>	Give details of any significant risks, for example: <ul style="list-style-type: none"> <li>• changes to standard contract clauses (legal);</li> <li>• CRB disclosures (HR);</li> <li>• non-standard insurance limits (public liability, employers' liability and professional indemnity insurance);</li> <li>• financial checks which reveal significant risk; and</li> <li>• others (please give details).</li> </ul>	
<b>10b</b>	Why are we taking on any significant risks?	
<b>11</b>	<b>Other information</b>  Other relevant information (if this applies)	
<b>12</b>	<b>Exit plan</b>  What are the plans for providing goods, work or services at the end of the contract, for example, the need to re-tender or is this a one-off project?	

Contracts over the EU limits		
<b>13</b>	<p>Does the request for waiver fall within one of the following categories?</p> <p>Contract for:</p>	<div> <input type="checkbox"/> Yes           <input type="checkbox"/> No         </div> <p>Note</p> <p>If <input type="checkbox"/> No , we will probably refuse the request for waiver if the contract is over the EU limit.</p>
<b>a</b>	buying or developing material for broadcasting	
<b>b</b>	arbitration or conciliation services	
<b>c</b>	financial services in connection with issuing, buying, selling or transferring securities	
<b>d</b>	central bank services	
<b>e</b>	employment and other contracts of service	
<b>f</b>	research and development services, unless only for our benefit and paid for by us	
<b>g</b>	services, where we have the exclusive right to provide the service	
<b>h</b>	EU Services Directive Part B Service or EU Regulations 14 exemption	

### Authorising officer request

<b>14</b>	<p>Only the authorised officer can fill this in</p> <p><b>I confirm that the information set out above is correct.</b></p> <p>Your signature:</p> <p>Name:.....</p> <p>Post: .....</p> <p>Phone:.....</p> <p>Date:.....</p> <p>(Either type your name or use your signature.)</p>	
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### Authorisation by the Service Director

**For contracts over £100,000, you must also get authorisation from the Director of Law and Democracy.**

<b>15</b>	<div style="display: inline-block; border: 1px solid black; padding: 2px 10px; margin: 0 10px;">Approved</div> <div style="display: inline-block; border: 1px solid black; padding: 2px 10px;">Refused</div>	
<b>16</b>	<p>Comments and restrictions, limits on approval or reasons for refusal (if any)</p>	
<b>17</b>	<p>Name or signature .....</p> <p>Post or title .....</p> <p>Date .....</p> <p>(typed name or email signature)</p>	
<b>18</b>	<div style="display: inline-block; border: 1px solid black; padding: 2px 10px; margin: 0 10px;">Approved</div> <div style="display: inline-block; border: 1px solid black; padding: 2px 10px;">Refused</div>	
<b>19</b>	<p>Comments and restrictions, limits on approval or reasons for refusal (if any)</p>	
<b>20</b>	<p>Name or signature .....</p> <p>Post or title .....</p> <p>Date .....</p> <p>(typed name or email signature)</p>	

## **Scheme of delegation – sub-delegation scheme for procurement**

### **Introduction**

This scheme sets out the level and scope of delegated authority for post holders within a portfolio or section to carry out the duties and authorities given to the senior leadership team member under the formal delegation scheme.

### **Note**

- 1** Depending on a few specific exceptions, a delegation will be given to a post holder identified by their relevant salary scale and position in a band or level set out in the table below.
- 2** Depending on any restrictions set out in the table or a personal exclusion, each officer within a band or level has authority to carry out all the delegations appropriate to that band or level.
- 3** Unless there is a specific exemption or restriction, an officer at a higher band will have authority to carry out all the delegated authority of officers at a lower band.
- 4** Any other delegation must be in writing and a copy given to the officer. A record must also be kept within each portfolio.
- 5** Any officer may have their delegated authority suspended, removed or limited (a personal exclusion). For example, this may include induction periods to allow for training and development or if a senior leadership team member wants to carry out tighter monitoring of how powers are being used. (This is not considered as a disciplinary matter.)
- 6** Any officer using delegated authority must keep to our integrity policy and local rules together with any relevant financial regulations.
- 7** Any officer using delegated authority may be asked to produce written confirmation of their authority. A reference to the Published Scheme of Delegation or a signed copy of the specific written authority will be enough.
- 8** Each officer using delegated authority is responsible for making sure they have the authority to carry out the function and that they keep to any restrictions or exemptions.

## Table of delegation

Band	Definition (Post or scale point included)
<b>A</b>	Senior leadership team member
<b>B</b>	Post graded 15 and 16
<b>C</b>	Post graded 12 to 14
<b>D</b>	Any post graded 9 to 11
<b>E</b>	Any post graded 8
<b>F</b>	Other post designated by name to carry out a particular delegated power.

P No	Sub-delegation (action or issue)	Delegation band	Restrictions and conditions
	<b>General note</b>		<p>Any action using delegated authority must keep to the procurement regulations</p> <p>For any contract worth more than £100,000, you must get advice from a procurement advisor.</p> <p>The word contract also refers to framework agreements.</p> <p>For all ICT procurement, you must work with an ICT procurement advisor to make sure all orders are placed through Staffordshire ICT.</p>
<b>1</b>	<b>Waivers and business-case decisions</b>		
<b>a</b>	Granting an exemption (waiver) to procurement regulations – with a contract value under £100,000	<b>B</b>	<p>You must keep a record of the waiver – see standard form (on website).</p> <p>Only ICT-approved staff can grant an exemption (waiver) to procurement regulations (with a contract value under £100,000) and sign contracts for ICT-related goods and services.</p>
<b>b</b>	Granting an exemption (waiver) to procurement regulations – with a contract value of more than £100,000	<b>B</b>	<ul style="list-style-type: none"> <li>- Director of Law and Democracy <b>only</b></li> <li>- No waiver may be granted if it will break EU procurement rules</li> <li>- The waiver request <b>must</b> be signed by a procurement advisor before you apply.</li> </ul>
<b>c</b>	Awarding a contract lasting more than four years	<b>B</b>	You must consult a procurement advisor. They may refer the matter for legal advice.

<b>d</b>	Authority to change the terms and conditions of a contract, or to accept any providers' terms and conditions	<b>C</b>	<p>You must consult the Director of Law and Democracy.</p> <p>You must carry out risk assessments on any changes.</p>
<b>2</b>	<b>Procurement method to use</b>		
<b>a</b>	Decision not to use our framework agreement or contract	<b>B</b>	You must consult a procurement advisor and the Director of Law and Democracy.
<b>b</b>	Authority to agree evaluation criteria for contracts	<b>C</b>	For contracts over £100,000, you must involve a procurement advisor and you must keep to EU procurement rules.
<b>c</b>	Authority to carry out an e-auction or e-tender	<b>C</b>	You must consult a procurement advisor.
<b>d</b>	Authority to enter into joint purchasing arrangements (with another public organisation)	<b>C</b>	You must consult a procurement advisor.
<b>e</b>	Authority to use the competitive dialogue procedure (EU tenders)	<b>C</b>	You must consult the Director of Law and Democracy (or someone they choose).
<b>f</b>	Authority to carry out clarification or negotiation after a tender	<b>D</b>	You must consult a procurement advisor. Unless you are using the negotiated route, negotiations cannot take place if they break EU procurement rules.
<b>g</b>	Authority to move from the restricted procedure for EU contracts to the negotiated procedure	<b>C</b>	You must consult the Director of Law and Democracy (or someone they choose).



3	Tender and acceptance		
<b>a</b>	Authority to accept a variant bid tender	<b>C</b>	You must consult a procurement advisor, and must not break EU procurement rules.
<b>b</b>	Authority to witness the opening of tenders	<b>E or F</b>	As long as they are not involved in the procurement process.
<b>c</b>	Authority to accept most economically advantageous tender (MEAT) or lowest-priced tender and to award a contract	<b>B</b>  <b>C</b>	You must consult a procurement advisor. And, keep a record of the scoring method.  Head of Categories in Staffordshire Procurement <b>only</b> if the Head of Procurement is not available.
<b>d</b>	Authorisation to give the briefing to unsuccessful companies who provided tenders (other than standard information)	<b>D</b>	Procurement officer See the guidance on debriefing. You must consult a procurement advisor. You must also not discuss commercially sensitive information.
4	CRB		
<b>a</b>	Authority to rule that CRB clearance is not needed for providers on a contract	<b>B</b>	You must complete the risk-assessment process and keep a record. If you are in doubt or you have identified a risk, you must consult the Director or Law and Democracy (or someone they choose).

5	Signing and sealing		
<b>a</b>	<p>Signing contracts (within your own portfolio)</p> <p>If it is an ICT procurement, see 5c.</p>	<b>B</b>	<p>Band 15 or 16 officers within the portfolio</p> <p>The Director of Law and Democracy (or someone they choose) may sign any contract no matter what portfolio they are from.</p> <p>This does not include contracts for land and contracts under seal.</p>
<b>b</b>	<p>Signing contracts (not within your own portfolio)</p>	<b>B</b>	<p>The Director of Law and Democracy (or someone they choose) may sign any contract no matter what the value. If a contract needs to be signed by two senior leadership team members (for example, PFI contracts), one must be Director of Law and Democracy (or someone they have chosen).</p>
<b>c</b>	<p>Signing ICT contracts</p>		<p>All ICT-related contracts must be signed in line with the ICT sub-scheme of delegation for procurement.</p>
<b>d</b>	<p>Authority to decide which contracts are under seal</p>	<b>B</b>	<p>Director of Law and Democracy only</p>
<b>e</b>	<p>Sealing contracts and deeds</p>	<b>C</b>	<p>Authorised officers in Law and Democracy only (Specific exemptions agreed by the Director of Law and Democracy apply to certain agreements.)</p>
<b>f</b>	<p>Choosing and maintaining approved contract lists</p>	<b>C</b>	<p>(Not including deletions)</p>
<b>g</b>	<p>Deleting a provider from an approved contractors' list</p>	<b>B</b>	<p>You must consult the Director of Law and Democracy and record your reasons for the decision.</p>

<b>h</b>	Authority to carry out an assignment or novation	<b>B</b>	A Procurement Advisor in consultation with the Director of Law and Democracy must sign and the reasons for this must be recorded.
<b>6</b>	<b>Extending and ending contracts and price increases</b>		
<b>a</b>	Authority to accept a price increase up to £15,000 in one year	<b>D</b>	This must be done in line with procurement regulations.
<b>b</b>	Authority to accept a price increase over £15,000 in one year	<b>C</b>	This must be done in line with procurement regulations.
<b>c</b>	Authority to extend a contract period	<b>B</b>	As above
<b>d</b>	Authority to serve a default notice	<b>D</b>	In consultation with the Director of Law and Democracy (or someone they choose).
<b>e</b>	Authority to end a contract	<b>C</b>	You must consult the Director of Law and Democracy (or someone they choose).
<b>7</b>	<b>Purchasing cards and savings</b>		
<b>a</b>	Approval for issuing a purchasing card (P-card)	<b>D,E or F</b>	Officers below band D must be authorised within portfolio.
<b>b</b>	Authorising P-card transactions	<b>E or F</b>	This must be the budget holder (or someone they choose).
<b>c</b>	Savings sign-off	<b>D</b>	A procurement advisor must do this with the relevant Joint Finance Unit (JFU) head, and client.

## **Supplier financial appraisal strategy**

### **Aim**

The aim of the supplier financial appraisal strategy is to reduce as far as possible the effect of a business failure on the most vulnerable in the community.

### **Principles**

The strategy is based on:

- the need to help the procurement officer or lead commissioning manager make the right decision for all main critical contracts;
- promoting competition when buying goods, work, services and utilities;
- choosing the most suitable suppliers of goods, work, services and utilities based on a set of financial and market measures;
- the need to take account of the level of risk associated with the supply, service or supplier; and
- the ongoing assessment of the supplier's financial strength.

### **The main responsibilities**

While the final decision to reject an applicant for financial reasons rests with the Director of Finance and Resources (in practice this decision is delegated to the relevant joint finance unit), the emphasis will be based on a partnership approach. This involves the procurement officer, lead commissioning manager and a representative from the relevant joint finance unit.

The procurement officer will gather financial information, in the first instance.

Internal Audit will monitor how we follow this strategy through their planned procurement audit assignments carried out each year.

### **Method**

The following method applies for all contracts awarded using a tendering procedure or waiver.

For contracts with a value of **less than £100,000** and where the supply or service is not seen as a priority 1 critical supply, you do not need to carry out a financial appraisal before awarding a contract.

For contracts with a value over **£100,000 but less than £1 million** and where the supply or service is not seen as a priority 1 critical supply, the procurement officer and lead manager and relevant Joint Finance Unit will decide whether a financial appraisal is needed, before the contract is awarded.

The basic assessment involves four questions as shown below.

- a Is the type of supply or service being bought 'routinely' rather than as a one-off purchase?
- b Is the supply or service readily available from a number of other suppliers?
- c Can the supply or service be easily substituted?
- d Are contract payments only made once we have received the supply or service?

If you answer no to any of the four questions, you will normally carry out a financial appraisal using the same process and a choice of those factors (1 to 8) shown below.

The procurement officer, lead commissioning manager and a representative from the relevant joint finance unit will decide on the need to carry out a financial appraisal for each year of the contract.

We will carry out detailed financial appraisals:

- for all tendering exercises **over £1 million**; or
- if the supply or service is a priority 1 critical supply.

### **Pre-contract award**

Factors to be discussed

- 1 We will take account of output from financial checks carried out using the financial assessors N2Check, Dunn & Bradstreet and Experian (based on those accounts lodged with Companies House).
- 2 We will analyse the latest set of accounts (if not lodged with Companies House).
- 3 We will carry out financial checks on the parent company (if there is one).

- 4 We will award the contract value when compared to:
  - the recommended total yearly contract value as defined by N2Check;
  - the market standard of no more than 25% of turnover; and
  - the current total spending with the tender applicant.
- 5 In terms of the nature of the contract, we will look at:
  - the type of supply or service (for example, regular or one-off);
  - the extent of competition within the market (for example, how easy to source the contract); and
  - the payment terms (for example, payment in advance or payment once the goods or services are received).
- 6 We will also look at information from suppliers gathered through current arrangements for managing portfolios or from other sources.
- 7 We will check the movement in share prices (if this applies).
- 8 For sole traders and partnerships, we need to change certain factors. For example, we will replace factors 1 and 2 with the requirement for tender applicants to fill in a financial assessment in a format set by the Director of Finance and Resources. This will show certain information on trading accounts for the last three years. The assessment will automatically work out the average liquidity score.

Following on from the above, we will assess whether to reject the tender for financial reasons. Before we reject it, we will consider the need to get (where appropriate) a banker's reference or parent company guarantee. We will record and keep the result of this assessment (including the reasons behind it).

### **Post-contract award**

In assessing the ongoing financial strength of suppliers, we will repeat the above process for each year of the contract within one month of the anniversary of the contract award date. This will help us manage contracts effectively.

## Glossary of terms

**Approved contractors list** is a list of suitably accredited and qualified providers from which we ask for quotations or tenders without the need to advertise the procurement.

**Buying Solutions** is the online catalogue which is run by HM Government and provides a framework buying tool for local authorities and others in the public sector. The website address is [online.buyingsolutions.gov.uk](http://online.buyingsolutions.gov.uk).

**Competitive dialogue procedure** is used when we cannot provide a precise specification and where there is scope to negotiate about what services companies can provide. The purpose of this procedure is to negotiate on the specification of the project and not on the price.

**Consortium** means an association of several business organisations who are legally bound together to work towards a commonly held aim. Or, it can mean two or more economic operators (UK Public Contract Regulations 2006).

**Contract** means any agreement where we agree to carry out or to buy or sell any goods, work, services or utilities for payment or otherwise.

**Electronic procurement** means procurement using the internet, including online e-auctions and buying portals on the internet. You can take advantage of reduced minimum time periods when you arrange your contracts under the EU procurement regime and send your documents electronically. You can get advice and guidance on this from a procurement advisor.

**EU procurement regulations** means the Public Contract Regulations 2006 together with relevant EU directives, case law and guidance issued.

**Framework agreement** means an agreement or other arrangement which sets the terms (in particular the price and, where appropriate, quality) under which the provider will enter into one or more contracts or a series of contracts with us. This may also be referred to as a call-off contract, a continuous contract or a standing offer.

**Head of Procurement** means the council's Head of Corporate Procurement in Finance and Resources Directorate.

**'Lowest tender in price terms'** for accepting a tender means either the lowest cost or, if the evaluation is not just based on price, the most economically advantageous tender score after an evaluation.

**Open procedure** This means an advert will be placed in OJEU and relevant press and trade journals. The tender will be open to anyone who shows an interest.

**Procurement advisor** is a procurement advisor is a qualified member of the Chartered Institute of Purchasing and Supply (MCIPS) or has an equivalent qualification or appropriate experience.

**Procurement Board** is the board made up of the Head of Procurement, the portfolio senior representatives, the Leader of the County Council and Member Procurement Champion.

**Public organisation** includes any organisation which may award a public contract under the Public Contract Regulations 2006.

**Public services contract** is one under which we employ a person to provide services. The EU Services Regulations divide services into two categories: Part-A services and Part-B services (see table below)

**Public works contract** is a contract to buy goods (not land or the product of an activity); or hire goods, whether or not we install them. Public works contract is a contract for carrying out work under which we employ a person to do the work.

**Restricted procedure** means an advert will be placed in OJEU, and the relevant press and trade journals. Organisations which express an interest will have to fill in a pre-qualification questionnaire (PQQ). We will evaluate the PQQs and produce a shortlist of suitable organisations which we will then invite to tender.

**Senior leadership team (SLT) member** is appointed under Article 12 of the Constitution. This includes the Chief Executive, Director of Finance and Resources, Director of Law and Democracy, Director of Place, Director of People, Director of Transformation and Strategy, Director of Customer Services and Communication and any other appropriate people authorised to carry out the duties shown in these regulations in line with delegations made by the SLT member under a Sub Scheme of Delegation approved by the Audit Committee..

**‘Signing’** a contract includes arrangements for formally accepting a tender, if this is covered in the procurement regulations.

**‘Staffordshire compact’** is an agreement between public-sector and third-sector organisations in Staffordshire which clarifies how they work together and the expectations of everyone involved. It encourages each sector to answer for their actions and to provide a resolution procedure.

**Standstill period** is the period of time between giving notice of our plan to award the contract and the confirmation of the award of the contract which is needed under the EU procurement regulations. This gives unsuccessful companies the chance to ask for a debriefing and to challenge an award of a contract.

**‘Supply’** includes buying, leasing, hiring or renting goods or services or arranging any form of credit for them (this can also include when we do not pay anything for those goods or services).

**‘Tendering’** means a formal procedure for getting written offers (tenders) for supply.



**‘Third sector’** means non-governmental organisations that are driven by value and which mainly reinvest any profit to further social, environmental or cultural aims. The sector includes voluntary and community organisations, charities, social enterprises, faith groups, housing associations and co-operatives and mutuals.

**‘Value for money’** is not the lowest price but the best combination of whole-life costs and quality to meet users’ needs. You should always assess value for money over the whole life of the contract and you should take into account all costs and benefits to society as a whole including the environmental and social benefits and costs, not just those directly relevant to us. (OGC 2008).

**Works** are defined as including:

- building and civil engineering work;
- installing, for example, heating and electrical equipment or ICT equipment;
- carrying out work such as tiling and papering; and
- maintaining buildings.

We may also treat the following activities as a contract for **work**.

- A contract where we employ a provider to act as our agent when letting contracts.

An agreement where a developer constructs a building on their own land (according to our needs) and then transfers the land and structure to us at a later date.

## Part A and part B services

**Part-A services** are listed in Part A of the Schedule I to the EU Services Regulations. These include the following.

Maintaining and repairing vehicles and equipment.	Accounting, auditing and book-keeping services.
Transport by land, including armoured car and courier services but not transporting mail and transport by rail.	Market research and public-opinion polling services.
Transport by air but not transporting mail.	Advertising services.
Transporting mail by land, other than by rail or air.	Architectural services.
Telecommunications services.	Computer and related services.
Financial services such as: a insurance services; and b banking and investment services.	Management consultancy services and related services, but not arbitration and conciliation services.
Building-cleaning services on a fee or contract basis.	Publishing and printing services on a fee or contract basis.
Research and development if the benefits only apply to us.	Sewerage and refuse disposal service and sanitation and similar services.

**Part-B services** are covered by limited conditions – rules on technical specifications, contract award notices and providing statistical reports. Part-B services are all those services set out in Part B of Schedule I to the EU Services Regulations. They include all those services that fall outside of part A. Part-B services include the following.

Education and vocational health services.	Personnel placement and supply services.
Health and social services.	Investigation and security services, other than armoured car services.
Recreational, cultural and sporting services.	Hotel and restaurant services.
Supporting and other transport services.	Transport by rail.
Legal services.	Transport by water.

If a contract involves both part-A and part-B services, it is classed based on the service that has the greatest value of the different parts of the contract.

# **Financial regulations**

**Approved by the Audit Committee on 24 March 2011**



## **Financial regulations 2011**

### **Introduction by the Director of Finance and Resources**

Any major organisation needs a set of clearly understood rules and regulations to manage its financial affairs. So, in line with section 151 of the Local Government Act 1972, the Director of Finance and Resources is responsible for dealing with these affairs.

Section 25 of the Local Government Act 2003 places a duty on the Director of Finance and Resources to report to Council about:

- (a) whether the proposed reserves will be enough for our purposes; and
- (b) how robust the budget is.

Under Section 114 of the Local Government Finance Act 1988, the Director of Finance and Resources has a duty to report to Council if any of our officers or members, have:

- (a) made, or are about to make, a decision which involves illegal spending;
- (b) taken, or are about to take, an unlawful action which has or would result in a loss to the authority; or
- (c) made, or are about to make, an unlawful entry in our accounts.

The Director of Finance and Resources must also report under section 114 if it appears that our spending (or proposed spending) in a financial year is likely to be more than our resources (including amounts borrowed).

These financial regulations are part of the county council's constitution and set the framework for dealing with our financial affairs. The parts of the framework are as follows:

Financial regulations	- Approved by Council
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#### **Schemes of delegation**

Delegations to senior leadership team (SLT) members (as set out in the constitution)	- Approved by Council
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Delegations by SLT members	- In line with the framework set by the corporate governance working group.
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Financial regulations for schools - Approved by the Director of Finance and Resources (following a consultation with the Schools Forum)

All documents within the financial regulations try to achieve four main aims. These are to:

- (a) make sure there are sound and proper financial procedures and arrangements for dealing with our financial affairs;
- (b) make sure that proper controls are in place;
- (c) provide a framework for managing our finances and delivering services which will allow, wherever possible, us to link together managerial and financial responsibilities; and
- (d) protect our members and employees.

The last point is most important as without clearly defined financial procedures and arrangements, members and employees could find themselves in difficult and vulnerable situations. It is very important that we keep to these policies. If a member or employee breaks them, it may mean a complaint is made against us or disciplinary proceedings are taken against a member or employee.

If you are in any doubt about keeping to these procedures, please consult either your Joint Finance Unit, the Corporate Finance Section or the Internal Audit Section for guidance.

Andrew Burns  
Director of Finance and Resources



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## **Financial regulation A – general**

- A1 These financial regulations form part of the overall financial regulatory framework approved by Council. They apply to the whole organisation, apart from schools. The financial regulations for schools will apply in this case.
- A2 The Director of Finance and Resources is responsible for reviewing all matters relating to our financial rules and regulations and so will produce, from time to time, updates to these financial regulations.
- A3 Where appropriate, SLT members must set out in guidance notes the detailed arrangements for putting the financial regulations into practice. The Director of Finance and Resources must approve guidance notes before they are applied.
- A4 These regulations will be reviewed by Council at least once every two years after consideration by the Audit Committee. In the meantime, minor changes can be made by the Director of Law and Democracy and the Director of Finance and Resources in consultation with the Chairman of the Audit Committee.
- A5 If a member or employee fails to keep to the conditions in all documents shown in paragraphs A1 to A3 above (including our Credit Management Strategy and anti-money-laundering strategy), we may take disciplinary action against them. This will be dealt with in line with our disciplinary policy and procedure.

## Financial regulation B – Financial planning, budgeting and reporting

### Definition

- B1 The procedures shown in this section apply to all spending and income. They apply to all our activities (including trading and support services) except for spending and income delegated to schools and any partnerships where we have agreed separate guidance notes.

### Principles

- B2 Both the budget strategy and how we manage the revenue and capital budgets are based on the principle that the budgets are simply a statement of the strategic plan in financial terms. Any spending we agree to make should be identified through the strategic plan, plans for delivering outcomes and service plans. Using the revenue budget and capital programme, we will decide how and when we meet those needs.
- B3 SLT members are responsible for organising how services are delivered to achieve the aims set out in these plans within the resources they have available. Further approval will only be needed if there is a change in how we share the resources between services or if spending proposals involve a new policy or a change to the policy.

### Financial planning

- B4 Cabinet will put forward a recommendation to Council, after taking the advice of the Director of Finance and Resources, for a medium-term financial strategy (MTFS). This will be developed at the same time as we prepare the strategic plan, plans for delivering outcomes and service plans.
- B5 We will prepare these plans after taking account of:
- a legal requirements;
  - b medium-term planning prospects;
  - c the resources available;
  - d spending pressures, investment needs and savings options;
  - e government guidelines;
  - f cross-cutting issues (where relevant); and
  - g possible risks.

### Budget process

- B6 Cabinet will decide how to use the resources and budget process in a way that takes account of our strategic plan. As well as the revenue budget, these recommendations will also consider the arrangements for deciding our strategy for spending capital funds, including preparing the capital programme and the processes for assessing and prioritising individual projects.



- B7 In preparing the budget, SLT members must keep to the rules, procedures and timetables set by Cabinet.
- B8 Following advice from the Director of Finance and Resources, and after consulting the appropriate scrutiny committee, Cabinet will put forward recommendations to Council on:
- a the net revenue budget, including setting money aside for unexpected events (contingencies);
  - b how much is to be spent on each service;
  - c the programme for spending capital and the capital strategy, including financing arrangements;
  - d an assessment of whether the reserves and balances will be enough and how we will use the reserves and balances to support the budget; and
  - e council tax levels and the precept charge to be made to individual billing authorities (district and borough councils).
- B9 The report will include comments from the Director of Finance and Resources on how robust the budget is and whether the level of reserves are in line with section 25 of the Local Government Act 2003.
- B10 The Director of Finance and Resources is responsible for making sure that, as part of the capital strategy, we prepare a capital budget, capital programme and financing plan each year for Cabinet to consider.
- B11 The capital strategy will make recommendations on:
- a the overall level of the proposed capital budget;
  - b how we use capital to reflect the needs of individual services;
  - c how we use capital to tackle our corporate priorities;
  - d individual projects;
  - e prudential indicator measures including the overall affordability of proposed plans; and
  - f the financing arrangements including borrowing levels, using reserves and using capital receipts.
- B12 Within the capital programme framework, Cabinet can consider funding projects from specific centrally held corporate budgets.
- Plans for delivering outcomes, service plans and budgets
- B13 Producing an appropriate plan is an essential part of good management. Plans need to set clear aims and actions for the future and should include details of the resources needed to deliver the aims set out in the plan. Plans for delivering outcomes will set out how the strategic plan aims will be delivered. These plans will be approved by Cabinet. At service level, SLT members will need to produce plans which set out the main actions, as well as a resourcing plan and budget for that service for the relevant period, which must be agreed by the Director of Finance and Resources.

- B14 Portfolio holders and SLT members will consult the Director of Finance and Resources and produce plans for delivering outcomes . These individual plans will then be presented to members of the relevant scrutiny committee.
- B15 SLT members will produce service plans in a format suitable for that service. The plans will include details of the proposed budget and capital investment plans for the services within the relevant areas of responsibility.
- B16 The plans should identify investment (or capital) needs as well as the revenue implications associated with delivering the stated aims. Capital spending will normally include spending on buying items, construction, preparation, reclamation, replacing or improving land, roads, buildings and other structures, and (if not paid for from the revenue budget) buying, installing and replacing plant, machinery, apparatus and vehicles. We normally also include furniture and equipment, information technology, landscaping and professional fees if related to a project with a capital budget.
- B17 Trading and support services must set out the basis of charges to other services and the planned trading 'surplus' or 'deficit'. For charges to our own services, any increase should be no more than inflation (not including inflation on pay) assumed in the medium term financial strategy (MTFS). If services want to increase charges above this level, Cabinet will need to approve them. The service plan for the trading or support service must also include proposals for tackling a budget shortfall or for any extra money (surplus). We will need to take account of the effects of any planned shortfall or surplus for a trading or support service as part of the overall plans for the portfolio area.

#### Project appraisal and prioritisation processes

- B18 We need to carry out a project appraisal for all capital spending no matter where that money is coming from. We cannot include a scheme in the capital programme unless it has been through the agreed appraisal and prioritisation processes.
- B19 SLT members are responsible for making sure there is an appropriate appraisal and prioritisation process for all new investment schemes. This process must be agreed with the Director of Finance and Resources.
- B20 The project appraisal should show how the project meets the following conditions. It must:
- a be supported by a well thought-out brief which defines the aims of the project and specifies any issues which must be carried out within a certain time;
  - b be part of an appropriate business case for the proposal including an analysis of options;
  - c meet the principles set out in the HM Treasury Treasury's Guide to Appraisal and Evaluation in Central Government (The Green Book) as

appropriate for the project by the SLT member – see [http://www.hm-treasury.gov.uk/data\\_greenbook\\_guidance.htm](http://www.hm-treasury.gov.uk/data_greenbook_guidance.htm) or [http://www.cipfa.org.uk/pt/download/green\\_book\\_briefing.pdf](http://www.cipfa.org.uk/pt/download/green_book_briefing.pdf) for more guidance;

- d meet one or more of our strategic priorities set out in the strategic plan in terms of the economic, social or environmental wellbeing of the people of Staffordshire;
  - e meet one or more of the priorities identified in the relevant plan for delivering outcomes, or be needed to help meet our legal responsibilities or new legal requirements;
  - f improve one or more of the services' performance measures identified in the strategic plan, plans for delivering outcomes or the service plans;
  - g clearly show whether it is affordable and improves value for money, including any tax implications it may have (for example, VAT, stamp duty and land taxes);
  - h show how the project has been assessed against the agreed prioritisation process;
  - i take account of relevant cross-cutting policies (for example, sustainability, social inclusion, Local Agenda 21); and
  - j prove that it can be supported by a clear and achievable funding strategy.
- B21 A project may relate to a proposal to tackle a specific theme or issue such as disabled access or traffic calming. It may include a general project on minor improvements or a group of low-value schemes. However, we must be able to produce one project appraisal for each 'grouped proposal', which should include a shared aim. In these cases, an SLT member must have in place a clear process for using resources on individual schemes.

#### Taking responsibility

- B22 We have to have a system in place which sets out the operational responsibilities of our staff. SLT members are responsible for making sure that staff responsibilities are clearly shown in schemes of delegation.
- B23 SLT members and the Director of Finance and Resources will jointly issue 'accountability statements', which budget holders must sign and return.

#### The power to spend

- B24 Under these financial regulations, SLT members have the power to spend money from the approved revenue budget and capital programme.
- B25 SLT members cannot spend money without approval by Council if the

spending is not in line with the strategic plan or approved budget. By this we mean spending:

- a on creating a new policy;
- b which goes over approved budget levels (see B30 and B31 below);
- c which is basically transferring resources between budget heads (unless this is covered in the scheme of virement as shown in B37 to B39);
- d if it involves a major change in the nature of a project as set out in the original project appraisal; or
- e if it will count against our borrowing limit or will affect the revenue budget if no specific provision has been made in the budget for that service.

- B26 SLT members are responsible for making sure that any increase in an estimate for a capital project that happens during the course of the project can be kept within the overall capital budget for that service.
- B27 SLT members cannot agree any spending that involves the specific approval of a government department or agency, the European Union or any other funding organisation until we have received that approval or written assurance that we will get that approval shortly.
- B28 We cannot enter into a lease, hire, rental or similar arrangement that may count against our borrowing limit without the approval of the Director of Finance and Resources.
- B29 The Director of Law and Democracy can decide on urgent matters not relating to a 'key decision' which cannot wait until the next council or cabinet meeting. This also applies to spending in relation to an emergency or disaster to which section 138 of the Local Government Act 1972 applies.

#### Monitoring and reporting

- B30 SLT members are responsible for making sure they regularly monitor revenue and capital budgets. They must also investigate any variations and take appropriate action to deal with them.
- B31 SLT members must report to Cabinet if they cannot balance spending and resources within the approved budget. Cabinet will consider these reports and, where appropriate, make recommendations to deal with the shortfall.
- B32 SLT members will send monitoring and outturn reports to Cabinet in line with timetables and procedures set by Cabinet.
- B33 Unless Cabinet decide otherwise, any underspending or overspending will be carried forward to the following financial year and the approved budget will be adjusted as a result.

- B34 The Director of Finance and Resources is responsible for producing the annual statement of accounts and for sending it to the Audit Committee for approval.
- B35 Reports will be made to scrutiny committees on specific issues SLT members feel are appropriate, after consulting the Director of Finance and Resources.
- B36 As well as reporting the final position to Cabinet, SLT members must, within six months of a significant project or programme finishing, carry out a review. The review must include an assessment of how far we achieved the project or programme aims, as shown in the project appraisal. The review should assess the process we used to manage the project or programme and report on the final cost. We will also need to consider longer-term assessments, including value for money evaluations and any relevant feedback from any satisfaction surveys, as part of the review.

#### Scheme of virement and in-year changes to the budget

- B37 SLT members can carry out virements between their budget heads as long as:
- a it does not involve a new policy or policy change;
  - b it does not result in an increasing commitment in future years which cannot be met within the existing approved budget; and
  - c it does not transfer resources between services.
- B38 Cabinet can agree to carry out virements which transfer resources between services as long as:
- a it does not involve a new policy or policy change; or
  - a it does not result in an increasing commitment in future years which cannot be met from existing approved budgets.

- B39 Cabinet is responsible for approving virements from contingencies.

#### Staffordshire Local Community Fund

- B40 We cannot agree any spending unless the proposed initiative has been approved in line with the Fund Scheme.

#### Partnerships

- B41 SLT members are responsible for making sure that partnership arrangements are approved, carried out, monitored and evaluated in line with our partnership policy. We give a link to the policy below. (Last revision date 19<sup>th</sup> January 2009).

[Partnerships](#)



## **Financial regulation C – financial standards and systems**

### Financial management standards

- C1 The Director of Finance and Resources is responsible for setting our financial management standards and for making sure they are kept to.
- C2 The Director of Finance and Resources is also responsible for making sure we keep to proper professional practices and accounting policies. He will act as head of profession in relation to standards, performance and development of finance staff throughout the authority.

### Systems and procedures

- C3 The Director of Finance and Resources is responsible for keeping our main accounting records. These records will be kept on our Enterprise Resource Planning (ERP) system – SAP. SLT members will not use any other system for keeping accounting or other records relating to our finances unless they have written permission from the Director of Finance and Resources.
- C4 The Director of Finance and Resources, along with SLT members, will make sure that all systems and processes related to SAP are fully documented and that staff are trained in using them. These systems and processes will include the controls needed to make sure that the information used to update SAP is complete, accurate, timely and not previously processed.
- C5 SLT members must consult the Director of Finance and Resources before introducing or changing any book, form, record, administrative procedure or system used for keeping accounting or other records relating to our finances. They should then act on any advice given.
- C6 The Director of Finance and Resources and SLT members will jointly make sure that all accounting records are kept properly and held securely. The records and all related vouchers and documents must be managed in line with our document retention policy for financial records – document reference GRS1 (click on hyperlink below).  
[Retention schedules](#)



## **Financial regulation D – audit, control and irregularities**

- D1 The Director of Finance and Resources is responsible for carrying out a continuous internal audit in line with the Accounts and Audit (England) Regulations 2011.
- D2 SLT members must co-operate with, and provide all necessary information for, the Internal Audit Section and our external auditor.
- D3 SLT members are responsible for setting up effective and efficient arrangements for internal control. They will ask the Director of Finance and Resources for advice on any significant matter if the principles of internal control prove difficult to put into practice or maintain.
- D4 SLT members must let the Director of Finance and Resources know immediately about all instances of potential and actual irregularity which affect our finances.
- D5 The Director of Finance and Resources, or his authorised representative, must be given reasonable access to our property and to see any documents, records and computer files they may need for the audit. He can also ask staff and members for information and explanations if he thinks this is necessary for that audit.
- D6 Depending on any related legal requirements, the Chief Internal Auditor will have the right to report directly to the Chief Executive, to any member of Cabinet and the Audit Committee.

### **Response to audit reports**

- D7 SLT members must consider and respond promptly to recommendations in audit reports and make sure that any agreed actions arising from audit recommendations are carried out as soon as possible.

### **Internal control and checks**

- D8 The duty of providing information, working out, checking and recording the amounts due to or from us must be separated, as far as possible, from the duty of collecting or paying these amounts.
- D9 Wherever possible, we need to make arrangements to make sure that:
- a work, goods and services are ordered properly;
  - b we acknowledge when they have been received; and
  - c invoices and accounts are not examined by the same person.



## Financial regulation E - spending

### General

- E1 Depending on financial regulation G3, all payments made on our behalf will be made by the Director of Finance and Resources.
- E2 Payments will be made in line with our standard payment policy as set out in the reports of the Director of Finance and Resources relating to the medium-term financial strategy.
- E3 In making these payments, the Director of Finance and Resources will, where necessary, rely on the certification (electronic or manual) of authorised employees.
- E4 Every employee involved in the procurement process must keep to our procurement regulations and the officers' code of conduct as set out in the constitution. Employees in schools must keep to schools' financial regulations and schools' procurement regulations (whichever is appropriate).

### Raising an order

- E5 Depending on the requirements of E6 below, you need to raise official orders when asking for supplies, works or services. You must not raise an order after the supplies have been received or the work carried out, unless it is an emergency. If this is the case, an official order marked 'confirmation' must be issued as soon as possible (normally within seven working days of the order being given in person or over the phone).
- E6 You need to raise an official purchase order for all items you buy using the SAP purchasing module or a manual system if this operates in your service area, see E9.

However, if there is a fixed-term contract with a supplier, where providing goods and services is already scheduled in the contract, and under the terms of the contract you do not need an instruction to receive the particular goods or service you want, you do not need to raise an order. Instead, you can process the payment as a non-order invoice payment in the SAP accounts payable module. See Appendix 1 for examples of how to follow these principles.

The only other reasons for not raising a purchase order are shown below:

- a petty-cash purchases.
- b payments needed where there is no invoice, for example, grant payments (unless an order is part of the grant conditions), refunds, compensation payments and property rentals if there is no invoice provided by the landlord (see E21). Please fill in an EX1 payment if you do not have an invoice.

- c payments using a purchase card.
  - d other payments approved by the Director of Finance and Resources.
- E7 In line with approved schemes of delegation, SLT members must approve each official order and make sure that:
- a the spending is for proper purposes;
  - b the spending can be met from approved budgets;
  - c we have kept to procurement regulations (for example, the requirement to use centrally negotiated contracts);
  - d the main fields of the purchase order are filled in correctly (for example, the description of supplies, work or services, and delivery address;
  - e the spending is charged to the correct cost code (this is included in the invoice coding and cannot be changed at invoice stage);
  - f any staff who have delegated responsibility for a budget keep to these instructions; and
  - g anyone who approves orders arranges for somebody else to do it when they are on annual leave.
- E8 You must never use official orders to arrange work, supplies and services for your own private use.
- E9 Manual orders are only allowed if you have the approval in writing of the Director of Finance and Resources.
- E10 If there is a clear business need, an SLT member can self-authorise orders that they have agreed. In other words, you can approve an order you have raised. Self-authorisation is to be used for low-value orders up to £500 for staff and up to £3,000 for managers. Officers who are approved to carry out self-authorisation must be included in the relevant service sub-scheme of delegation.

#### Matching invoices

- E11 SLT members must make sure that effective arrangements are in place to make sure that the supplies, services or work needed have been received before entering invoices. If goods are being added to stock using the SAP materials management module, you must make sure that goods receipts are entered immediately.

## Paying invoices

### General

- E12 Payments must not be made against a statement or any document other than a formal invoice unless the Director of Finance and Resources agrees. You can use photocopied or faxed invoices to replace 'lost' invoices. However, these must be signed as 'not previously passed for payment', and should be of good enough quality to be scanned in case they are needed in the future. To reduce the risk of duplicate payments, it is important to accurately enter the supplier's invoice reference when posting an invoice.
- E13 You must not agree to pay creditors by direct debit, standing order or charge card unless the Director of Finance and Resources agrees.
- E14 Wherever possible, invoices should be scanned onto the SAP system. If it is not possible to scan invoices, you should keep hard copies in business units or establishments in line with our document retention policy.

### Certifying invoices

- E15 If an order has been raised using the purchasing module, invoice details will be entered onto SAP within business units or establishments. No further certification process is needed unless the value of the invoice is more than the accepted value of the order. If this is the case, the order will need further authorisation using workflow. If there has been a change to a purchase order, SLT members should make sure that they are satisfied that there is justification for the increase in the value of the order.
- E16 If a non-order invoice payment is being made using the accounts payable module, (see section E6), invoices will generally be processed by the relevant business unit or establishment using the automated certification or workflow. In very rare circumstances, the Central Accounts Payable Section will do the processing after receiving a certified coding grid.
- E17 Certifying an invoice manually or electronically within the accounts payable module will mean the following.
- a You have followed procurement regulations and financial regulations and the account is correct in all respects.
  - b The supplies have been received, examined and approved in line with the specification, and are satisfactory, and the prices and discounts (if any) are correct and meet the conditions of the contract quotation or order.
  - c The invoice can be paid from within approved budgets.
  - d Entries have been made in inventories or stock records, whichever is appropriate.

- e The invoice has not previously been passed for payment and is due.
- f The invoice keeps to the VAT requirements of HM Revenue & Customs (see [VAT on purchases](#) on the intranet).

Anyone who approves invoices must arrange for somebody else to do it when they are on annual leave.

- E18 Invoices must be entered into SAP as soon as possible, and authorised promptly to avoid late-payment penalties. Invoices are paid based on the date on the invoice, not on the date they are entered on the system.

#### Payments in advance

- E19 Generally we do not allow advance payments. However, if a contractor needs paying in advance or a grant payment is needed in advance, the Director of Finance and Resources must agree. The Director of Law and Democracy must also be told if supplies, work or services are then not provided after making a payment.

#### Electronic transfer

- E20 If invoices are sent by suppliers electronically, the Director of Finance and Resources is authorised to pay these invoices in line with any arrangements and controls he thinks necessary.

#### Recurring payments

- E21 You should only use value limit orders (blanket orders) in exceptional circumstances, such as if you expect many invoices from a supplier for goods or services that we need on an ongoing basis. They are not allowed if you know the volume or value of the order at the time you place the order. Value limit orders must contain a description of the supplies, work or services ordered.
- E22 SLT members are responsible for keeping records of regular payments (such as rates and rentals) both for property and equipment. If necessary, they will raise EX1 invoices (see E6) for these payments and make sure that any payments are correct and not duplicated.

#### Other checks

- E23 The Director of Finance and Resources has the right to carry out any extra checks he considers necessary either before or after payment. He has the right to check that the procedures laid down for authorising and ordering supplies, work or services and examining accounts have been properly carried out.

#### Bank imprest accounts

- E24 The Director of Finance and Resources will provide imprest accounts, if he considers it appropriate, for authorised employees. The imprest holder is responsible for the amount of that imprest account and must make sure it is reconciled (matched up) each month and does not go overdrawn at any time. It is a standing instruction to our bankers that the bank must report the amount of any overdrawn balance to the Director of Finance and Resources.
- E25 If you hold an imprest account, you must make safe and efficient arrangements for controlling access to blank cheques, and preparing, signing and sending out cheques.
- E26 Unless the Director of Finance and Resources agrees otherwise, you cannot pay any income received on our behalf into an imprest account. It must be paid into the normal council account. You cannot cash personal cheques.
- E27 Payments must be limited to £100 for individual items or any other items the Director of Finance and Resources may approve. Payments must not include salaries and wages, travel and subsistence expenses or work carried out under the Construction Industry Tax Deduction Scheme (CITDS).
- E28 You must have a receipted voucher for any payment. To satisfy HM Revenue & Customs' rules, you must get, at least, a modified VAT invoice for payments under £250 that include VAT. The invoice must show:
- a the name, address and VAT registration number of the supplier;
  - b the date the supplies or services were supplied;
  - c a description of the supplies;
  - d the total amount due including tax; and
  - e the rate of tax.
- E29 If asked, you must give the Director of Finance and Resources a statement of the imprest account.
- E30 When you leave the employment of the council or otherwise stop being entitled to hold an imprest account, you must account to the Director of Finance and Resources for the amount in the account. You will need to send a closure of account or a change of holder form to the accounts payable team. You can find the form at:

<http://www.intra.staffordshire.gov.uk/services/finance/finance/services/accounts/>

Purchase cards (P-cards)

- E31 SLT members must make sure of the following for each item bought using the purchase card.

- a The spending is for proper purposes.
  - b The spending can be met from approved budgets.
  - c The procurement regulations have been kept to.
  - d The spending is charged to the correct cost code.
  - e All transactions are reviewed and approved each month. If card holders, or their line manager, will not be able to approve transactions because they will be on annual leave, they must let the Accounts Payable section know by ringing 01785 276387. The section will arrange to approve transactions on their behalf. If a cardholder and, where necessary their line manager, do not review and approve all transactions made each month, the Director of Finance and Resources can withdraw the card.
  - f The goods have been received, examined and approved in line with the specification, and are satisfactory. The prices and discounts (if any) are correct or the work done or services provided have been satisfactorily carried out, and the materials used (if any) were of the right standard, and the prices and discounts (if any) are correct.
  - g The VAT is accounted for correctly and VAT receipts have been kept.
  - h Purchase cards have not been used to buy work, supplies and services for private use.
- E32 SLT members are responsible for any staff who have budgetary responsibility keeping to these instructions. Each card will have single transaction and monthly limits, which the SLT member will set.
- E33 Internal Audit will review a sample of transactions to make sure that purchases are valid, that all transactions have been appropriately authorised and coded, and that VAT has been accounted for correctly.
- E34 SLT members must make sure that there is a procedure in place to avoid mistakenly paying a supplier again when the invoice is received for a purchase-card transaction.
- E35 You can get more information on using purchase cards on the intranet by following the link below.  
[Purchasing cards](#)

#### Payments to employees and pensioners

- E36 The Director of Finance and Resources is authorised to pay all salaries, pension benefits and other employment-based payments.

- E37 The SLT member must authorise all appointments, resignations, dismissals, suspensions, secondments and transfers in a form approved by the Director of Finance and Resources.
- E38 Each SLT Member must let the Director of Finance and Resources know as soon as possible and in the form he has approved (including, for example, SAP being updated at source), about all matters which may affect paying items referred to in E36 and E37. This includes:
- a absences from work for sickness and other absences which affect pay;
  - b changes in pay, other than normal increments and pay awards and agreements which apply to everyone; and
  - c information needed to keep records of service for superannuation, income tax, National Insurance and so on.
- E39 All time records or other pay documents must be in a form approved by the Director of Finance and Resources and must be confirmed by the SLT member.
- E40 All employees must be paid in the most economical way – currently BACS – unless the SLT member approves otherwise in line with guidelines issued by the Director of Finance and Resources.
- E41 SLT members must make sure that they have processes in place to make sure that payments made to employees are properly due.

#### Members and staff travelling and subsistence allowances

##### Travelling and subsistence allowances

- E42 SLT members must make sure that all claims for employees' car allowances, subsistence allowances, travelling and other expenses are sent in as soon as possible. They must be signed as authorised and sent to the Director of Finance and Resources in a form he has approved. Or, if the Director of Finance and Resources agrees, SLT members can arrange for claims to be entered directly into SAP. Copies of VAT receipts must be kept in business units or establishments in line with our document retention policy.
- E43 SLT members are responsible for making sure that employees who use their cars for official business are properly insured against all third-party risks and that the insurance includes indemnity against any loss.
- E44 Before sending in any forms referred to in E42, SLT members are responsible for checking:
- travelling and subsistence allowances;
  - the accuracy of the mileage claimed;
  - the purpose of the journeys made;



- the taxable status of the claim; and
- that they have kept to our car allowance regulations, car leasing scheme and any other decisions we have made (if appropriate).

If you have any questions about the taxable status, you must contact the Director of Finance and Resources for advice.

- E45 The Director of Finance and Resources will rely on SLT members to certify and authorise payments for claims.

#### Allowances to members

- E46 Members (including co-opted members), who are entitled to claim travel and other allowances for an approved duty, must send in a claim either by using the online electronic claims system or by filling in a paper claim form. By sending in a claim, the member is confirming that this is a true record of expenses they have paid out. The Director of Finance and Resources will make a payment. Members should send copies of VAT receipts to the Member and Democratic Services Unit in line with our document retention policy.
- E47 The Director of Finance and Resources will pay special allowances and basic allowances in line with our instructions.
- E48 The Director of Finance and Resources will accept a certificate if a co-opted member claiming financial loss declares that:
- a they have lost earnings of not less than the amount included in their claim; or
  - b they have had to pay extra expenses in employing domestic help or other help because they have been on council duty.



## **Financial regulation F – income (credit management strategy)**

F1 Each year SLT members must:

- a review and make recommendations to Cabinet (or the relevant non-executive committee) about charges for services we provide in line with our powers to charge as set out in relevant laws including the Local Government Act 2003; and
- b review and put into practice all fees and charges where we have powers to decide on the amount of the fee or charge.

F2 If the SLT member sets or changes any fee or charge that involves a policy change, Council must approve this.

F3 SLT members must manage all money (cash or credit) due to us in line with our credit management strategy (Appendix 2) and the anti-money-laundering strategy (Appendix 3). You must follow detailed procedures relating to collecting income, receipting and banking (as detailed below) at all times.

### Collection

F4 After consulting the Director of Finance and Resources, SLT members must make arrangements to make sure they record all amounts due to us and for collecting, controlling, banking of and accounting for all money recovered as soon as possible.

F5 SLT members must make sure that, wherever possible, at least two officers are present when post is opened to make sure that postal payments are dealt with properly and recorded as 'received' immediately.

F6 SLT members must tell the Director of Finance and Resources as early as possible about all money due to us under contracts, leases, tenancy agreements, agreements for selling property, BACS remittances for grant payments and any other agreements where we receive money.

### Receipting

F7 Each officer who receives money on our behalf must acknowledge the amounts received in line with procedures prescribed by the Director of Finance and Resources. You cannot give a receipt for money received on our behalf on any form other than the official receipt form. You only need to issue official receipts for cash payments (not cheques) for amounts over £20 or if the customer specifically asks for a receipt. SLT members may use their discretion about whether to issue a receipt for amounts of less than £20.

F8 All official receipt forms or receipt books, licenses, tickets (of value) and all documents or vouchers representing receipts for money or similar must be in the form approved by the Director of Finance and Resources who will control,

issue and order them. All stationery of this type must be properly recorded and acknowledged.

- F9 Every transfer of official money from one member of staff to another must be recorded and signed by the receiving officer.
- F10 Each officer who receives money on our behalf must also keep records the Director of Finance and Resources decides are appropriate. This includes an accurate account of all receipts and when money was paid into our bank accounts, agents' accounts or with Girobank.
- F11 Personal cheques must not be cashed out of the money held on our behalf.
- F12 If cheque payments are presented personally, the officer must make sure that the customer both signs the cheque and writes their address on the back in front of them. If the cheque has already been signed, the customer must then sign and put their address on the back of the cheque.

#### Banking

- F13 SLT members must pay directly and promptly all money received on our behalf, to our bankers, our Girobank account, or other agents we have approved.
- F14 For the purpose of paying money to our bankers, their agents or to Girobank, the Director of Finance and Resources will give an officer a paying-in book. You must not use any other stationery.
- F15 An officer must add the following information to the paying-in slip – whether electronically via SAP or on paper paying-in slips.
  - a The amount of each cheque or postal order.
  - b Some reference which will connect the cheque or order with the debt or debts (for example, the receipt number or debtor's name).
  - c The reference number of either the customer's account or invoice numbers which related to the payment.
  - d If no customer account has been raised, use the codes provided by the Director of Finance and Resources, the budget heading to which the income will be paid into and the value to be paid in.
  - e An idea of the purpose and source of the payment if it does not relate to money which is owed to us.

#### Payment by credit or debit card

- F16 SLT members must contact the Director of Finance and Resources before introducing these facilities. The Director of Finance and Resources will make sure that named staff are given secure access to appropriate facilities and

receive relevant training. Any establishment which accepts payment by this method must keep to the banking agreement (especially the conditions on keeping and storing customers' card details).

To keep to the Payment Card Industry (PCI) data security standard, we cannot store the cardholder's account numbers and sensitive information, for example, the information on the front of a debit or credit card and the CSV (three-digit security code on the back of the card). If the customer has given us the card details in writing to support a booking or a contractual arrangement, you must destroy the details once you have processed the card details.

- F17 All commission costs relating to these facilities must be paid from the budget of the portfolio area which is offering them.

#### Sending customer invoices

- F18 SLT members are responsible for raising customer invoices and credit memos as soon as possible. Managers can only raise customer accounts and credit memos using SAP. Accounts raised in SAP will have an invoice number given to them automatically by the system.
- F19 If your establishment does not have access to SAP, you must ask the Joint Finance Unit to raise your customer invoices using only our sales order request vouchers issued by the Director of Finance and Resources. Do not issue a manually raised account to a customer.
- F20 You must add the date the service is provided into SAP when raising customer invoices.
- F21 Do not issue customer invoices for amounts below £25 for non-statutory services.

#### Issuing credit memos

- F22 We can only reduce the amount of an account using an official credit memo if the amount was raised by mistake or the invoice contains incorrect information. If the credit note is raised in SAP, the system will pass the credit memo to a designated member of staff for approval.
- F23 If the credit memo relates to non-SAP issued customer invoices, it will only be issued by the Director of Finance and Resources upon written instruction from the debt recovery officer or budget holder. The written instruction must be attached to the SAP transaction. Credit memos for HR salary overpayments must be issued in the SAP HR system.
- F24 If a credit results in changing the VAT originally charged, the credit memo must show the full details HM Customs & Excise will need. The Director of Finance and Resources will give you this information.

## VAT

- F25 SLT members must take all practical steps to make sure the correct VAT is charged on income and they should consult the Director of Finance and Resources if necessary.
- F26 If possible, you should use 'pre-coded' electronic banking templates in SAP to make sure the VAT is correct.

## Debt recovery

- F27 SLT members must follow the debt-collection policy shown in our credit management strategy. They must follow the SAP accounts receivable module process as the standard approach to recovering debts and run the process at least each week. If the SAP process is not successful in recovering debts, you will need to quickly refer the matter for further recovery processes as given in paragraph 19 of Appendix 2 – Credit Management Strategy.
- F28 All processes and SAP transactions to recover debts are in the Income Collection User Manual.
- F29 The Director of Finance and Resources will monitor this action and report, each month, to Portfolio Area Management Teams.

## **Financial regulation G - treasury management**

### **Banking**

- G1 The Director of Finance and Resources is responsible for arranging our banking arrangements, including opening and closing all accounts.
- G2 Only the Director of Finance and Resources will transfer funds electronically.
- G3 All other payments we make, apart from bank imprest accounts, will be made by a cheque signed by the Director of Finance and Resources.

### **Treasury management**

- G 4 We keep to CIPFA's Code of Practice for Treasury Management in the public services.
- G5 Council is responsible for approving the following matters, after consideration by Cabinet:
  - a borrowing limits and prudential indicator measures in line with the Local Government Act 2003 and the CIPFA Prudential Code;
  - b the annual investment strategy (AIS) for treasury management and any necessary updates; and
  - c any revised CIPFA Code of Practice and Treasury Management Policy statement.
- G6 Cabinet is responsible for approving the yearly treasury management strategy and will receive reports on policies and activities on treasury management, including, at the least, a mid-year review and a yearly report in the form set by our treasury management practices (TMP).
- G7 The Assets and Budget Scrutiny Committee is responsible for making sure we consider and check all activities linked to treasury management.
- G 8 The Director of Finance and Resources is responsible for carrying out all activities linked to treasury management. More specifically, he will carry out these responsibilities in line with CIPFA's Code of Practice for Treasury Management in the public services and CIPFA's Prudential Code and government regulations and guidance. The Director of Finance and Resources has delegated certain activities to other members of staff under a specific scheme of delegation.
- G9 In carrying out the above responsibilities, the Director of Finance and Resources will do the following.
  - a Act in line with these Financial Regulations and CIPFA's Standard of Professional Practice on Treasury Management.

- b Review and update the treasury management policy statement.
  - c Prepare suitable practices setting out the way in which we will achieve the aims of our policies on treasury management and presenting how those activities are managed and controlled.
  - d In terms of b and c above, he will follow the recommendations in sections 6 and 7 of CIPFA's Code of Practice for Treasury Management in the public services. However, he may make changes where necessary to reflect our particular circumstances. These changes must not result in us moving away from the code's main principles.
  - e Prepare the yearly treasury management strategy at or before the start of each financial year for Cabinet to approve and the annual investment strategy linked to this for Council to approve.
  - f Report the outcome of all activities related to treasury management. This will be, at the least, a yearly outturn report and a half-year monitoring report for approval by Cabinet.
  - g Act as Chair of the Treasury Management Panel.
- G 10 The Treasury Management Panel will be made up of treasury staff and senior officers. They will:
- a help the Director of Finance and Resources with his responsibilities as above;
  - b regularly monitor performance against borrowing limits and prudential indicator measures and ask for approval for changes to those limits if this is needed;
  - c agree the practical ways the yearly treasury management strategy will be put into practice;
  - d receive audit reports on activities linked to treasury management;
  - e consider and propose changes to policies and limits as a result of changes in the economic or financial climate if Council and Cabinet approve;
  - f approve changes to the scheme of delegation which relate to treasury management; and
  - g each year, assess the quality of the external service provider appointed to provide us with treasury advice.
- G 11 The Director of Finance and Resources can take urgent decisions, including changes to limits or strategy after consulting a nominated portfolio holder. An



urgent decision which affects a previous Cabinet decision will be reported to Cabinet, and if necessary to Council, with an explanation for the action taken.



## **Financial regulation H - assets**

### Land and buildings

- H1 The Director of Finance and Resources will keep a register of all properties we own or use.
- H2 The Director of Law and Democracy is responsible for making arrangements for looking after all title deeds and formal contract documents.
- H3 SLT members are responsible for looking after the assets they manage and must make sure that properties are safe, watertight and comfortable .
- H4 The Director of Finance and Resources must send to Cabinet and the strategic property board a corporate property strategy and the asset management plan. This will make sure we review assets regularly to identify properties that are underused and no longer needed.

### Vehicles

- H5 The Director for Place will keep a record of all vehicles we own and lease.

### Stocks and stores

#### General

- H6 SLT members are responsible for keeping proper records and for looking after stocks and stores.
- H7 SLT members are responsible for deciding upon and maintaining efficient levels of stock. They will need to make sure that these levels continue to be appropriate.

#### Records

- H8 We will need a delivery note signed by the person receiving the supplies for every delivery at the time of the delivery. All supplies must be checked and inspected for quality and suitability as soon as is practical after they are delivered. The quantity of supplies delivered must be checked at the time of delivery.
- H9 SLT members must give the Director of Finance and Resources any returns in connection with stores records, or cost records needed to complete our accounting and financial records. The Director of Finance and Resources, after consulting the SLT member concerned ,will decide the method to use to value stores.
- H10 Anything issued from the stores must be supported by a requisition note signed by an authorised officer. This must give the quantity of goods needed. The stores officer will provide a receipt for stores issued on a stores issued note.





### Checking stock

- H11 On 31 March each year (or a date agreed by the Director of Finance and Resources) a responsible officer independent from the storekeeper must carry out stocktaking. That officer will be responsible for making sure that the actual stock agrees with the stock records. This yearly stock take is not needed if the Director of Finance and Resources is satisfied that the stores area runs a satisfactory system of continuous stocktaking.
- H12 Stock sheets or stock records must be signed by or on behalf of the SLT member and certified that the details and prices shown are correct. Each SLT member must send the Director of Finance and Resources certificates relating to stocks and stores.
- H13 Whenever a storekeeper or person in charge of stores hands over, leaves or no longer has custody of stores, the SLT member must, wherever practical, check the stores concerned and sign the stock sheets.

### Levels of stock

- H14 SLT members may write off stock up to an individual limit of £2,500. Amounts over this figure will need approval from the Director of Finance and Resources. For audit purposes, SLT members must keep full documents of all stock written off in this way.
- H15 SLT members may sell spare stock. Please see H27 to H34.

### Inventories

- H16 SLT members must keep inventories of fixed plant, machinery, furniture and equipment. The Head of ICT will keep inventories of hardware and software.
- H17 At least once a year, SLT members are responsible for checking that all items on the inventory are accounted for.
- H18 The Director of Finance and Resources will decide how much of our property information is recorded and the form in which the inventories (administrative or computerised) must be kept and write-offs recorded.
- H19 Our property must not be removed unless it is in the ordinary course of our business. Council property can only be used for council purposes unless an SLT member issues specific instructions otherwise.
- H20 Whenever an employee hands over, leaves or is no longer responsible for any of our property which is entered on an inventory, the SLT member must, wherever possible, check that property and make sure a handing-over certificate is signed by the outgoing and incoming employees.



- H21 The Director of Finance and Resources or their representative will have access to all our property and to the inventories and any relevant documents.
- H22 SLT members may write off individual inventory items up to a value of £2,500. Amounts over this figure will need the approval of the Director of Finance and Resources. SLT members must keep full documents on all write-offs.

#### Security

- H23 SLT members are responsible for arranging proper security for all assets and records under their control.
- H24 All employees must keep to our Information Technology Security Policy.
- H25 SLT members must agree maximum limits for unbanked money with the Director of Finance and Resources and get his permission to go over this level.
- H26 The person responsible must keep on them any keys to safes, cash boxes, and other places in which money or valuables are stored. If any keys are lost, this must be reported to the Director of Finance and Resources immediately.

#### **Selling spare supplies and stock**

- H27 SLT members are responsible for dealing with any spare supplies they do not need (except ICT and electrical equipment).
- H28 The same competitive process for buying supplies, services and work must also be applied to selling spare supplies. (See the procurement regulations for more instructions.)
- H29 SLT members must get professional advice if they are in any doubt when making valuations.
- H30 SLT members can consider selling spare supplies by auction instead of sealed bids, but they need to make sure they have evaluated the full cost of the process and the commission that will be due.
- H31 The SLT member should normally accept the highest value offer without conditions unless they feel an offer with conditions gives better value to us.
- H32 Supplies, except for ICT electrical or mechanical items, may be sold over the internet (for example, eBay). However, if they are, they must be sold in line with the Distance Selling Regulations (2005).
- H33 SLT members may set a reserve price before offering the supplies for sale. If the reserve value is not met, do not sell the supplies and advertise them again. A person setting the reserve price cannot privately bid for the item.

- H34 SLT members must not release any items sold before we receive payment. If payment is made by cheque, this must be cleared before we release the items.



## **Financial regulation I – insurance and managing risk**

- I1 The Director of Finance and Resources is responsible for arranging appropriate insurance cover for risks which are not self-insured. If appropriate, the Director of Finance and Resources will consult SLT members before arranging cover.
- I2 Unless we say differently in agency agreements, the Director of Finance and Resources will negotiate claims with insurers.
- I3 The Director of Finance and Resources is responsible for co-ordinating activities linked to managing risk across the county council.
- I4 SLT members must tell the Director of Finance and Resources as soon as possible about all new risks, properties or vehicles that need to be insured and about any changes which affect existing insurance.
- I5 SLT members should make sure that officers involved in insurance claims do not admit liability as this will affect our insurance cover.
- I6 SLT members must immediately write to the Director of Finance and Resources about any loss, liability or damage or any event likely to lead to a claim.
- I7 SLT members must consult the Director of Law and Democracy and the Director of Finance and Resources about the terms of any indemnity we are asked to give.

## **Financial regulation J – other funds**

### General

- J1 Voluntary and trust funds, and any related bank accounts, should be operated in line with any detailed instructions issued by the Director of Finance and Resources.

### Voluntary funds

- J2 Each SLT member must keep a record showing the purpose and nature of all voluntary funds held by their staff in the course of their duties. They must make sure that the reporting arrangements agreed by the voluntary fund are followed and, where appropriate, checked by an independent person. The Director of Finance and Resources is entitled to check the voluntary fund reporting arrangements and reports and accounts produced as he feels are appropriate.

### Trust funds

- J3 All members and employees acting as trustees because of their official position must make sure that accounts are audited and sent to the appropriate organisation each year. The Director of Finance and Resources is entitled to check that this has been done.

## **Appendix 1**

### **Non-order invoicing – examples (see E6)**

Flowchart for considering when to use non-orders:

- 1 Is there a fixed-term contract with the supplier? If no, raise an order. If yes, go to question 2.
- 2 Do the terms of the contract need an instruction to access the particular goods or service wanted? If yes, raise an order. If no, an order is not needed and you can pay the invoice using the non-order route in the accounts payable module.

#### **Examples**

##### **1 Boiler servicing and maintenance contract**

- We have a fixed-term yearly contract to service and repair boilers. The contract includes a yearly service including labour but not parts. As this is a fixed-term contract, go to question 2.
- Each year we update the schedule for the boilers and send it to the company instructing the supply for that year's servicing. Because of this, you need an order.
- If parts are needed to carry out repairs, the company will probably ask for approval to go ahead and fix the boiler. You will need to raise a separate order from the servicing order for the parts.

##### **2 Stationery contract**

- We have a contract for stationery. This is a fixed-term contract, so go to question 2.
- The terms of the contract mean we need to give an instruction to the company which supplies the stationery and so we need an order.

##### **3 Supply of bottled water**

- We have a contract for bottled water. This is a fixed-term contract, so go to question 2.
- The terms of the contract mean we need to give an instruction to the company which supplies water and so we need to place an order.

##### **4 Supply of photocopiers and copying charges (works in the same way as mobile-phone contracts)**

- We have a contract for photocopiers which includes yearly fixed leasing costs of the copiers and variable copying charges based on usage. This is a fixed-term contract, so go to question 2.

- The terms of the contract mean there is no further requirement for us to instruct the company to supply this service. Because of this, you do not need an order.



## **Appendix 2**

### **Credit management strategy**

#### Aims and overview

- 1 The aim of this strategy is to make sure we receive all of our income by improving cashflow and reducing the level of bad debts.
- 2 The strategy is based on the following principles.
  - Wherever possible, we will provide services on a pay-as-you-go basis
  - We will offer customers, clients and service users a range of appropriate payment methods.
  - Unless there are special circumstances, all portfolio areas must keep to the standard debt collection policy.
  - All portfolio areas will use active processes to collect income. You must follow the SAP accounts receivable module process as the standard approach to recovering debt and you must make sure you run this process at least once a week. If the SAP process has been unsuccessful in recovering debts, they must be passed for further recovery processes as described in paragraph 19 below.
  - Processes for sorting out customer queries and disputes must keep to our customer complaints, compliments and comments policy and any other complaints procedures which apply by law.
  - We will regularly monitor our performance in collecting income and collecting debts against agreed performance standards and targets.

#### The main responsibilities

- 3 SLT members are responsible for setting detailed arrangements for collecting income and recovering debts which meet the strategy, including performance standards.
- 4 The Central Income Team is responsible for:
  - reviewing the credit management strategy,
  - drafting appropriate performance standards;
  - monitoring performance against those standards;
  - organising appropriate and cost-effective payment methods;
  - managing IT systems for collecting income and recovering debts;
  - monitoring what is provided for bad and doubtful debts; and
  - providing an enquiry officer and designated recovery agency.



- 5 The Director of Finance and Resources is responsible for:
- approving the strategy and associated instructions;
  - approving performance standards and monitoring performance against these standards; and
  - approving changes to the strategy to reflect specific circumstances.

#### Charging for services

- 6 Traditionally we have raised invoices for collecting income for the services we provide and only collected cash without an invoice at the point of service delivery or in advance if the amounts due are relatively small..
- 7 By developing facilities so our customers can order services over the internet or by phone and face-to-face front office services gives us the opportunity to review that approach and, where appropriate, offer services on a pay-as-you-go basis.
- 8 We have developed an e-payment facility which allows our customers to make payments over the internet using credit and debit cards. The ability to accept credit- and debit-card payments also allows us to introduce, where appropriate, facilities for taking payment at the point of delivery.
- 9 SLT members must take all practical steps to satisfy themselves that the correct VAT rate has been used and they should contact the Director of Finance and Resources if they need to about this. Where practical, establishments should use 'pre-coded' electronic banking templates in SAP to make sure VAT is treated correctly.

#### Payment methods

- 10 We will aim to offer the following payment methods to our customers depending on the service provided.
- Payment by cash, cheque, debit or credit card (chip and pin) when goods or services are ordered or at the point of delivery.
  - Payment over the internet by debit or credit card when goods and services are ordered.
  - Payment over the phone by debit or credit card when the service or goods are ordered.
  - Payment by cash, cheque, debit or credit card (chip and pin) at one-stop shops when the service or goods are ordered.
  - Payment by Giro credit at banks and post offices.
  - Paying invoices over the internet, by automated telephone payment, over the phone or in person at one-stop shops and other establishments and by post.
  - Where appropriate, payment by Direct Debit or standing order.

- Payment direct into our County Fund bank account by BACS and CHAPS transfers.

#### Debt-collection policy

11. SLT members are responsible for promptly raising customer invoices and credit memos. Portfolio areas can only raise customer accounts and credit memos using SAP. Accounts raised in SAP will have an invoice number given to them automatically by the system. There must be a clear description of the service (goods) provided, and payment terms and methods.

(By promptly, we mean within 30 days of supplying the goods or services, unless business units have taken their own recovery action before we issue a formal invoice, for example for libraries and catering services.)

12. If establishments do not have access to SAP, you must ask for customer invoices from your relevant Joint Finance Unit using only our sales order request vouchers as issued by the Director of Finance and Resources. You must not raise accounts manually for customers.

#### Procedures for budget holders

13. When raising a customer invoice, you must enter into SAP the date the service is provided.
14. Do not raise a customer invoice for amounts below £25 for non-statutory services.
15. When you have raised an invoice, you should actively aim to collect the amount due.
16. Invoices will say that the payment is due within the 28 days of the date on the invoice.
17. You need to categorise the debt to provide effective management information. Where appropriate, you can change the reminder cycles.
18. You will need to set an appropriate timescale for collecting each category of debt. The minimum standard is shown below.
  - 3 days overdue - First reminder letter
  - 17 days overdue - Final demand
  - 31 days overdue - Start the debt-recovery process

SAP will automatically follow the appropriate standard cycle.

19. Once the debt is 31 days overdue, you will need to review the debt and, where appropriate, contact the debtor by phone. If it is unlikely that we will

receive immediate payment, you should do one, or a combination of, the following. This will be based on your knowledge of both the customer and the nature of the debt.

- If the customer is an individual and lives in Staffordshire, pass the matter to the enquiry officer.
- If the customer is either an individual living outside of Staffordshire or any commercial organisation (wherever they may be based), refer the matter to the debt-recovery agency.
- You can refer the matter for legal action at any point, or, you can do so based on the recommendations from either the enquiry officer or the debt-recovery agency.
- Refer the matter to other local visiting officers, for example, a vulnerable client's social worker or other visiting staff used within portfolio areas.

- 20 If a debt has still not been paid after 90 days from the invoice date, we will make provision for the bad debt and will need to consider writing off the amount to the revenue account. We can then only show the income again if we receive a payment for the debt. (The debt will still be owed in the accounts receivable system until we have followed normal write-off procedures.)
- 21 The above procedures are a framework which should apply to all types of debt. However, we know that different categories of debt and different types of customer may need us to use other recovery cycles. Any change from the standard cycle must be agreed by the Director of Finance and Resources.

#### Taking an active approach to collecting income

- 22 This approach involves discussing the debt with the customer before the due date for payment. The main aim is to make sure that the customer is satisfied with the goods or services provided or to identify any possible disputes the customer may have and to sort them out before the due date for payment.
- 23 You should target this action, as it is not cost-effective to apply it to every customer. To help with the process, the system will create management reports which analyse the invoices raised the previous week by category and value.
- 24 Each portfolio area should have a single point of contact to recover debts with other public organisations such as Staffordshire districts and other large commercial organisations.

#### Sorting out customer queries and disputes

- 25 Controlling and sorting out customer queries and disputes is an essential part of good customer service.

- 26 As a result, each portfolio area should have in place a system or procedure for identifying, recording and dealing with customer queries and disputes. This must keep to our customer complaints, compliments and comments policy and any other legal complaints procedures.

Action by the enquiry officer or recovery agency

- 28 The enquiry officer will try to get payment in full, or if instalments have previously been arranged, will try to persuade the customer to start making payments again. They will also assess the customer's circumstances. They will give us progress updates during the ongoing investigation and produce a short report of recommended action at the end of each case.
- 29 You can refer the matter to the enquiry officer, where appropriate, before considering legal action. The enquiry officer's report will show whether or not legal action would be successful. The enquiry officer will also support the legal recovery process to recover money due after successful legal action.
- 30 If other attempts to get payment from either individual or commercial customers have failed, you can refer the debt to a debt-collection agency. This can be done through the central income team.
- 31 You can consider making a referral to the collection agency, where appropriate, before you consider legal action. The collection agency will supply progress updates on referred cases and a final written report for each case.

Legal action

- 32 Portfolio areas can ask for legal action to be taken as long as you have carried out the appropriate procedures and checks as shown in the Legal Services procedural notes. All referrals should include a checklist to make sure that we have collected all the supporting evidence and it is available. We have included the minimum information we need for specific types of debt in the Legal Services procedural notes. For debts not covered by the minimum information conditions, you should ask for advice from Legal Services as to what they need.
- 33 The minimum value of a debt for referral for court action is £250. However, debts below this minimum value can be referred and Legal Services will consider whether court action is appropriate. A formal letter will be issued before we take any action. Debt-recovery officers can issue the court-approved letters before action. However, it must be on their Portfolio Area's headed paper.
- 34 If a customer has outstanding debts with more than one portfolio area, Legal Services will send them a single claim covering all debts.
- 35 If a judgment from the court has not been made but instalments have been agreed after a referral, the relevant debt-recovery officer will monitor these. If



a judgement has been made and instalments agreed in court, these cases will be monitored by Legal Services.

- 36 Legal Services will update SAP with the relevant dunning block markers depending on the outcome of the referrals.

Writing off debts and bad debt provision

- 37 SLT members must introduce written policies, agreed by the Director of Finance and Resources, setting levels for authorising write-offs.
- 38 SLT members can write off a debt if a valid debt or outstanding balance cannot be collected as opposed to credit notes that are used if a debt is not valid or to correct invoices as a result of a mistake.
- 39 SLT members can write off debts up to £10,000 for each customer if this is authorised in writing. Debt-recovery officers must not input write-offs into SAP until they have written authorisation. SLT members cannot write off bad debts over this figure without the approval of the Director of Finance and Resources.
- 40 SLT members can identify debts as write-offs using the following mechanisms:
- Recommendation by Legal Services
  - Recommendation by the enquiry officer or collection agency
  - Recommendation by portfolio area budget holders
  - Recommendation by local visiting officers
  - Central Income staff if a bankruptcy case has been formally closed and no further amounts are due from the customer.
- 41 Each year, the Central Income Team will prepare a list of possible bad debts and send it on to each joint finance unit by the dates shown in the closedown timetable. The income manager and Joint Finance Unit heads can, based on their service knowledge, increase or reduce this figure if appropriate.

Issuing credit memos

- 42 We can only reduce an account by issuing an official credit memo if the invoice was raised by mistake or it contains incorrect information. If the credit memo is raised in SAP, the request will need to be approved by the head of a Joint Finance Unit.
43. If the credit memo is for non-SAP issued customer invoices, it can only be issued by the Director of Finance and Resources. The written instruction must be attached to the credit memo in SAP. Credit memos for HR salary overpayments are issued by the payroll section in the SAP HR system.

- 44 If a credit results in changing the amount of VAT originally charged, the credit memo must show the full details HM Revenues & Customs will need. The Director of Finance and Resources will give advice about this.

#### Monitoring performance

- 45 The quality of service we provide is most important. It is essential that we reflect this commitment to quality in the billing and collection process.
- 46 The Senior Finance Managers Forum, portfolio area management teams and Cabinet will set standards to measure performance.

## **Appendix 3**

### **Anti-money-laundering strategy**

- 1 We will do all we can to:
  - prevent us and our employees from being exposed to money laundering;
  - identify the possible areas where it may happen; and
  - comply with all legal and regulatory requirements, especially in terms of reporting actual or suspected cases.

#### **The main points**

- We are committed to preventing, detecting and reporting money laundering.
- All employees must be on the lookout for the signs of money laundering.
- Any employee who suspects money laundering is taking place must report this promptly to the Money Laundering Reporting Officer (MLRO).
- We will not accept a payment in cash if it is more than £2000.
- The Money Laundering Regulations are detailed and complicated – if you are in any doubt about how to follow the strategy, please contact the MLRO.

#### Introduction

- 2 The Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 place obligations on us and our employees when it comes to suspected money laundering.

#### Scope

- 3 This strategy applies to all our employees and aims to maintain standards of behaviour which currently exist within the council by preventing money laundering. The strategy sets out the procedures which we must follow (for example, reporting suspicions of money laundering) so we can comply with our legal obligations.
- 4 This strategy sits alongside our integrity policy, including our policy on whistle-blowing.

#### What is money laundering?

- 5 Money laundering is the term used for a number of offences involving the proceeds of crime or terrorism funds. The following acts amount to money laundering.
  - Concealing, disguising, converting or transferring criminal property or removing it from the UK (section 327 of the Proceeds of Crime Act 2002).



- Entering into or becoming aware of an arrangement which you know or suspect involves gaining, having, keeping, using or controlling criminal property by or on behalf of another person (section 328).
- Gaining, using or possessing criminal property (section 329).

These are the primary money-laundering offences. There are also two secondary offences:

- failure to disclose any of the three primary offences; and
- tipping off. Tipping off is where someone lets a person or people who are, or who are suspected of being, involved in money laundering know that they are under suspicion and this will reduce the likelihood of them being investigated or it will unfairly affect the investigation.

- 6 Any member of staff could be caught under the money laundering provisions, if they suspect money laundering and either become involved with it in some way or do nothing about it. This strategy sets out how any concerns should be raised.
- 7 While the risk to us of breaking the law is low, it is important that all employees know their responsibilities as serious legal action may be taken for breaking the legislation. The main requirement is to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer.

#### Strategy statement

- 8 Our strategy is to do all we can to prevent, wherever possible, us and our employees being exposed to money laundering. We must also identify the potential areas where it may happen, and keep to all legal and regulatory requirements, especially in terms of reporting actual or suspected cases. However, we cannot stress too strongly that it is every employee's responsibility to be vigilant.
- 9 The following list identifies possible warning signs that may highlight areas you should be concerned about.
- Large cash payments.
  - No reasonable explanation for a transaction taking place.
  - Individuals who are happy to enter into an apparent bad deal for them which appears to make little financial sense.
  - A sudden change in the pattern of activity.
  - Financial arrangements taking place across a number of different countries' legal authorities (jurisdictions).
  - Funds being unnecessarily passed through third-party accounts.
  - Using offshore accounts, companies or structures if this is not really needed in economic terms.



- 10 The following areas represent our operations which are at the greatest risk of money laundering.

- Treasury Management
- Legal Services
- Property sales
- Accountancy
- Public reception areas
- Traded services.

This is not a full list and all staff must be aware of possible cases.

The money laundering reporting officer (MLRO)

- 11 Any employee who suspects money laundering must report this promptly to the money laundering reporting officer (MLRO). If you are in any doubt about putting our policy on money laundering into practice, please contact the MLRO.
- 12 This officer is the Chief Internal Auditor, Lisa Andrews. Her contact details are shown below.

Lisa Andrews  
Chief Internal Auditor  
Staffordshire County Council  
17 Eastgate Street  
Stafford  
ST16 2NF

Phone: 01785 276402  
Email: [lisa.andrews@staffordshire.gov.uk](mailto:lisa.andrews@staffordshire.gov.uk)

- 13 If she is not available, contact the Principal Auditors, Debbie Harris and Lynn Buxton ([debbie.harris@staffordshire.gov.uk](mailto:debbie.harris@staffordshire.gov.uk) or 01785 276406 and [lynn.buxton@staffordshire.gov.uk](mailto:lynn.buxton@staffordshire.gov.uk) or 01785 276407 at the same address).

Cash payments

- 14 You must not accept a cash payment if it is more than £2000 (cash is defined as notes, coins or traveller's cheques in any currency)..

Reporting

- 15 If you suspect money laundering, you must report it promptly to the MLRO or to her deputy. The MLRO will send you the appropriate forms to fill in as part of the reporting process. If you would prefer, you can discuss your suspicions informally with the MLRO or their deputy first.

- 16 You must follow any directions the MLRO or her deputy gives you and must not make any further enquiries into the matter. You must not take any further steps in any related transaction without authorisation from the MLRO.
- 17 You must not reveal your suspicions to the person suspected of money laundering. You must not discuss the matter with anyone else or add a note on the file that a report has been made to the MLRO in case this results in the suspect becoming aware of the situation.
- 18 The MLRO or deputy must promptly evaluate any report you make, to decide whether it should be reported to the Serious and Organised Crime Agency (SOCA).
19. The MLRO or deputy must, if they decide, promptly report the matter to SOCA on their standard report form and in the correct way. You can download up-to-date forms from the SOCA website at [www.soca.gov.uk](http://www.soca.gov.uk).
- 20 The MLRO or deputy will commit a criminal offence if they know or suspect, or have reasonable grounds to do so, after someone makes a disclosure, that another person is involved in money laundering and they do not report this as soon as possible to SOCA.

#### Customer due diligence

- 21 The 2007 Money Laundering Regulations place extra obligations on 'relevant persons' carrying out certain 'regulated activities'. This means that extra care needs to be taken to check the identity of the customer or client. This is known as carrying out customer due diligence. Public authorities are not considered to be 'relevant persons' and are not governed by the 2007 regulations.
- 22 Although it is not a legal requirement for public authorities to put in place formal procedures for checking the identity of those they do business with, in practice we make sure that staff are on the lookout for potentially suspicious circumstances. Examples include situations where funds flow through the authority from a source with which it is not familiar.
- 23 In particular, if we are forming a new business relationship or considering carrying out a significant one-off transaction, it would be a good idea to set up and maintain identification procedures for those people involved. This will be especially true if the people involved are not present for identification purposes and in situations where they may be acting for people who are not present.
- 24 Below are some examples of the different types of identification checks which we may carry out. We may:
  - check the customer's website to confirm their business address;
  - carry out an online search at Companies House to confirm the nature and business of the customer and confirm the identities of any directors; and

- ask to see evidence from the main contact to check their personal identity, for example their passport, and position within the organisation.

- 25 You will find specific guidance on money laundering for treasury management activities in CIPFA's Treasury Management in the Public Services – Code of Practice and Cross Sectoral Guidance Notes (the TM Code).
- 26 If at any time you suspect that a client or customer is carrying out money laundering, is financing terrorism, or has lied about their identity, you must report this to the MLRO.

#### Guidance and training

- 27 We will:
- make all staff aware of the obligations on us and on them by anti-money - laundering laws; and
  - give targeted training to those most likely to come across money laundering.

#### More information

- 28 You can get more information from the MLRO and the following sources.
- [www.soca.gov.uk](http://www.soca.gov.uk) – website of the Serious and Organised Crime Agency
  - Proceeds of Crime (Anti-Money Laundering) – Practical Guidance for Public Service Organisations – CIPFA
  - Anti-Money Laundering (Proceeds of Crime and Terrorism) – Second Interim Guidance for Accountants – CCAB ([www.ccab.org.uk](http://www.ccab.org.uk))
  - Money Laundering Guidance at [www.lawsociety.org.uk](http://www.lawsociety.org.uk)
  - SI 2007 No. 2157 The Money Laundering Regulations 2007 at [http://www.hm-treasury.gov.uk/consultations\\_and\\_legislation/money\\_laundering\\_directive/consult\\_moneylaundering\\_2007.cfm](http://www.hm-treasury.gov.uk/consultations_and_legislation/money_laundering_directive/consult_moneylaundering_2007.cfm)

## Glossary

Budget heads	Income and expenditure budgets held at activity level within a service area.
Budget holder	A member of staff who has delegated responsibility for managing income and expenditure budgets.
Council	The full council.
Cabinet	The leader and Cabinet.
Financial framework	The agreed method we use to share money between particular services. This includes revenue and capital funding. The method is reviewed by Cabinet or appointed sub-committee or working group as appropriate.
Portfolio area	The way we group services for management purposes set out by Cabinet.
Portfolio holder or cabinet member	The cabinet member with specific responsibility for delivering services and themes.
Project	This may relate to a proposal to tackle a specific theme or issue and may include a general minor improvements project or a group of low-value schemes.
SAP	The SAP Enterprise Resource Planning (ERP) system is used by HR/Payroll, Finance (Financial Management system), Procurement and Operations Management.
Scrutiny Committee	A committee that helps us develop policies and consider options to improve services. They can also check that services are being delivered in the most efficient and effective way and make recommendations for improvement.
Senior Leadership Team	An SLT member we have appointed under Article 12 of the Constitution. This includes the Chief Executive, Director of Finance and Resources, Director of Law and Democracy, Director of Place, Director of People, Director of Transformation and Strategy, Director of Customer Services and Communication and any other appropriate people authorised to carry out the duties shown in these regulations in line with delegations made by the

SLT member under a Sub Scheme of Delegation approved by the Audit Committee.

Services

The groups of budget heads.

Virement

Transferring resources between budget heads or services.





# Staffordshire Police Authority

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## Periodic Report on Police Authority Matters

### Appointment of Chair and Vice-Chair

1. **Report** - The Police Authority, at its Annual Meeting on 1 June 2011, appointed David Pearsall as its Chair for what could prove to be its last year if proposals currently passing through the House of Lords are enacted whereby police authorities will be replaced by directly elected Police and Crime Commissioners in May 2012.

The Authority continues to oppose the idea of Police and Crime Commissioners and, until it becomes law, will continue to fulfil its key role in ensuring the efficient and effective delivery of policing in Staffordshire and Stoke-on-Trent. It is however, under the Chair's leadership, preparing for the potential changes in the governance of policing to ensure a smooth transition and this will necessitate working even closer with the Force and its partners, including those in local government, to ensure that service delivery meets the aspirations of our communities.

At the same meeting, Peter Vigurs was re-appointed as its Vice-Chair for the coming year.

### Condolences

2. **Report** – The Authority has noted with regret the death of Peter Beresford on 4 May 2011, a former Councillor Member from Staffordshire County Council. The Authority and the Force were represented at his memorial service and condolences have been passed onto his family.

### Former Members - Thanks

3. **Report** - The Police Authority has expressed its thanks and appreciation to Clive Brian and Brian Ward for their contributions to the work of the Authority. Both members ceased to be members of the Authority following the local elections in May 2011.

### New Members – Welcome

4. **Report** - The Authority is pleased to welcome Peter Davies, Joy Garner and Peter Hayward as new Councillor Members with effect from 27 May 2011.

### Appointment of Assistant Chief Constable

5. **Report** – The Authority and the Chief Constable have offered their congratulations to former Assistant Chief Constable (ACC) Marcus Beale who has taken up a new post (ACC Security) with West Midlands Police on 6 June 2011.

The ACC vacancy has been advertised with a closing date of 17 June 2011 and short listing is planned for 22 July 2011. Ch. Supt. Nick Baker has taken up the role of Acting Assistant Chief Constable (Territorial) until a permanent appointment to the post is made.

**Force Performance Review 2010/11**

**6. Report** – The Authority has reviewed the annual performance of the Force for the period 1 April 2010 to 31 March 2011, including the performance challenges faced by the Force and how these had been progressed against the priorities outlined in the 'Policing Staffordshire Strategy and Plan 2010/13 and the Force's ten key objectives for 2010/11. The level of performance achieved at the year-end, with eight targets being met, had been achieved with significantly less resources following reductions in police officer and police staff numbers in-year.

Almost 5,000 fewer crimes had been recorded during the year – a reduction of 7% from 76,047 offences to 70,890; the overall satisfaction of victims of crime had continued to increase – 90.2% of crime victims being either completely, very or fairly satisfied - including anti-social behaviour (87.2% of victims being either completely, very or fairly satisfied); the numbers of serious acquisitive crimes had fallen by 13% over the year, from 10,695 in 2009/10 to 9,272 in 2010/11; business crime had fallen during the year by 9%, 9,297 to 8,504; there had been a 12% reduction in the number of violence with injury crimes recorded, following focused management action in-year; and a 4% reduction in the number of people killed or seriously injured in road traffic collisions had been recorded, with 38 fatalities during 2010/11 down from 49 in 2009/10.

The Authority has congratulated the Chief Constable and Force on the outstanding performance figures for 2010/11 and welcomed the continued fall in crime trends despite the many challenges that the Force was facing.

Staffordshire's successes were highlighted in the national Home Office report 'Crime in England and Wales: Quarterly Update to December 2010'. The report showed that the Force and its partners were making real progress in dealing with local issues – up a statistically significant 3.5% on last year's figures, putting Staffordshire in the top 10% of the 43 forces in England and Wales. Staffordshire is a safe place and is getting even safer; a real tribute to the efforts of the Authority and the Force, partners and local communities working together to deal with the issues that matter to our localities.

**Force Re-structuring through the Communities First Programme**

**7. Report** – A new Force structure was introduced county-wide from April 2011, seeing the creation of eleven local policing teams and the streamlining of the organisation to respond to the challenges of performance targets for 2011/12 onwards and the tight on-going financial constraints. These significant changes to the way policing is delivered have been achieved through the Communities First Programme, a blue-print for the Authority and the Force to keep the communities of Staffordshire and Stoke-on-Trent safe and reassured. The successful delivery of these changes, coupled with the maintenance of high levels of service to our communities, has placed the Force in a strong position to meet the challenges that lie ahead, not least the realisation of substantial budget savings.

The Authority will continue to drive the strategic direction of the Force and the scrutiny and challenge of its performance through the next phase of the Programme that involves reviewing the way the new structures are working to ensure that the way things are being done (ie everyday systems and processes underpinning the new structures) is as streamlined and efficient as they can be. External consultancy support has been approved to assist the Force with this review and, in order to protect the front-line budget, is being funded from the Authority's reserves.



### **Provisional Revenue Outturn 2010/11**

8. **Report** – The net revenue budget for 2010/11 of £188.258m showed savings of £5.6m (3.0%) at the year-end. The final accounts are being completed, with a view to the Authority's Audit Committee agreeing the draft Statement of Accounts 2010/11 on 27 June 2011.

### **Provisional Capital Outturn 2010/11**

9. **Report** – The Authority's capital spend up to 31 March 2011 was £11.351m and included £5.489m on building projects, £4.237m on IT projects and £1.625m on vehicles. The Authority has noted the reasons for slippage on individual projects, mainly IT schemes delayed as a result of a lack of resource availability and the development of the new amenities block at the Headquarters site.

### **Annual Governance Statement**

10. **Report** - The Authority has reviewed its Annual Governance Statement, in accordance with the Accounts and Audit (England) Regulations 2011, setting out how it has complied with the Code of Corporate Governance and commenting on the effectiveness of its systems of internal control.

The Statement will form part of the draft Statement of Accounts 2010/11, as mentioned in paragraph 8 above.

### **Police Reform Update**

11. **Report** - The Authority has received an update on recent activity in relation to the Police Reform proposals, noting that the Police Reform and Social Responsibility Bill had been presented to the House of Lords on 11 May 2011 when Peers had voted down the proposal to introduce directly elected Police and Crime Commissioners (as mentioned in paragraph 1 above) and instead introduced an amendment which would lead to the creation of a Police Commission. If no compromise could be found on the clauses of the Bill in dispute it was possible that the House of Commons could use the Parliament Act and insist on its primacy. However, at this stage it was likely that a compromise could be the most likely outcome as the Government had signalled its intention to press ahead with their original proposals.

Work was, however, continuing to plan for the transition process up to and beyond May 2012, including the development of a project initiation document and the creation of a Governance Transition Board, to include colleagues from local government.

The Chief Executive has extended an invitation to all local authorities in the Force-area to attend a meeting at Police Headquarters (date to be arranged) to update colleagues on the reform agenda and the implications for key stakeholders, such as local government. Once the proposals are clearer, arrangements for the meeting will be made.

A further update on activity in relation to the Police Reform proposals would be made in the next Periodic Report to be presented in October 2011.

**Collaboration with the West Midlands: Establishment  
of a Joint Committee**

12. **Report** – The Authority has agreed to the establishment of a Joint Committee with delegated powers between Staffordshire and the West Midlands Police Authorities to formalise and progress joint working following the agreement of a West Midlands Collaboration Strategy in March 2011.

Three members of the Authority are represented on the Joint Committee, which held its inaugural meeting on 8 June 2011, which is progressing the development of bespoke work streams to achieve enhanced service delivery and operational efficiencies to both forces.

**Arrangements for the Police Authority on 19 July 2011**

13. **Report** – To underline the Police Authority's commitment to partnership working, the next meeting of the full Authority on the morning of Tuesday 19 July 2011 will be hosted by the City Council. The meeting will be preceded by a short presentation from the Chief Constable on the new policing arrangements operating in Stoke-on-Trent and the Chief Executive on Police Reform.

Together with the usual invitations to the public and the press, all City Councillors and Directors have been invited to the Briefing and to stay for the meeting that will include items on Force performance, the budget and other key issues.

**GILL HEATH**  
**Nominated Police Authority Member**  
Staffordshire County Council

**JOY GARNER**  
**Nominated Police Authority Member**  
Stoke-on-Trent City Council

## **Stoke-on-Trent and Staffordshire Fire and Rescue Authority Periodic Report of the Chairman on Authority Matters**

### **Appointment of Chairman and Vice Chairman**

1. The Authority has appointed Mr L Bloomer as its Chairman and Mr S Tagg as its Vice Chairman for the ensuing year.

### **Membership of the Authority**

2. The Authority has six new and returning representatives from Stoke-on-Trent City Council and five new and returning representatives from Staffordshire County Council. The Chairman has welcomed Members to the Authority.

A Members Induction/Development Session covering the duties of the Authority and its Members and the connections to and duties of the Fire Service has been held for new and returning Members.

### **Opening of Tamworth Community Fire Station**

3. Fire Minister, Bob Neill MP, officially opened Tamworth Community Fire Station on 9 June 2011. The Minister was given a tour of the new facilities during which he met the firefighters based at the station, pupils from St Gabriel's RC Primary School and representatives from partner organisations, including Tamworth Community First Responders, who use the station as a base.

In terms of Stoke-on-Trent and Staffordshire Fire and Rescue Authority the Minister commented that it genuinely has a very, very high reputation especially in the quality of its services which are being delivered more cleverly, more imaginatively, and more effectively across tiers of Government that is accepted as the way forward, demonstrating 'an exemplar of delivery' and placing it 'well in the vanguard of service change and modernisation'.

### **Opening of Uttoxeter Fire Station**

4. 4 July 2011 saw the Official Opening of Uttoxeter Community Fire Station by the Leader of Staffordshire County Council, Philip Atkins. The small and relatively informal ceremony was perfectly befitting of this new station built in the heart of the community it serves. Firefighters past and present along with their families, Area Command staff, the Mayor and Mayoress of Uttoxeter and other local councillors were treated to a musical interlude by Firefighter Ken Guyah's very talented son Sam before the plaque was officially unveiled.

### **Cannock Community Fire Station**

5. The Cannock Community Fire Station will be holding Community Drop in Sessions on 28 and 29 July 10am-12noon and 4 – 7 pm and a Community Family Fun Day on 30 July 2011 11am – 4pm. The station has been operational since 28 February 2011 and an official opening event is being planned for later in the year.

## **Appointment of Deputy Section 151 Officer**

6. The Authority is required to have three key officers - the Head of Paid Service; the Monitoring Officer and a Section 151 Officer. The Section 151 Officer can appoint a Deputy to act on his/her behalf or in his/her absence. The former Section 151 Officer, Mrs Grossman, appointed Mr David Greensmith, the Head of the Assets and Resources Directorate, as her Deputy. Since she left the Authority at the end of June Mr Greensmith has temporarily assumed the position of Section 151 Officer pending approval of the Authority at its next meeting. The terms and conditions for these additional duties have been externally verified and agreed.

## **Report of the Chief Fire Officer/Chief Executive**

7. There were 39 accidental fire casualties for the period April 2010 to March 2011, a decrease of two when compared to the same period in 2009/10. (in 1999, 270 accidental fire casualties were recorded). There were six accidental fire deaths in 2009/10 and also six for 2010/11. The Service is working with partners to find ways to address the root causes of fires..

There were 1941 primary fires in 2010/11 compared to 1984 in 2009/10, a reduction of 43. ( By comparison, in 2003/4 there were 3500 primary fires).

There were 611 accidental dwelling fires in 2010/11 compared to 641 in 2009/10, a reduction of 30. (2009/10 had been the worst year in seven years).

The number of small fires excluding grass for 2010/11 had decreased by 18 from 1810 to 1792 when compared to April 2009/10.

Grass fires for 2010/11 had increased by 438 when compared to 2009/10. The increase in fires had coincided with a warm dry start to the summer and had placed a strain on the Service. High activity levels during this period increased operating costs, reduced capacity to deliver community fire safety and stretched response cover arrangements.

The Authority is one of the highest performing in the Country and was the 7<sup>th</sup> lowest cost out of 45 fire and rescue services and offered good value for money.

Stoke City and Port Vale Football Clubs have been involved with the Service in a fire safety initiative called "Flames aren't Games" to deter fire setters.

An Ice Breaker DVD had been produced following a growing number of incidents involving children, young people and adults venturing onto frozen water. Further DVDs on Youth Intervention themes and smoke alarms had been made. It has also been suggested that the Service look into producing a similar DVD on the hazards of going onto farm properties.

The Service has seven fully functioning community fire stations and is hosting a wide array of community groups and community engagement activities. At the end of April 2011 148 different groups and organisations were benefiting from the facilities.

Members congratulated the Chief Fire Officer and Officers on the work that had been undertaken with communities which would ultimately reduce risk and in particular referred to the work undertaken with student firefighters and other young people.

Officers from the Service have cycled across Northern England to raise money for the Firefighters Charity. They cycled from St Bees Head on 27 June and arrived at Robin Hood's Bay on the North Sea the following day. The Chairman of the Authority gave his support by acting as co driver for the team.

On 29 March 2011 a fire occurred at the Sainsbury's distribution warehouse adjacent to the A500 in Stoke. The fire actuated a single sprinkler head that promptly controlled and extinguished the fire. Within two hours of the incident the warehouse was back into full operation. Without the provision of sprinklers in this building the fire would have rapidly developed and presented the Service with an extremely hazardous fire to deal with and a financial loss to Sainsbury's and the local economy that could of run into several million pounds. Examples of this nature clearly demonstrated the benefits and worth of sprinklers and serve to support the Authority's commitment to bring about reforms to sprinkler legislation in England. Alan Michael MP had taken the Sprinklers Bill for its second reading through the House of Commons.

Staffordshire Fire & Rescue Service had committed to support the next planned phase of the Kashmir humanitarian project by donating a fully equipped fire appliance. The project was being supported by Staffordshire Emergency Services Humanitarian Aid Association (SESHAA) with the team set to deploy to Kashmir dependent upon the Pakistani Prime Minister Secretariat supporting transportation and shipping costs.

### **Fire Futures Government Response**

8. The Authority has been advised of the publication of the Government's response to the Fire Futures Review. The Review of Fire and Rescue provision was initiated by the Fire Minister in July 2010 and was undertaken and led by volunteers from the Fire and Rescue Service sector, together with contributions from key stakeholders. The Authority had made an active contribution to the Review. The Government have stated that their focus going forward was on providing the right framework for national resilience and to enable local Fire and Rescue Authorities and the wider sector to deliver the reform agenda, increasing accountability to local communities for the delivery of their services.

The Government Response to the Fire Futures Reports could be found at:  
<http://www.communities.gov.uk/fire/firerescueservice/firefutures/>

**L W Bloomer  
Chairman**

