

Notice of Meeting

ASSEMBLY

Wednesday, 5 December 2012 - 7:00 pm
Council Chamber, Town Hall, Barking

To: Members of the Council of the London Borough of Barking and Dagenham

Chair: Councillor N S S Gill
Deputy Chair: Councillor J Davis

Date of publication: 27 November 2012

Graham Farrant
Chief Executive

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AGENDA

- 1. Apologies for Absence**
- 2. Declaration of Members' Interests**

In accordance with the Council's Constitution, Members are asked to declare any interest they may have in any matter which is to be considered at this meeting.
- 3. Minutes - To confirm as correct the minutes of the meeting held on 10 October 2012 (Pages 1 - 13)**
- 4. Appointments**
- 5. Sutton Road CPZ - Update (Pages 15 - 16)**
- 6. Response to Petition regarding Scrattons Sports and Social Club (Pages 17 - 21)**
- 7. Response to Petition re exemption from CPZ for teachers of Ripple Primary School (Pages 23 - 26)**
- 8. Response to Petition - Voluntary Sector Cuts (Pages 27 - 33)**
- 9. The Council's Petition Scheme (Pages 35 - 44)**

10. **Joint Management (Pages 45 - 51)**
11. **Adoption of Regulatory Provisions to Enforce the Unauthorised Crossing of Kerbed Footways and Verges (Pages 53 - 59)**
12. **Treasury Management Strategy Statement Mid-year Review Report 2012/13 (Pages 61 - 77)**
13. **Review of the Council's Financial Regulations and Rules (Pages 79 - 119)**
14. **Motions**

None received.
15. **Leader's Question Time**
16. **General Question Time**
17. **Any other public items which the Chair decides are urgent**
18. **To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.**

Private Business

The public and press have a legal right to attend Council meetings such as the Assembly, except where business is confidential or certain other sensitive information is to be discussed. The list below shows why items are in the private part of the agenda, with reference to the relevant legislation (the relevant paragraph of Part 1 of Schedule 12A of the Local Government Act 1972 as amended). ***There are no such items at the time of preparing this agenda.***

19. **Any confidential or exempt items which the Chair decides are urgent**

MINUTES OF ASSEMBLY

Wednesday, 10 October 2012
(7:00 - 8:31 pm)

PRESENT

Councillor N S S Gill (Chair)
Councillor J Davis (Deputy Chair)

Councillor J L Alexander	Councillor S Ashraf
Councillor A Gafoor Aziz	Councillor R Baldwin
Councillor G Barratt	Councillor S J Bremner
Councillor P Burgon	Councillor E Carpenter
Councillor J Channer	Councillor J Clee
Councillor H J Collins	Councillor R Douglas
Councillor C Geddes	Councillor R Gill
Councillor M Hussain	Councillor A S Jamu
Councillor I S Jamu	Councillor E Kangethe
Councillor E Keller	Councillor G Letchford
Councillor M A McCarthy	Councillor J E McDermott
Councillor M McKenzie MBE	Councillor M Mullane
Councillor T Perry	Councillor B Poulton
Councillor H S Rai	Councillor A K Ramsay
Councillor L A Reason	Councillor L Rice
Councillor D Rodwell	Councillor T Saeed
Councillor A Salam	Councillor L A Smith
Councillor S Tarry	Councillor D Twomey
Councillor G M Vincent	Councillor L R Waker
Councillor P T Waker	Councillor J R White
Councillor M M Worby	

APOLOGIES FOR ABSENCE

Councillor S Alasia	Councillor L Butt
Councillor D Hunt	Councillor D S Miles
Councillor E O Obasohan	Councillor J Ogungbose
Councillor C Rice	Councillor J Wade

31. Declaration of Members' Interests

There were no declarations of interest.

32. Minutes (11 July 2012)

The minutes of the meeting on 11 July 2012 were confirmed as correct.

33. Member Development Charter Presentation

Assembly noted this report introduced by the Chief Executive, Graham Farrant.

At the invitation of the Chair, Councillor Reason reported to Assembly that the London Charter for Elected Member Development had first been awarded to the Council in 2009. She went on to say that an external team had re-assessed the Council in July 2012 and one of the members of that team, Councillor Catherine West, Leader of Islington Council, was in the Chamber to present the Charter Certificate.

Councillor Reason thanked the Members and officers who had been interviewed during the assessment and those officers who had maintained the Member handbooks, development programmes, reports and Member learning strategy, all of which had been rigorously examined by the Assessors.

Councillor Reason went on to say that:

- the Council is committed to Member Development,
- we had been the first council in London to be awarded the Charter and were the first to be re-assessed,
- training and briefings were provided to Members on a vast range of subjects to equip them to be effective councillors,
- Members were supported to meet subject experts and colleagues from other authorities,
- the 32 new Members elected to the Council in May 2010 were testament to the value of the Member Development Programme as by putting their training into practice they have become effective community leaders and great contributors to the Council,
- Members lead Member Development in identifying the required training and how it is delivered,
- the training is evaluated to ensure continuous improvement.

Councillor Reason further thanked the Member Development Group – Councillors N Gill, Keller, Rai, Letchford, Ogungbose, IS Jamu and Carpetner – for their hard work and input.

Through the Chair, Councillor Reason welcomed Councillor Catherine West to formally present the Charter Certificate.

Councillor West stated that she was pleased and privileged to have been invited to present Barking and Dagenham with the Certificate in recognition of having been re-awarded the Charter for Member Development. She and her co-assessors had spent the 25 July at the council and had enjoyed meeting Members and officers. She particularly noted the strength of the Democratic Services team.

She went on to say that in a period of time where Councillor Development has never been so important it was enlightening to see that Barking and Dagenham Council had become the first council in London to be successfully re-accredited against the Charter standard. Across England 206 (62%) councils had made the commitment, or achieved the Charter, and Barking and Dagenham Council continued to be part of this growing number.

Councillor West said that the Charter recognised the investment and value that the Council places in member development. The authority recognised that development of all Councillors was critical to the successful achievement and

delivery of strategic priorities on behalf of the people represented and served in the community. The development and support that Barking and Dagenham Council provided for all Councillors would become even more important in order to respond to the challenges and opportunities of the Localism Agenda.

She went on to say that the role of the Councillor was right at the heart of that agenda and required us all to work differently and with new skills as we engage, empower, and lead our local communities. It had therefore never been more important to ensure that all Councillors were provided with the skills and support to carry out that evolving role.

Councillor West felt it important to mention that Barking and Dagenham Council had been fully supported on their journey to reassessment against the award by both London Councils and South East Employers.

She said that all members and many officers had been instrumental in the success in achieving the standard and particularly acknowledged the commitment and contribution from:

- Cllr Rocky Gill for the leadership commitment to member development
- Cllr Linda Reason in her capacity as Chair of the Member Development Group for championing member development and ensuring a member led approach and;
- Fiona Jamieson (Member Development Officer) for enthusiastically supporting members to achieve the award.

She said that the Assessment Team had seen many examples of excellent practice in respect of how member development was supporting community leadership, collaborative working and supporting the key priorities of the council. This 'best' practice included:

- Pre-Assembly briefings that informed and ensured all councillors were aware of local and national initiatives and policy that impacted on the council and the community
- Members taking a lead in their own development through the completion of Personal Development Plans
- The Member Development Group evaluating the impact of member development to ensure VFM and relevance to members; and
- Promoting the role of the councillor through the hosting of a pre-election event to support candidates and potential councillors.

Councillor West advised the Assembly that London Councils and South East Employers looked forward to Barking and Dagenham Council continuing its commitment to member development and sharing its success with other Boroughs and congratulated the Council on the successful achievement of the Charter standard.

In accepting the Charter Certificate on behalf of the Council, Councillor Reason thanked Councillor West for attending and for her kind words.

34. Response to Petition - Controlled Parking Zone - Ripple and Harrow Roads, Barking

Assembly received and noted the terms of a petition presented by the Lead Petitioner, Mr John Far, requesting that the Council stop proposals to implement controlled parking zones (CPZs) within Ripple Road and Harrow Road.

Mr Far thanked Assembly and said that the residents of Ripple and Harrow Roads were against the CPZ that was proposed to be implemented in that area. He went on to say that following receipt of a letter from the Council advising that the consensus had been to implement a CPZ, he had been round to a great majority of the residents and only one in Ripple Road and two in Harrow Road had said they were in favour of a CPZ. He concluded from this that the Council had misrepresented the facts that residents had requested the CPZ.

He further stated that the implementation of a CPZ would:

- deter customers from coming to shops and businesses in the area;
- cause difficulties for residents attending the medical centre;
- cause hardship for residents if they had to pay to park outside their houses.

At the invitation of the Chair, Mr Kashif Syed spoke in support of the petition, saying that there had been no problems at any time regarding parking. He also raised concerns as to the cost of permits, explaining that residents had originally been advised that the cost would be about £25 but that now a charge would be imposed depending on the car engine size. He said he had personally spoken to residents in Ripple Road and that they did not want the CPZ to be implemented.

Assembly received the response to the petition introduced by the Divisional Director of Environmental Services (DDES), Robin Payne, who explained the consultation process and stated that two consultations had been carried out – one in Ripple Road and one in Harrow and adjacent roads.

The DDES referred the Assembly to the consultation tables set out in the report and in particular that 68.29% of the responses from Ripple Road and 60% of the responses from Harrow Road had voted in favour of a CPZ.

Following the commencement in June 2012 of the formal Traffic Management Order stage, and following concerns raised that Ripple and Harrow Roads would be included in it, the decision was taken not to seal the Order but to conduct further consultation.

In debating the matter Members questioned:

- ❖ the suggestion by the petitioners that there had been no traffic issues in Ripple Road, given how long that road is, and
- ❖ the proposed change to the cost of a parking permit.

Mr Far, the Lead Petitioner, responded to the first point stating that Ripple Road was almost all business orientated.

As to the second point, the DDES advised that when this matter went out for

consultation in 2011 a permit would have cost in the region of £22.50. However, the Fees and Charges Report of February 2012 had introduced a new charging scheme based on engine size, under which a permit could cost up to £70.

In response, the Cabinet Member for Crime, Justice and Communities, Councillor Alexander, stated that she had intended to be brief as there was to be a re-consultation.

Nevertheless, she said that she is a Ward Member in this area and that twelve residents had visited her surgery requesting a CPZ.

Referring to access to the Medical Centre, she stated that disabled or very unwell residents are able to apply for a Blue Badge for their cars. She further referred to one of the residents in Harrow Road who has a disabled bay at her home but is unable to park in it because of the selfishness of people who park in Harrow Road.

The Cabinet Member was concerned to note that the Lead Petitioner had referred to Ripple Road as a business area, particularly as Ripple Road residents were constantly suffering the effects of people parking there and then using the underground station in Upney Lane.

In conclusion she said that:

- the Lead Petitioner could not speak for everyone in Ripple and Harrow Road as he had only consulted a small number of people;
- the Council had acted on the consultation responses that had come back to it
- the Council is doing what has been requested in that a re-consultation will take place.

Assembly **agreed** for the reasons set out in the report:

1. that it is unable to support the petition to abandon plans for a Controlled Park Zone in Ripple Road and Harrow Road; and
2. that it supports proposals for a re-consultation of Controlled Parking in the Ripple and Harrow Road area.

35. Response to Petition - Controlled Parking Zone - Sutton Road, Barking

Assembly received and noted the terms of a petition presented by Mr Kamram Malik on behalf of the Lead Petitioner, Mrs L Bowden, regarding the charges applied to resident and visitor permits and the decision to implement a scheme in Sutton Road.

Mr Malik advised the Assembly that he was speaking on behalf of all the people who had signed the petition opposing the charges and stated that they were totally opposed to and objected to the implementation of a Controlled Parking Zone (CPZ).

He went on to say that the Council had a duty to consider this statement and requested that the charges and CPZ be cancelled.

Referring to the consultation table set out in the report, Mr Malik said that he believed it to be incorrect and inconsistent.

Mr Malik concluded that he would fully support the Lead Petitioner should she refer this matter to the High Court.

Assembly received the response to the petition introduced by the Divisional Director of Environmental Services (DDES), Robin Payne, who referred to the explanation he had provided in the earlier report to Assembly as to the consultation process.

The DDES referred to the consultation table set out in the report stating that an overall response rate of 45% had been received but that the results had been mixed. He went on to say that all results had been mapped, showing the density and preferences of received responses and that they had been taken to a Ward Members' meeting on 4 May 2012, following which the decision to proceed had been taken based on concerns that Sutton Road would be affected by displaced parking.

During the formal Traffic Management Order (TMO) stage questions had been received regarding the consultation results and the operating times but the petition had not been received until after the TMO had been sealed.

Assembly noted that the CPZ was implemented on 1 August 2012 and remains live.

Councillor Twomey – Gascoigne Ward Member – confirmed to Assembly that the Ward Members had met with the DDES and made a decision based on the fact that they had not wanted Sutton Road to become a parking area for the rest of the estate. He stated, however, that in hindsight and having considered the petition carefully, he could not support the recommendations in the report. He supported the residents and asked Assembly to support the recommendation that the TMO cease, and that there be a re-consultation.

Councillor Ashraf – Gascoigne Ward Member – confirmed her support for Councillor Twomey's recommendation.

At the invitation of the Chair, the DDES responded that should Assembly recommend suspension of the TMO and re-consultation, other roads may be affected and consideration would need to be given to stopping the parking permits and also as to the value on the unexpired part of the permit.

Assembly **agreed** to:

1. support the petition;
2. support the suspension of the TMO; and
3. support proposals for a re-consultation of Controlled Parking in Sutton Road and surrounding roads.

36. Response to Petition - Thamesview Community Safety

Assembly received and noted the terms of a petition presented by Mrs Nadira Begum, requesting the Council to arrange further warden patrols and security cameras on the streets of the Thamesview Estate.

Mrs Begum informed Assembly that she represented the residents of the Thamesview Estate and that:

- over the last few months they had had concerns as to the safety in their homes
- they were on constant alert, fearing to leave their homes unattended
- homes had been broken into at times when parents leave their homes to collect their children from school.

Mrs Begum confirmed that she had been working with officers from the Council, particularly, Katherine Gilcreest the Anti-Social Behaviour Team Manager, and asked Assembly to help the residents increase safety in their homes by increasing patrols and fitting CCTV.

Assembly received the response to the petition presented by the Corporate Director for Adult and Community Services, Anne Bristow (CDACS), who confirmed the concerns raised and that Mrs Begum had kindly worked with the Council to address them.

The CDACS went on to say that the police had identified a pattern to the burglaries in July this year and that an action plan had been put in place across the partnership.

As a result of a Crime Prevention Road Show (CPRS) in Abbey Ward in July 2012, officers had been put in touch with Mrs Begum, following which a CPRS was arranged for the Thamesview Estate in August 2012, which approximately 100 residents attended. A further CPRS is planned for the end of October 2012.

The CDACS advised that burglaries had decreased but that officer recommendation is not to proceed with additional CCTV as there are five around Bastable Avenue and it was felt that this was not deemed to be an appropriate response to burglaries. Additional police patrols and the action plan focus on prevention and these measures are currently delivering the reduction in burglaries.

Councillor Channer – Thames Ward Member – was pleased to note the positive response to the Road Shows in getting information out to residents. She commended Katherine Gilcreest for her pro-active approach and thanked Mrs Begum for her efforts in bringing the petition to the Assembly.

The CDACS added her thanks to Mrs Begum and concluded that working together with residents and the police makes the community powerful.

In response, the Cabinet Member for Crime, Justice and Communities, Councillor Alexander, advised Assembly that she had had a positive meeting with the Lead Petitioner and that a further meeting had been planned. She too commended the team work of the Council, the residents and the police.

Assembly:

- (i) **noted** the action taken to respond to the concerns raised in the petition and the substantial decrease in burglary offences resulting from this work; and
- (ii) **agreed** that all reasonable steps to respond to this petition are being taken.

37. Revised Schedule of Cabinet Portfolios

Assembly received and noted this report presented by the Leader of the Council, Councillor Smith, which set out details of Cabinet Members and their revised portfolios.

38. Appointments

Assembly **agreed** the following appointments:

Councillor Saeed to the Personnel Board; and

Councillor Kangethe as the Deputy Chair of the Standards Committee.

39. Joint Appointments Committee

Assembly received this report introduced by the Chief Executive, Graham Farrant.

Assembly **agreed** subject to the concurrent approval of Thurrock Council, that:

- (i) a Joint Appointments Committee be established for the purpose of interviewing and making appointments of all relevant staff at Chief Officer and Deputy Chief Officer level in respect of those posts serving both authorities jointly under any shared service or other arrangement,
- (ii) the terms of reference and membership of the Joint Committee be approved as set out in Appendix A to the report,
- (iii) a further report would be presented to a future meeting addressing the differing arrangements currently in place in both authorities for appointing the Chief Executive (Head of Service), as well as the structures for dealing with issues of JNC disciplinary, appeals, gradings and conditions;
- (iv) the venue and Chair of the Joint Committee alternate between the two authorities, with the Leader of the Council being appointed to this position by Barking and Dagenham,
- (v) meetings of the Joint Appointments Committee be conducted in accordance with the constitutional provisions of both authorities, and
- (vi) the Monitoring Officer be authorised to make any consequential amendments to the Council's Constitution as are necessary.

40. Appointment of Monitoring Officer

Assembly received this report introduced by the Chief Executive, Graham Farrant.

Assembly agreed that Fiona Taylor, the Head of Legal & Democratic Services, be appointed as the officer designated to be the Monitoring Officer, in accordance with section 5 of the Local Government and Housing Act 1989 with effect from 10 October 2012.

41. Appointment of Section 151 Officer

Assembly received this report introduced by the Chief Executive, Graham Farrant.

Assembly:

- (i) **agreed** to the appointment of Jonathan Bunt, Divisional Director of Finance, as the Council's Statutory Section 151 Officer until further notice;
- (ii) **noted** that a further report will be presented to Assembly to confirm the position of the Section 151 Officer in the light of proposals under any future shared management arrangements with Thurrock, and
- (iii) **agreed** that pending the outcome of (ii) above the Chief Executive be authorised to review and amend the Council Constitution, in particular the Scheme of Delegation.

42. Appointment of Independent Persons to the Standards Committee

Assembly received this report introduced by the Monitoring Officer, Fiona Taylor.

Assembly **agreed**:

1. the appointment of Mr Michael Carpenter and Mr Brian Little as Independent Persons in accordance with Section 28(7) of the Localism Act 2011 with immediate effect until the Assembly meeting following the next municipal elections in 2014;
2. the payment of an allowance of £500 per annum to each of the Independent Persons, together with reasonable expenses for travel and subsistence; and
3. that the Members' Allowance Scheme set out in Part F of the Council Constitution be amended accordingly.

43. Amendment to the Governance Arrangements for the Elevate East London LLP Board

Assembly received this report introduced by the Chief Executive, Graham Farrant.

Assembly **agreed**:

- (i) the appointment of the Chief Executive and the Corporate Director of Adult and Community Services, in addition to the Portfolio Holder for Customer Services as the three Council Board Representatives on the Elevate East London LLP Board, and

- (ii) that the Council Board Representatives be authorised to appoint alternate representatives as and when required, to ensure full Council representation at Board meetings, in accordance with the Elevate Partnership deed.

44. Motions

Motion – The improvement of facilities at Barking Station for elderly and disabled people.

Moved by Councillor Rai and seconded by Councillor Geddes:

“There are insufficient facilities for elderly and disabled people at Barking Station. Although there is one lift leading to one platform, to access the other platforms is a very long and uphill struggle for passengers with luggage. Barking & Dagenham Council is asked to start a dialogue with Transport for London and British Rail to install escalators at all platforms at the Barking Station as soon as possible.”

In seconding the motion Councillor Geddes stated that it was very poor indeed for such a busy station to be neglected for as long as it has. It is not step free and suffers from congestion. He noted that there was a problem with a delay to the C2C contract but hoped Assembly would support the motion.

In accordance with the provisions of the Council Constitution, the Chair exercised his discretion in allowing Councillor Tarry to move the following amendment, which was seconded by Councillor Hussain:

“Barking Station is the busiest transport hub in our Borough, served by C2C, London Overground, and two tube line services. Despite this, there are significant accessibility issues for older and disabled people – particularly wheelchair users, and families with pushchairs at Barking Station. Although there is one lift leading to one platform, to access the other platforms is a very long and uphill struggle for these passengers.

Barking and Dagenham Council is asked to start a dialogue with C2C (National Express), and Transport for London to install step-free access at all platforms at Barking Station as soon as possible. This is in the context of year-on-year fares rises (again, in January 2012 these will average 6.2%), which hit the passengers of Barking and Dagenham hard financially.

The London Borough of Barking and Dagenham Council is, therefore, called upon to work with key community stakeholders including every-day commuters, disabled travel rights campaigners Transport for All, London Assembly Members, MPs, and community transport campaigners Together for Transport, to mount a sustained campaign to install more step-free access at Barking Station and to oppose the planned Government and TfL fares increases.”

In moving the amendment Councillor Tarry stated that he supported Councillor Rai's motion but felt that this amendment tightened the motion.

Members spoke in support of both the motion and the amendment.

Councillor McCarthy noted Councillor Rai's membership of the Public Transport Liaison Group. He referred to the visit in the recent past of the then Transport Secretary to Barking Station and advised Assembly that a master plan was in place. However, it had been delayed because of the West Coast Line issues and the Coalition Government's transport policy. He stated that C2C was responsible for the station but considered that its franchise should have been removed, and whoever took over the franchise must put in the capital required.

Councillor McCarthy, as Ward Member for Eastbrook where Dagenham East Station is situated, said that as well as concentrating on Barking Station we must also address access issues for all the stations in the borough.

Councillor Waker concurred with Councillor McCarthy in that disabled people were unable to access Dagenham East Station and that this Council should push for improvements at other stations too.

Councillor Carpenter noted the difficulty in struggling with a suitcase up the stairs at Barking Station.

Councillor Letchford stated that he had used Barking Station for his journey to and from work and had always been concerned at the congestion on the stairs.

Councillor Hussain as Ward Member for Abbey Ward confirmed his support for Councillor Tarry's amendment, adding how difficult it was for mothers carrying pushchairs and prams to access the station.

Councillor Saeed strongly supported the motion and concurred with Councillor McCarthy's comments.

Councillor R Gill supported everything that Members had said and commended the work that had been done by Councillor McCarthy. He referred to the wider issues of neglect around London as a whole and spoke of having West Ham United, a premier league football club, nearby and Dagenham and Redbridge FC in the borough but that there is no direct rail link to Stratford.

In response, Councillor Rai thanked the Chair and said that having seen the wording for the amendment to the motion and having listened to the debate, that he personally supported the proposed amendment as moved by Councillor Tarry as it added clarity to the original motion. He further thanked Members for their support.

The amendment was put to the vote and was unanimously **agreed**, thus becoming the substantive motion, which was then put to the vote and also **agreed**.

45. Leader's Question Time

None.

46. General Question Time

General Question 1 from Councillor Douglas:

"Please tell me if any housing development, now or in the future, will incorporate any dwellings for disabled people, and tenants with wheelchairs?"

Please let me know how many dwellings, if you can, and/or the proportion of housing to meet these needs in any housing development?"

Response from Councillor P Waker, Cabinet Member for Housing:

"Our Housing and Planning policies are very clear on this. All new homes in the borough are required to be built to lifetime standards. That means that the home has sufficient space standards, doorway widths and good accessibility so that if over time the mobility needs of the family change the home will remain suitable. In addition to this we require that 10% of all new homes are built to a standard to meet the mobility needs of people with physical disabilities.

It's also worth me saying that in addition to the 146 new Council homes we have completed we are on site with the 477 homes through our LEP (Barking and Dagenham Reside) and we have firm plans for another 400 Council new houses and flats with proposals to come forward for around another 1,000 over 10 years. All of these Council managed and let homes will be built to space standards that will at least meet lifetime homes or exceed that with 10% or more designed for people with disabilities.

We have recently learned that we are building more homes for affordable rent than in any other part of London. In fact, many Housing Associations are not building affordable homes. We are also providing a number of homes at slightly higher rents for working people.

The Cabinet is looking at ways to help disabled people in the borough, especially following the closure of the Remploy factory in this borough. We are doing our best to provide a real future for the disabled residents of this borough."

General Question 2 from Councillor Carpenter:

"Councillors receive daily updates on crime in Barking and Dagenham and it is worrying to see the high levels of domestic violence incidents compared to other types of crime.

For example, a recent daily bulletin (dated 4 October 2012) showed 18 incidents of domestic violence of which 11 were crimes. On the same report, there were 2 burglaries, 2 thefts from motor vehicles, and 2 thefts of motor vehicles. I know that we are not comparing like with like here, but this is a regular pattern in the daily crime incident reports that councillors receive.

Is there any evidence that the high levels of domestic violence in our Borough are decreasing, and if so, by how much?

Although it is encouraging that victims are seeking help, has the Council in place strategies to decrease the incidence of domestic violence? What are the most effective measures in place to do this and is there any evidence of this success?

Have the views of domestic violence victims been sought about the services they

find most helpful and, if so, what are the three services most valued by them?"

Response from Councillor Alexander, Cabinet Member for Crime, Justice and Communities:

"Thank you Chair – this raises more questions than I can give answers to. I will arrange a meeting with the Domestic Violence Team and Councillor Carpenter."

At the invitation of the Chair to speak, Councillor Carpenter said that she was disappointed that some of the questions could not be adequately answered.

Councillor Channer requested that the briefing by the Domestic Violence Team be opened up to all Members.

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ASSEMBLY

5 December 2012

Title: Update on Sutton Road Controlled Parking Zone	
Report of: Divisional Director of Environment	
Open	For Information
Wards Affected: Gascoigne	Key Decision: Yes
Report Author: Robin Payne, Divisional Director of Environmental Services	Contact Details: Tel: 020 8227 5772 E-mail: robin.payne@lbbd.gov.uk
Accountable Divisional Director: Robin Payne Divisional Director of Environmental Services	
Accountable Director: Darren Henaghan Corporate Director of Housing and Environment	
<p>Summary:</p> <p>On 10 October 2012 Assembly considered a petition of over 100 signatures from Mrs L Bowden that asked Members to withdraw a controlled parking zone for Sutton Road. Assembly was advised that Sutton Road was part of a wider zone that had been implemented on 1 August 2012.</p> <p>The Assembly agreed (minute 35) to</p> <ul style="list-style-type: none"> • support the petition; • support the suspension of the TMO; and • support proposals for the re-consultation of controlled parking in Sutton Road and surrounding roads. <p>This report confirms actions taken by officers to notify all residents affected of the outcomes of this decision and interim arrangements affecting the operation of the whole controlled parking zone (CPZ).</p>	
<p>Recommendation(s)</p> <p>The Assembly is asked to note the arrangements being put in place to suspend the CPZ in Sutton Road, and to consult on a CPZ for Sutton Road and the surrounding roads not currently in the Traffic Management Order.</p>	
<p>Reason(s)</p> <p>To ensure that actions taken are in accordance with the Assembly's wishes.</p>	

1. Introduction and Background

- 1.1. The decision by the Assembly to suspend the Traffic Management Order (TMO) did not specifically reflect that Sutton Road was only one road in a zone. When consulted, all roads apart from Sutton Road voted strongly in favour of a CPZ, and the parts of Sutton Road included in the CPZ voted marginally against the introduction of controlled parking (51% against).

- 1.2. As a result of the decision to suspend the TMO, all effective operation of the CPZ ceased, with no permits being sold and no enforcement of permit display.
- 1.3. In consultation with the Cabinet Member for Crime, Justice and Communities, and Cllr Twomey, Ward Member, it has been agreed to write to all residents affected to confirm the following.
 - The outcome of the Assembly on 10 October 2012
 - The re-implementation of the CPZ in Movers Lane, St John's Road and Tom Mann Close with no proposal for re-consultation.
 - That we will continue with suspension of the CPZ in Sutton Road and offer refunds to residents who have purchased permits. These will reflect the outstanding value of permits.
 - That we will consult Alfred Gardens, Felton Gardens, Felton Road, Saxham Road, Sutton Gardens, Sutton Green and Sutton Road on the introduction of a CPZ for the area. This will reflect an extension of the existing scheme for the time and days in place, that is Monday to Friday 8:30am to 9:00pm.
- 1.4. It is expected that this consultation will start before the end of January 2013.

2. Financial Implications

Implications completed by: Jahangir Mannan Group Accountant
020 8227 2158 jahangir.mannan@lbbd.gov.uk

- 2.1 The service will consult with areas surrounding Sutton Road. The cost of the consultation will have to be contained within the existing budgets.
- 2.2 The outcome of the consultation will determine if the CPZ area can be extended to new roads, and therefore, potentially generate more income.
- 2.3 The average cost of permits to be refunded for Sutton Road is £50.47, but the overall impact is thought not to be significant as the number of initial take ups was minimal.
- 2.4 There will be an ongoing loss of permit income whilst the TMO is in suspension.

3. Legal Implications

Implications completed by: Paul Feild Senior Lawyer
020 8227 3133 paul.feild@lbbd.gov.uk

- 3.1 There are no legal implications from the action reported. Due process of a fresh consultation exercise will commence shortly in accordance with the statutory framework.

ASSEMBLY

5 December 2012

Title: Response to Petition re Scratton's Sports and Social Club	
Report of: The Corporate Director of Adult and Community Services	
Open	For Decision
Wards Affected: Thames Ward	Key Decision: Yes
Report Author: Ray Descombes Senior Community Development Officer	Contact Details: Tel: 020 8227 2032 E-mail: ray.descombes@lbbd.gov.uk
Accountable Divisional Director: Karen Ahmed	
Accountable Director: Anne Bristow	
<p>Summary:</p> <p>The closure of the Scratton's Sports and Social Club building prompted residents to petition the Council to save the building for the local community. Subsequent fire damage has rendered the building unusable.</p> <p>The Council has indicated its willingness to transfer the use of this building to a local community association through a lease arrangement. Progress towards this arrangement is already underway.</p> <p>If it is not possible to transfer the use of the building to the local community the building should be let under the Council's normal commercial procedure. Another group with links to the locality has expressed an interest in proceeding in this way.</p> <p>In accordance with the Council's procedures for petitions, the lead petitioner, Sharon Cooper, has been invited to the meeting of the Assembly to present the petition.</p>	
<p>Recommendation(s)</p> <p>The Assembly is recommended to:</p> <ul style="list-style-type: none"> (i) note that the petition from local residents to save the Scratton's Sports and Social Club has received a positive response, (ii) note the steps that have been taken to ensure that the community will continue to be able to use the building for social purposes, (iii) support the option for the local community to take formal responsibility for the building through a lease agreement subject to funding being identified to meet the building costs. 	
<p>If the local community is not in a position to take responsibility for the lease by 31 January 2013 Assembly is recommended to agree that officers:</p> <ol style="list-style-type: none"> 1. pursue the option for commercial disposal (with consideration for community 	

impact) and

2. explore funding for the required contribution to the roof repairs using the Backlog Maintenance Programme.

Reason(s)

Under the Council's Petition Scheme as set out on the Council's web site, petitioners are entitled to a debate at full Assembly if the petition has the support of 100 or more signatures from different addresses in the borough.

As this petition reaches that threshold it has triggered the requirement for a debate at Assembly.

1. Introduction and Background

- 1.1 A petition was raised by concerned residents after the closing of the Scratton's Sports and Social Club in July 2012. The Petition headed "Petition to Save the Scratton's Sports and Social Club" contained 161 valid signatures (separate addresses in the borough).

- 1.2 The Scratton's Farm estate is a group of just under 300 houses to the south of the A13 and to the north of the Channel Tunnel Rail Link.

The Council specifically erected the building for use by the local community. It was extended by the Social Club using a grant from the Green King Brewery.

The previous lessee of the Scratton's Sports and Social Club decided to vacate the property and return the centre to the Council on Friday 13 July 2012 because the Sports and Social Club was no longer viable. The Council was only given two weeks' notice that this would take place.

On this small isolated estate there is no other provision for the social needs of the local community. Of the parade of 6 shops only one is in use for retail purposes and one is used by the local residents' association for their monthly meetings; the remaining shops are vacant and have remained un-let for many years. Attempts to pro-actively market these have been unsuccessful. The isolated nature of the estate and the lack of passing trade makes it unlikely in the present economic climate that they will find a future retail use.

- 1.3 When the building was first vacated there were three break-ins within 13 days. In the last break-in on 26 July 2012, a fire was set, which left substantial fire damage – and water damage was also caused by the Fire Brigade extinguishing the fire. This has left the building unusable at present. Police treated the fires as arson but were able to identify and charge those responsible.

Power to the building was turned off and security Orbis shutters have been fitted.

The building was discussed at the meeting of the Scratton's Farm TRA on Tuesday 31 July 2012. The meeting was attended by over 40 residents, along with Council officers. At this meeting the petition to save the Scratton's Social Club was given to Council officers.

2. **Proposal and Issues**

- 2.1 A public meeting was held on 7 August 2012 in Jo Richardson School. It was attended by over 70 residents and chaired by Councillor Channer. Council officers addressed the meeting and stated that an insurance claim was being submitted and money received would be used to restore the building. It was pointed out that the restored building could be made available to the local community but they would have to form a legal association to which the building could be transferred in line with the Council recent practice with regard to Community Centres.

The meeting agreed to support the formation of a local steering group to carry the process forward. The steering group has now met on four occasions to date. A meeting has been arranged for 1 December 2012 to formally establish a legally constituted community association to represent the community's interests and commitment in the redevelopment of the building.

- 2.2 An inspection of the fire damaged building showed that a significant amount of asbestos was present and this would need to be removed prior to a full insurance assessment and building works taking place. The removal of the asbestos at a cost of £30,000 was completed on 2 October 2012.
- 2.3 The insurance adjustor visited the site on 15 November 2012. At this meeting the reinstatement work was discussed and all of the necessary items are likely to be covered. However, as the roof covering was nearing the end of its expected effective life it may be that a contribution towards this cost will be required from the Council. It is possible that this contribution would be in the region of £20,000 - a proportion of this could be funded from the Backlog Maintenance Programme. The insurance assessor has indicated that the likely reinstatement cost covered by insurance will be £150,000 - £200,000. This will restore the building to a usable state with basic facilities meeting present building requirements. This will include new toilets, electrics, storage heaters and kitchen.

When the insurance assessment has been finalised and agreed, instructions can be issued to carry out the necessary building works

3. **Options Appraisal**

The options available to the Council with regard to the building are that once it is restored the Council could:

Option 1 - Lease to a Local Community Group

This would be on the same basis as the transfer of eight Community Centres in 2011. For this to take place a local association would have to be formally established to take responsibility for the lease.

The residents have agreed to hold a public meeting on Saturday 1 December 2012 to form a constituted community association which would be in a position to take responsibility for a lease. At the moment some of group have expressed reluctance for this community group to obtain charitable status. However not being a charity would make the group liable for national non-domestic rates and would limit their access to most funding from external funders.

Some of the residents and past residents of the estate have requested that consideration be given to leasing the building to a limited company which would run a bar and community centre for the benefit of the local community. This group has been asked to provide worked up details of their proposal showing a more detailed business plan and an explanation of how the interests of the local community would be protected. The promised plan has not yet been received however if this is to be commercial in nature it would likely fall under option 2.

Option 2 - Let the Building through the Council's Normal Commercial procedure

The building would be advertised through our usual commercial disposal process. The isolation of this area would limit the level of interest that this opportunity would generate. On the basis of recent experience it is likely that the building would attract offers from faith groups. However unless there is a demonstrable link with and benefit to the local community this approach would probably not be favoured by the council in view of the preference for the facility to be of direct benefit to the local residents. The proposal yet to be received in detail as discussed above might be seen as having such a demonstrable link to the local community.

4. Consultation

- 4.1 The lead petitioner and local residents have been consulted through meetings on 31 July and 7 August 2012, with two Ward Members attending the 7 August meeting.

5. Financial Implications

Implications completed by: Dawn Calvert
Telephone and email: 0208 227 2651 dawn.calvert@lbbd.gov.uk

- 5.1 The use of the building will be offered to the local community on a full insuring and maintaining basis therefore there will be no ongoing financial commitment for the Council.
- 5.2 The building costs will be covered by the insurance claim. However as the roof was nearing the end of its effective life a contribution equal to 50% of the cost of the roof reinstatement will be required. This contribution is likely to be in the region of £20,000. The budget required to fund the contribution needs to be identified. One source of funding could be the Backlog Maintenance Programme. There is the potential to fund £10,000 from this programme. This would leave a balance of £10,000 to be sourced.

6. Legal Implications

Implications completed by: David Lawson, Deputy Head of Legal & Deputy Monitoring Officer, Legal and Democratic Services

Telephone and email: 07875 397 764 david.lawson@bdtlegal.org.uk

- 6.1 The Legal Practice does not identify further implications in this report other than to continue to have due regard to S.149 of the Equality Act which requires public bodies to consider all individuals when carrying out their activities. Public bodies are

therefore required to have regard to the need to eliminate discrimination, advance equal opportunities and foster good relationships between different people when undertaking their activities. Additionally, this provision encourages public bodies to understand how different people will be affected by their activities, so that their policies are appropriate and meet different people's needs.

7. Other implications

7.1 Risk Management

- i. Should the community association fold for reasons of insolvency or otherwise the lease would be terminated and the building would revert to the Council
- ii. There is a danger that the Community Centre could be used by one group within the community to the exclusion of others. This risk will be mitigated by a requirement, inserted in the lease, that the building remain fully accessible to all in the community; failure to comply would constitute a breach of the lease.

7.2 Property/Asset Issues

To avoid leaving the building open to possible vandal attack it is important that the completion of the building work be timed to occur after or at the same time as the signing of the lease.

Regular monitoring by Property Services will ensure that the lease conditions are complied with. Appropriate action can be taken if there is any breach of lease conditions

Background Papers Used in the Preparation of the Report:

Petition submitted by Ms Cooper

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ASSEMBLY

5 December 2012

Title: Response to Petition - Ripple Primary School Teacher CPZ exemption	
Report of: Divisional Director of Environmental Services	
Open	For Decision
Wards Affected: Eastbury	Key Decision: Yes
Report Author: Sharon Harrington Parking Manager	Contact Details: Tel: 020 8215 3005 E-mail: Sharon.harrington@lbbd.gov.uk
Accountable Divisional Director:	Robin Payne Divisional Director of Environmental Services
Accountable Director:	Darren Henaghan Corporate Director of Housing and Environment
Summary:	
<p>The Council has received a petition containing over 100 signatures from separate addresses in the borough, requesting that the Council give exemptions for teachers to be able to park within Controlled Parking Zones (CPZ).</p> <p>The petition asks London Borough of Barking and Dagenham Council to:</p> <p>“Stop the parking fines been implemented to our Teachers cars in a Control Parking Zone namely Surrey Road and Suffolk Road, Barking, Essex”</p> <p>In accordance with the Council’s procedures for petitions the lead petitioner, Mr Terence Harding, has been invited to the meeting of the Assembly to present the petition.</p>	
Recommendation(s)	
<p>The Assembly is recommended to agree, for the reasons set out in this report, that it is unable to support the petition.</p>	
Reason(s)	
<p>Under the Council’s Petition Scheme as set out on the Council’s website, petitioners are entitled to a debate at full Assembly if the petition has the support of 100 or more signatures.</p> <p>As this petition exceeds that threshold it has triggered the requirement for a debate at Assembly.</p>	

1. Introduction and Background

- 1.1. When consulting on a CPZ the Council carefully considers all the responses it receives. However the views of those within the proposed CPZ are our primary concern. In the case of the area surrounding Ripple Primary School a CPZ was introduced on 1 August 2012 due to the parking congestion that was being experienced by the residents with over 59% of residents requesting for implementation.
- 1.2. CPZs are usually supported by residents who are experiencing difficulty finding a parking space near their own homes; which can be caused by many different reasons.
- 1.3. Currently residents are being asked to pay on average £50.47 for a permit to allow them to park within a CPZ and to therefore give exemptions to other vehicle users could be seen as discriminatory against residents.

2. Proposal and Issues

- 2.1 On review of this petition a proposal is being considered for the 2013/14 fees and charges to introduce a chargeable permit for teachers who work but do not live within the same CPZ area.
- 2.2 Applications for this permit would need to be submitted via the Head Teacher to ensure the criterion was met and avoid any fraudulent activity.

3. Financial Implications

Implications completed by: Jahangir Mannan Group Accountant
0208 227 2158 jahangir.mannan@lbbd.gov.uk

- 3.1 There is currently an income budget of £6.074m within parking services to be recovered from issuing of enforcement notices, car park charges and the issue of permits. The actual income from permits in 2011/12 amounted to £397,033, and the estimated income for 2012/13 is £587,803. Approximately 57% of this (£346k) relates to residential permits, 22% relating to visitor's permits, with the remainder a mixture of business and other permits
- 3.2 The above budget includes a savings target of £70k for 2012/13 to be generated through the implementation of the new emission based charges. In 2011/12 a savings target of £1.040m was approved for additional parking income with approximately £686k attributable to CPZs of which £486k was not achieved.
- 3.3 The new permit charging regime and corresponding fees for 2012/13 were approved by Cabinet February 2012 as part of the Fees & Charges report.
- 3.4 The average cost of issuing a permit is £9.67, although the cost of Residential Permits is higher at £14.33 due to the greater printing cost involved with the paper

quality. The annual cost currently amounts to £201,121 for all permits, which includes £97,439 for residential permits only.

3.5 However, there are significant costs associated with implementing a CPZ (e.g. resident consultation, signs and white lines) which are not included in the costs above. It is estimated that the cost of implementation for Sutton Road is approximately £10k.

3.6 The exact take up of residential permits within a CPZ area is difficult to forecast, however, based on some recent samples, an indicative estimate of 40% is assumed. This would leave about 60% of the available CPZ area as available space for Teacher's parking permits. There are no set charges at present for Teachers permits so difficult to predict exact take up. However, any income generated would contribute to the above target.

4. Legal Implications

Implications completed by: Paul Feild Senior Lawyer
020 8227 3133 paul.feild@lbbd.gov.uk

4.1 Controlled Parking Zones are operated under powers given in the Road Traffic Regulation Act 1984 (the Act). There are minimum requirements for consultation and publication before making an order which is set out in the Road Traffic Regulation Act 1984 and in the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996.

4.2 The making of charges for the zones is regulated by the Act so as to ensure the operational cost of the scheme is self-financing and where there is a deficit to the general fund as a result of operation the income should be so applied to prescribed expenditure such as parking provision, public passenger services, road improvement and maintenance, London transport strategy and environmental improvements.

4.3 The introduction of a chargeable permit scheme for essential users would be possible with the CPZ parking regime provided that the fiscal impact was compliant with the self-financing principle. Clearly the issuing of the permits would need to be proportionate to the availability of the parking for resident holders of permits and it maybe that the permits would be site specific. These issues can be addressed in the viability assessment for the potential chargeable permits proposals for 2013/14 if it is decided to move them forward.

5 Other Implications

- **Risk Management:** The risk in accepting this petition and allowing teachers to have exemptions for paying for parking would be to the residents who have agreed for this scheme to be implemented and are paying for this service.

- **Contractual Issues:** The fees & charges policy is reviewed on an annual basis and agreed at cabinet for implementation on the 1st April each year. The proposal for a teacher's permit to be implemented will form part of this policy.
- **Customer Impact:** When implementing a CPZ we have to be mindful of the impact on all users of the area; for example doctors surgeries, schools, health/community centres etc. and these will all form part of the business case on any new CPZ that is to be introduced in the future.

Background Papers Used in the Preparation of the Report:

- Consultation responses

ASSEMBLY

5 December 2012

Title: Response to Petition – Cuts to Voluntary Sector	
Report of: Corporate Director of Adult & Community Services	
Open	For Decision
Wards Affected: All	Key Decision:
Report Author: Karen Ahmed Divisional Director, Adult Commissioning	Contact Details: Tel: 020 8277 2331 E-mail: Karen.Ahmed@lbbd.gov.uk
Accountable Divisional Director: Karen Ahmed	
Accountable Director: Anne Bristow	
<p>Summary:</p> <p>The council has received a petition containing 285 signatures from 232 separate addresses in the Borough (including 9 key voluntary sector locations) requesting that the Council rejects the proposed cuts to the voluntary sector.</p> <p>The petition states:</p> <p>We the undersigned petition the Council to recognise the invaluable role of the voluntary sector in delivering services and support to local residents, and to accept that with the cuts to public services being imposed by national government this role is becoming increasingly important.</p> <p>We further petition the Council to recognise that the voluntary sector has already taken a very large cut to its funding, and that the current proposals for an additional £165,000 cut on top of that already agreed is disproportionate, unfair and unnecessarily damaging to the sector.</p> <p>If agreed, these cuts will undermine infrastructure support, equalities work and advice provision. They will reduce the support available to local groups and damage the sector's ability to bring external income into the borough and deliver much needed services to local residents.</p> <p>The impact of these cuts will be enormously damaging to local voluntary and community groups, and the services that they are able to provide to local residents, whilst the cost savings to the Council will do little to meet its funding gap.</p> <p>We therefore petition the Council to reject the proposed cuts to the voluntary sector.</p>	

In accordance with the Council's procedures for petitions, the CVS lead petitioner, Mr Ted Parker, has been invited to the meeting of the Assembly to present the petition.
Recommendation(s)
The Assembly is recommended to agree, for the reasons set out in this report, that it is unable to support the petition.
Reason(s)
Under the Council's Petition Scheme as set out on the Council's web site, petitioners are entitled to a debate at full Assembly if the petition has the support of 100 or more signatures from different addresses in the borough.
As this petition reaches that threshold it has triggered the requirement for a debate at Assembly.

1. Introduction and Background

- 1.1 The Council's budget-setting process for 2013/14 and 2014/15 comes at a very challenging time for public services, and local government in particular. In October 2010 the Government announced in its Comprehensive Spending Review the scale of financial challenge facing public services. Local government is facing a cut of 28% in real terms between 2011/12 and 2014/15. Since the Government's budget announcements and the significant savings decisions already taken by the Council in February 2012, a number of additional pressures have emerged as a result of legislative and demographic changes.
- 1.2 As part of setting the 2012/13 annual budget and Council Tax in February 2012, Assembly approved £10.950m of savings for 2013/14 and a further £0.739m for 2014/15. Following those reductions, to achieve a Council Tax freeze, further savings of £8.380m and £15.311m were required.
- 1.3 In responding to the cuts imposed by the Government, the Council has had to make some extremely tough choices on how and where it spends its money. The Council is doing all it can to minimise the effects of these cuts on frontline services and will build on its record of delivering new and better ways of doing things in order to keep public services running effectively in these tough times. The Council has already taken a number of measures to increase efficiency and protect – as far as possible – frontline services, and limit the impact on statutory services.
- 1.4 Continuing reduction of the Council's budget imposed by central Government requires the Council to reduce its expenditure further. The Council greatly values the local voluntary sector and recognises the importance of these groups to local residents. However, due to the need to make unprecedented budgetary reductions for the upcoming financial year, it has become necessary to reduce spending on valued services and organisations. Although funding may decrease, the Council will make every effort to support the voluntary sector in sourcing alternative income and provide assistance to local organisations where possible.
- 1.5 The current Corporate Grants and Commissioning Programme was agreed by Cabinet in December 2010 to ensure that limited funds were targeted to where they would be most effective in achieving the programme's objectives. The focus of the

programme was towards *building the capacity* of voluntary and community groups in the borough, and *building community cohesion*. The current Community and Legal Advice Service was commissioned through a separate process.

1.6 Commissioned services provide advice services, capacity building for community groups and strengthening community projects. Services funded include the voluntary sector infrastructure organisations CVS, Volunteer Bureau, ACE (community accountancy), the five equalities fora, strengthening communities commission, CLAC advice and race hate crime case work. The Innovation Fund provides grants of up to £10,000 for new projects, and the Pump Priming fund provides grants of up to £1,500 for emerging needs and opportunities. The budget also provides the Council's required contribution to the London Councils grants programme.

1.7 This proposal provides a recommendation for continuing to meet those themes in the best way possible within the reduced resources available. Advice and capacity building are each addressed through the relevant commissions. Community cohesion will be developed primarily through the award of Pump Priming grants. A partnership approach to community cohesion recognises the value of all local organisations in delivering a range of activities within the Borough. This is summarised in ***Together – a Community Cohesion Strategy for Barking and Dagenham***.

2. Proposal and Issues

2.1 At the meeting of the Safer Stronger Community Select Committee held on 31 October 2013, Members reviewed a number of budget savings proposals, including Voluntary Sector Grants and Commissions (ACS SAV 07). A number of proposals were discussed and representation was made.

2.2 As part of the Medium Term Financial Strategy for 2013/14, it was agreed that the Voluntary Sector Grants and Commissions' budget was £636,000. This takes into account a pre-agreed reduction of £215,000, which is the last of three annual savings totalling a reduction of £750,000 from the service.

2.3 The savings proposal sets out the following:

Of the remaining budget of £636,000 for 2013/14, £220,000 is the contribution to London Councils, leaving £416,000 for the Council's commissions and grants. It was proposed to reduce this by an additional £120,000. If accepted, this would leave £296,000 to commission core strategic functions which fit with the Council's priorities. These are:

- **Voluntary and Community Sector Support (£100,000)**. This service will combine voluntary and community sector training, information, support, funding and development support, volunteer development and coordination and community accountancy functions.
- **Advice and Case Work (£185,000)**. This service would combine a generalist advice service, coordination of third party hate crime reporting, and hate crime case work. Hate incident reporting would benefit from the multiple locations and reach of the generalist advice service. Should the proposal

made at the Safer and Stronger Community Select Committee be upheld by Cabinet, this budget may increase to £195,000.

- **Grants (£11,000).** The funding for Innovation Grants would be ended, and the funding for Pump Priming grants increased to £11,000 to provide maximum benefit from the reduced funding available.

- 2.4 The Safer and Stronger Community Select Committee on 31 October 2012 agreed to recommend to the Cabinet that the proposed saving be reduced to £110,000 on the basis that the Council has seen an earlier reduction in payment to London Council. It has been recommended that this funding is used to further support the advice services in recognition of the impact of the welfare reforms.
- 2.5 **London Councils (£220,000).** The Council currently pays the minimum legally required contribution to London Councils Grants Scheme, but is continuing to seek a reduction in the amount. The London Councils grants programme provides very poor value for money for Barking and Dagenham. This programme funds pan-London projects through voluntary and community sector organisations. None of the current delivery organisations are based in Barking and Dagenham, although one organisation provides services to the borough. The Council has made continued efforts to obtain more benefit to the borough from the projects funded, and to obtain a reduction in contribution. London Councils have now indicated that the 2013/14 contribution from the borough is likely to be £205,000. The compulsory contribution is calculated per capita, and so the borough's contribution may rise in future years.
- 2.6 The Council's Cabinet will make a decision about the proposal at its meeting on 19 December 2012. This will enable the proposal to be considered along with other savings proposals for 2013/14. Tenders for commissions to provide the new services will be sought from January 2013 with a view to commencing from 1 April 2013.

3. Options Appraisal

- 3.1 The Council's main option to reduce impact of the budget reductions upon services for local residents is to continue to seek a reduction in the borough's contribution to the London Councils Grant Scheme.
- 3.2 It is possible but not certain that each Equality Forum would continue following the end of the Council's funding. Each of the fora would be supported by the CVS and the Council to identify other sources of future funding, should they wish to continue without their current funding from the Council. The Council would continue to provide meeting space, and officer attendance when requested.
- 3.3 By retaining Voluntary and Community Sector Support, the current Equality Fora would be able to obtain support in identifying other possible sources of funding and finding sustainability. The Voluntary and Community Sector Support Service would provide training, support and advice to local residents, including equalities groups. The current Equalities Fora provide engagement for other statutory bodies, including the police and health services and these agencies would need to build changes into their consultation programme to ensure that they continue to meet their equality duties.

- 3.4 Barking and Dagenham has a significantly higher than average percentage of residents who are disabled. The Council would work through other structures, including the new Healthwatch, to arrange one off meetings and maintain contact with groups who work with and represent disabled people to ensure that future changes to services and new policies effectively take account of their interests and needs. The Council will continue to work with other partners, including DABD, ILA and DIAL, to engage with and support residents with disabilities. Healthwatch will continue to maintain contact with people from each of the protected characteristics.
- 3.5 The generalist advice service would coordinate hate crime reporting and provide some case work support for victims of hate crime as well as providing generalist advice. Combining these aspects would allow the necessary saving to be made at least in part through administrative rather than service delivery savings. This would ensure that all these areas would be fully coordinated. By commissioning these services, front line services which particularly benefit people with a protected characteristic would be protected, providing a better outcome than would be the case if these services were further reduced whilst the Council retained the equalities fora.
- 3.6 The proposal would mean that Pump Priming Grants could continue to be awarded. In particular, it would be possible to fund a range of neighbourhood activities and projects. This would be a key support for the borough's new Cohesion Strategy, which emphasises the need to support residents to develop local services and activities, to support the requirement to foster good relations between people with protected characteristics and the wider community.

4. Consultation

- 4.1 Consultation with the voluntary sector was launched on 16 July 2012, where the proposal was outlined and discussed at the meeting of the Voluntary Sector Forum. A consultation document was issued at that time. Some changes were made to the final proposal which was published alongside other proposals as part of the Safer and Stronger Community Select Committee agenda in October 2012.
- 4.2 A meeting was held on 18 July 2012 between the Corporate Director for Adult and Community Services and the chairs and directors of all the currently commissioned organisations to discuss the proposal and receive feedback. At this meeting the lead petitioner requested that the timetable for consultation on the voluntary sector proposals be extended to fit in with the other cost saving proposals and this was agreed. The deadline for all responses to the consultation was therefore 12:00 noon on 30 November 2012. Members will be provided with details of all responses to the proposals which are provided by that date. This allowed for an extended consultation period of five months.

5. Financial Implications

Implications completed by: Dawn Calvert, Finance Group Manager

- 5.1 The 2013/14 budget for voluntary sector grants and commissions is £636k. This includes a pre-agreed saving of £215k. A further saving of £120k (ACS SAV 07) has been proposed which would reduce the 2013/14 budget to £516k. The 2013/14 contribution to London Councils of £220k must be met from this budget. This leaves a balance of £296k which will be sufficient, pending no further reductions, to

fund voluntary and commissioning sector support (£100k), advice and case work (£185k) and Pump Priming grants (£11k).

6. Legal Implications

Implications completed by: David Lawson, Deputy Head of Legal and Deputy Monitoring Officer

- 6.1 The Legal Practice does not identify further implications in this report other than to continue to have due regard to S.149 of the Equality Act which requires public bodies to consider all individuals when carrying out their activities. Public bodies are therefore required to have regard to the need to eliminate discrimination, advance equal opportunities and foster good relationships between different people when undertaking their activities. Additionally, this provision encourages public bodies to understand how different people will be affected by their activities, so that their policies are appropriate and meet different people's needs.

7. Other Implications

7.1 Risk Management

If the recommended reductions are made there would be significant risk to the viability of a range of voluntary organisations in the borough. The Council currently monitors the risk that:

“Failure to support and facilitate the development of a thriving third sector leads to non- or sub-optimal achievement of objectives in relation to community cohesion, economic skills and development, personalisation and efficiency targets. Continued failure of third sector organisations leads to reputational damage for the Council and the borough.”

This rating and the supporting action plan will be reviewed once a recommendation is agreed. There is a risk that some of the services receiving funding will experience increased demand as the impact of the recession continues. This will be monitored through the regular grant monitoring, and funded organisations supported to adjust the services offered within the contract price if appropriate.

7.2 Safeguarding Children

It is a requirement for all funded organisations to be fully compliant with the provisions of the Children Act 2004 (and the increased safeguards introduced in October 2009) as well as being section 11 compliant or working towards section 11 compliance and to have written policies in place for the protection of vulnerable children and adults. Compliance with this requirement is routinely monitored by the Local Safeguarding Children Board. If a funded organisation failed to meet the requirements, a range of remedies and sanctions are available to the Council up to and including the removal of grant aid.

The Faith Forum currently provides a representative to the Safeguarding Children's Board who liaises with local faith groups. The Council's safeguarding teams have used the Faith Forum as a point of consultation. Other arrangements would need to be made should the Faith Forum cease to exist.

The current volunteering contract includes the provision of a CRB service and voluntary sector support around safeguarding. This will be reflected in the merged voluntary and community sector support service commission although the provider may change due to the competitive nature of the process.

7.3 Health Issues

There have been several public health initiatives which have relied on the community engagement offered through the equalities forum. However, the creation of Healthwatch will provide a new mechanism for this kind of engagement.

7.4 Crime and Disorder Issues

The community cohesion strategy supports activity aimed at reducing tension and supporting communities to identify and resolve local issues, which may otherwise lead to community safety issues. The commitment and activities to promote neighbourliness and working together will promote trust and engagement, which will enhance community safety in the borough.

7.5 Property / Asset Issues

The Ripple Centre has been transferred to the CVS on a 25 year lease. The Council led applying for the substantial Lottery and London Development Agency funding to develop the centre. The conditions of funding from the Big Lottery allow for the transfer of management to another voluntary sector organisation if the Council and the Big Lottery agree. Should the CVS be unable to manage the building, this clause could be activated otherwise the Council would be liable to return funding to the Big Lottery.

Background Papers Used in the Preparation of the Report:

Consultation on Proposed Savings to the Corporate Grants and Commissioning Programme

ACS SAV 07 – Voluntary Sector Grants and Commissions

Corporate Grants and Commissioning Programme 2011/12, presented to Cabinet 15 March 2011.

Minutes of the Safer and Stronger Community Select Committee 31 October 2012.

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ASSEMBLY

5 December 2012

Title: Review of the Council's Petition Scheme	
Open Report	For decision
Wards Affected: All	Key Decision: No
Report Author: John Dawe, Group Manager Democratic Services	Contact Details: Tel: 020 8227 2135 E-mail: john.dawe@lbbd.gov.uk
Accountable Divisional Director: Fiona Taylor, Divisional Director of Legal and Democratic Services	
Accountable Director: Graham Farrant, Chief Executive	
<p>Summary:</p> <p>This report sets out proposals to amend the Council's current Petition Scheme by:</p> <ul style="list-style-type: none"> (i) removing the provision to submit petitions to the Assembly and instead that they be considered by the relevant Select Committee, (ii) removing a right of appeal on the outcome of an appeal, (iii) increasing the thresholds for triggering member debates for petitions to bring them in line with thresholds in neighbouring borough schemes, and (iv) extending the basis of the scheme in accepting e-petitions generated via other systems on the basis of conforming to the same guidelines that apply to all other petitions. 	
<p>Recommendation</p> <p>The Assembly is recommended to agree the amended Petition Scheme as set out in Appendix B.</p>	
<p>Reason(s)</p> <p>It is appropriate to seek the views of this meeting bearing in mind that changes to the Petition Scheme have a direct bearing on the work of the Assembly.</p>	

1. Introduction and Background

- 1.1 The Council's Petition Scheme was drawn up in accordance with the provisions of the Local Democracy, Economic Development and Construction Act 2009 (LDEDCA). Although these provisions were repealed by the Localism Act 2011 this Council decided to retain a petition scheme to aid the open and transparent workings of the Authority.

- 1.2 Under the terms of the current scheme all petitions containing more than 100 signatures from different households are presented to the Assembly with a covering report from the relevant Corporate Director. Whilst in theory this provides a platform for debate the reality is that due to the large range of important issues dealt with already at the Assembly and the increasing number of petitions being presented, the opportunity for full debate is limited. In addition the frequency of the meetings coupled with the need to produce an accompanying officer report, often leads to unreasonable delays in the submission of petitions. This, together with the intimidating environment of an Assembly meeting for some petitioners, means that the Assembly is not the ideal forum to consider petitions.

2. Proposal and Issues

- 2.1 Having reviewed the current scheme it is felt that rather than present petitions to the Assembly (currently over 100 signatures from different households, or 1% of the whole electorate for e-petitions [presently 1200]), their submission to the relevant Select Committee would provide a better forum to encourage objective debate on petitions with more time to discuss and recommend solutions to issues.
- 2.2 The current scheme provides for an appeal process for those petitions presented to the Assembly through the Select Committees. However as the proposal is to submit petitions to the Select Committees in the first instance, and as there is no longer a statutory requirement to maintain a scheme, it is proposed not to include an appeal process which will also support effective and timely outcomes to petitions.
- 2.3 The opportunity has been taken to review neighbouring borough petition schemes in relation to the thresholds triggering member level debates. The results are set out in **Appendix A**. In summary, the current thresholds in the existing scheme for both ordinary and senior officer petitions are significantly less, and nor is there any distinguishing between paper based and e-petitions, or other qualifying criteria. In those circumstances it is being proposed to increase the thresholds for both paper based and e-petitions to 1500 names for all petitions with no limit on the number of signatures from each household. Furthermore, in order to provide clarity to the public about submitting petitions and seeing there is no longer any statutory requirement to distinguish between general and senior officer petitions, it is also proposed to drop the requirement within the scheme to make separate provision for the latter.
- 2.4 Following on from the decision to retain a petition scheme and in order to be more flexible in the approach to community engagement and participation, it is also proposed to extend it so that petitions in a variety of formats are acceptable, such as those started via Facebook. To be considered as a valid petition however the guidelines relating to other e-petitions will apply - namely providing a name, a postcode and a valid email address.
- 2.5 If the proposals in this report are supported then the Council's current Petition Scheme will require amendment, and the changes are set out in the attached draft at **Appendix B**.

3. Options Appraisal

- 3.1 The repealing of the provisions of the LDEDCA by the Localism Act 2011 means there is no longer a statutory obligation on the Council to maintain a petition

scheme, although for reasons of openness and transparency this option is not supported.

4. Consultation

4.1 The Leader of the Council

5. Financial Implications

Implications completed by: Olufunke Johnson, Group Accountant
Telephone: 020 8227 2485 e-mail: Olufunke.johnson@lbbd.gov.uk

5.1 There are no financial implications associated with this report

6. Legal Implications

Implications completed by: Paul Feild Corporate Governance Solicitor
Telephone: 020 8227 3133 e-mail: paul.feild@lbbd.gov.uk

6.1 The law in relation to petitions was recently amended by the Localism Act 2011. It repealed the provisions of the Local Democracy, Economic Development and Construction Act 2009 which had required the publication of a petition scheme. The Localism Act 2011 restores the discretion Councils have to address petitions, so enabling the establishment of an approach which reflects local conditions.

7. Other Implications – N/A

Background Papers Used in the Preparation of the Report:

Council Petition Scheme
Local Democracy, Economic Development and Construction Act 2009
Localism Act 2011

List of appendices:

Appendix A Thresholds for triggering member level debates in neighbouring borough petition schemes

Appendix B Proposed changes to the Petition Scheme

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APPENDIX A

Signature threshold for triggering member level debates at full Council on petitions for both paper based and electronic

BOROUGH	ORDINARY	SENIOR OFFICER
Newham	1,000	1,000
Redbridge	1,500	750
Thurrock	1,500	750
Waltham Forest	4,000	(no provision)
Havering	(Petitions will not normally be debated at full Council but it is open for members to initiate a debate using the Council's normal debating procedures)	

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Introduction

Barking and Dagenham Council is committed to letting its residents make a difference in the way their borough is run. Traditionally, the petition is one of the most popular ways that residents can get their views heard. At first, signatures were gathered on paper; more recently, online.

The Council still encourages people to sign petitions to get it to make changes to the borough, or the way it delivers its services. This document explains what happens when you submit a petition to the Council.

What is a petition?

A petition is defined as “a formal document appealing to an authority for a right or benefit etc. especially one signed by a large number of people...” They are usually headed with a short statement (the ‘prayer’) setting out the petitioners’ request (“We the undersigned...” or similar), followed by the petitioners’ signatures and addresses. Although petitions would usually be expected to contain a large number of signatures, any document in this sort of format is still a petition, even one signed by just a few people. For the purposes of this procedure, a letter signed by more than one person from separate addresses should also be treated as a petition.

The Council expects that petitions, whether on paper or online, will all meet some minimum standards. They must include:

- a clear and concise statement covering the subject of the petition, stating what action the petitioners wish the Council to take
- the name and address of the signatory
- a signature (if the petition is on paper) or a valid email address (if the petition is online)
- the name, address and contact details of the person who started the petition, known to the Council as the “lead petitioner”

Petitions can be submitted to the Council in three formats:

- on paper, the traditional method of petitioning
- using the Council’s own [e-petitioning](#) facility
- using an external online petitioning facility, such as those offered by Facebook and Twitter

Who can sign my petition?

You can get anyone to sign your petition. However, the Council will only consider a signature to be valid if:

- it is accompanied by the signatory’s full name and address
- the address of the signatory is inside the London Borough of Barking and Dagenham
- it only appears once on each petition

Please note that the Council may check the names and addresses of signatories with its own records. Any names that are found to be in breach of the above conditions will be removed and the totals adjusted.

What can I petition the Council about?

The Council tries to consider all petitions and give an appropriate response, no matter what the topic. However, the Council will not consider or respond to a petition that:

- is about a matter that is the responsibility of a Council quasi-judicial Board, including the Development Control Board and the Licensing and Regulatory Board
- is about an issue that is subject to a formal statutory process
- is from a Council employee
- is the same as, or very similar to, a petition that has already been received by the Council
- is about the day-to-day operation of a school (although the Council may pass these petitions to the relevant school's Governing Body)
- is about something outside the Council's direct control, including those issues controlled by national or European government
- is about a contract held by the Council
- is about a matter that is the subject of legal proceedings or is about a matter that the Council is in some other legal dispute with any party referred to within the body of a petition or party to it
- is about an individual or body where there is a right to recourse to a review or right of appeal prescribed under any enactment
- is about something that has already been the subject of a report or debate at a public Council meeting
- is considered by the Council to be of a vexatious or derogatory nature, or contrary to any provision of any code, protocol, legal requirement or rule of the Council or is otherwise considered improper or inappropriate
- has invalid signatures, names, addresses or email addresses, or duplicated entries, to the extent that it undermines the legitimacy of the petition

Where should I send my petition?

As they are an important way of communicating with the Council, all petitions are addressed to the Chief Executive, and handled by staff in their office. You should therefore send your petitions to:

The Chief Executive
Town Hall
Barking
IG11 7LU

Alternatively, you can hand them into the Town Hall (Barking) or the Civic Centre (Dagenham) in person.

If your petition is electronic, you should email the details to:

- petitions@lbbd.gov.uk

What happens to my petition?

What the Council does with your petition depends on its topic and the number of signatures it has received. Either way, a Council officer will contact you as lead petitioner within 10 working days and let you know what the Council intends to do.

As long as your petition is valid, and meets the criteria and exclusions set out above, it will receive a formal response from a Council officer. It will also be published on the Council's website, although all names and addresses will be removed, as will your contact details as lead petitioner.

However, if your petition receives sufficient signatures, it may automatically trigger a debate at a public Council meeting. The valid signature threshold for all petitions (whether paper or online) is currently:

1500 signatures

Again, the Council may carry out its own checks to ensure that all the signatures on your petition are legitimate, removing any that are not. You should be aware this may affect the total number of valid signatures your petition receives, which may mean that your petition no longer meets the required threshold.

What happens if my petition triggers a formal debate?

If your petition meets the requirements above, the matter will be allocated to one of the Council's scrutiny select committees – a formal meeting of Members of the Council – for a public debate. The Council will then follow these steps:

- A Scrutiny Officer will write to you as lead petitioner at least 10 working days before the meeting, telling you which select committee your petition has been allocated to, and inviting you to attend a meeting at which your petition will be debated. This will usually be the next available meeting of the committee but, depending on the committee's work load, may be a later meeting. You will normally be given 10 working days' notice of the meeting. In the case where the subject of the petition is likely to lead to the discussion of confidential information bound by Access to Information legislation, the reasons will be made public in accordance with the provisions of [Part B Article 12 of the Constitution](#) (PDF 99K).
- The Chief Officer responsible for the area of work covered by your petition may also contact you to discuss your petition in more detail. They may ask to meet with you before the select committee meeting, to gather more evidence to support your petition, or to see if an agreement can be reached without holding a member debate.
- Should you not reach agreement, the debate will proceed. You will need to attend the select committee at the allocated time and present your petition to the meeting. If you are unable to attend, you must designate a representative to present the petition on your behalf. If no one attends to present the petition, the petition may be dismissed by the select committee without any further action being taken.
- At the meeting, you will be directed by the Chair of the meeting, who will be one of the councillors present. Your petition will be heard as part of a written report,

presented by the Chief Officer which will cover the issues you have raised in your petition.

- You will have up to 10 minutes to make your case. The Chief Officer will then present their findings, also taking up to 10 minutes. Members of the select committee will then take around 10 minutes to question you and the Chief Officer.
- The Chair will indicate when the debate is over, at which point the select committee will take one of the following actions:
 1. Note your petition, but take no further action
 2. Support your petition and make recommendations to the appropriate Council committee or officer
 3. Decide that further information is required before a decision can be reached, and agree to take that decision at a later date
- You will be informed of the committee's decision by the Chair at the meeting, unless they choose option 3, in which case you will be notified of their decision in writing.

Appeal

The select committee's decision is final, and there is therefore no right of appeal

ASSEMBLY

5 December 2012

Title: Joint Management	
Report of: The Chief Executive	
Open	For Decision
Wards Affected: All	Key Decision: No
Report Author: Graham Farrant	Contact Details: Graham Farrant 020 8227 2137 Graham.farrant@lbbd.gov.uk
Accountable Divisional Director:	N/A
Accountable Director:	The Chief Executive
<p>Summary:</p> <p>Officers have been considering the potential for joint management between Barking and Dagenham Council and Thurrock Council. This report sets out a process for moving forward on some aspects of joint management in order to make significant revenue savings for both Councils.</p> <p>The steps outlined will enable the benefits of joint management to be tested and will provide Members with information about the advantages and disadvantages, and the savings to be achieved, before further proposals are developed.</p> <p>This report also confirms the Governance Guarantee that provides Members with a high degree of comfort about the continued separation of governance structures and budgets.</p>	
<p>Recommendation(s)</p> <p>Assembly is recommended to agree:</p> <ol style="list-style-type: none"> 1. the continued shared legal services structure and the joint role of Head of Legal Services and Monitoring Officer between this Council and Thurrock Council; 2. that officers should continue to develop options for both joint management and shared services between this Council and Thurrock Council to save at least £1m across both Councils; 3. that officers should continue to explore options for shared services with other councils as is most appropriate for each service; and 4. that the Governance Guarantee be adopted for all joint management and shared services agreements. 	

Reason(s)

To enable further work to be carried out on joint management and formal proposals to be brought forward to the Cabinet.

1. Introduction and background

- 1.1 In July 2012 it was agreed that the Chief Executive of Thurrock Council would act as Chief Executive of this Council on an interim basis and that further opportunities for joint management would be explored. This was intended to demonstrate the possibilities and options of building on the existing shared Legal Services and Monitoring Officer between the two Councils. Since then senior managers have been considering the opportunities and savings that might be derived from joint management.
- 1.2 The Chief Executive has concluded that significant savings can be made within the senior management structures of both Councils through joint management and that there are some short term opportunities that should be taken to drive savings and efficiencies through the management of the two Councils. These opportunities are set out in more detail in this report and the specific aspects will now be worked up into more detailed business cases for consideration by the Cabinet of each Council.
- 1.3 This report sets out an overview of the options for joint management or shared services that this Council has available to reduce costs and spread the senior management overhead costs more broadly across services.

2. Proposal and issues

- 2.1 In addition to the shared Chief Executive and Monitoring Officer roles this Council currently has a number of shared services in place with other authorities, examples being a shared Youth Offending team with Havering and a joint team with Waltham Forest to deal with emergency planning and business continuity.
- 2.2 This Council has also entered into a Memorandum of Understanding with East London Solutions made up of the London Boroughs of Havering, Newham, Redbridge, Tower Hamlets and Waltham Forest to examine the opportunities for sharing services with one real time project being the Oracle R12 upgrade.
- 2.3 The opportunities to make savings amongst senior managers are limited due to the range of services that this Council provides, unless the roles of each senior manager are broadened to include a number of services that are not within the professional experience of most directors. This has been the structure that this Council, and most others, have adopted in the past, with the significant disadvantage that the professional expertise needs to be provided by increasingly senior Heads of Service or Divisional Directors under the direction of "Strategic Directors" which is a more expensive structure overall.
- 2.4 Given the reduction in services that are being required to meet the financial reductions being imposed on local government, it is more appropriate to consider sharing managers geographically in order to maintain the professional expertise

that is required. Therefore officers have been actively exploring the opportunities for joint management that are available through working with Thurrock Council.

- 2.5 There are now a wide range of joint management arrangements between councils across the country, although most are between district councils. There is one top-tier sharing of a senior management team which is well underway between the Royal Borough of Kensington and Chelsea, the London Borough of Hammersmith and Fulham and the City of Westminster. Those joint management arrangements have progressed into a range of shared services, although the overall arrangements are not as simple as having a single management team running all three councils. Some of the district arrangements are between councils with opposing political administrations and some do not have shared geographical boundaries, neither of which creates insurmountable problems.
- 2.6 It is important to differentiate between “joint management” and “shared services”.
- Joint management is where a manager is jointly appointed at two or more councils to oversee services and to provide management and direction within the existing separate governance frameworks.
 - Shared services describes the delivery of a single service to two or more councils.

Most councils now have a range of shared services in place with a range of partners. This generally achieves efficiencies and cost reduction through increasing scale. However it does not address the issue of spreading management overhead costs which joint management is intended to address.

3. Initial Steps in Joint Management and Shared Services

- 3.1 Having spent the last four months reviewing the options and discussing the potential with officers and members it is clear that we now need to take a decision in order to re-stabilise the senior management group in both Councils and to enable savings to be delivered within the 2013/14 revenue budget, either through joint management and some shared services, or by alternative service cuts if necessary.
- 3.2 Officers have explored a range of options, working with members from both authorities, to develop an acceptable model for joint management. It is proposed that we utilise existing opportunities and vacancies at senior management level to bring together the management of the two councils in order to deliver financial savings. There are minimal costs of change at a senior level given the use of existing opportunities, although efficiency savings through merging services as set out below will incur some costs of change, as with all other reductions. However these will be assessed and reported to the Cabinet prior to any specific decision being implemented, in the usual way.

Significant savings can be identified through jointly managing the central strategic and regeneration services as follows:

- 3.2.1 Continuation of joint Head of Legal Services and Monitoring Officer – with additional costs of approximately £100,000 to be shared if the two Councils

were to decide to separate these arrangements, and a reduction in service quality.

3.2.2 On-going shared Chief Executive – saving approximately £200,000 per year, including executive support, to be shared between the two Councils equally.

3.2.3 Central Policy Performance and Communications Team – savings of up to £350,000 through reducing the central Policy, Performance and Communications teams to a core minimum with those teams serving both Councils equally.

3.2.4 Central Finance Functions – savings of approximately £400,000 between the two Councils due to the potential to delete the Director of Finance function in Barking and Dagenham and to have two separate core finance teams working alongside each other with a range of shared services including insurance and treasury management.

3.2.5 Organisational Development and Training, by developing a single organisational development programme, common internal values and by a single co-ordinated programme of professional development for social care staff – savings of a least £150,000 can be identified.

3.2.6 There are also two senior management vacancies that are currently forecast which can be cut under joint management arrangements with the benefits being shared between the two Councils.

3.3 Overall these savings total over £1m to be shared between the two Councils. Further savings of up to £2m are expected to be identified as the review of joint management proceeds and as the structure continues to develop. Further opportunities for efficiencies through joint management and shared services will be identified.

3.4 **Governance Guarantee** – The Governance Guarantee set out in **Appendix 1** is recommended to be adopted by this Council for all joint management and shared service arrangements. This will ensure that any fears of loss of control by Members will be prevented and that the governance of this Council will not be diminished or diluted by the use of joint management or the implementation of any further shared services.

3.5 **Exit Arrangements** – Exit arrangements will need to be developed for each agreement that is reached, including an appropriate notice period should either Council wish to terminate a specific shared service or joint management arrangement. These exit arrangements will be specified within each business case when it is brought to the Cabinet for decision.

4. **Options Appraisal**

4.1 The options available to the Council should it not support the recommendations in the report range from limiting the joint management arrangements to the current position of sharing the Chief Executive and the Monitoring Officer to withdrawing altogether from the idea, neither of which are supported on the basis of both the

financial imperative to make budget savings whilst seeking to protect as far as possible front line services across both authorities.

5. Consultation

- 5.1 There has been regular and ongoing dialogue with senior managers, informal staff groups and members. Formal staff consultation will be carried out on each specific business case after approval by the Cabinet, when they are brought forward.

6. Financial Implications

Implications completed by Ranjit Solomon

Telephone and email: 020 8227 2519 ranjit.solomon@lbbd.gov.uk

The financial implications of each stage of the process of moving towards shared or merged services will need to be considered at the appropriate point. Any savings which arise as a result of the proposal will be considered as part of this Council's Medium Term Financial Strategy.

7. Legal Implications

Implications completed by David Lawson

Telephone and email: 0208 227 3133 david.lawson@BDTLegal.org.uk

There are no direct legal implications at this stage.

8. Other Implications

None

Background Papers Used in the Preparation of the Report:

None

List of appendices:

Appendix 1: Governance Guarantee

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A Governance Guarantee

Objectives:

The two Councils are committed to continuing to represent the needs, priorities and ambitions of local people in their communities.

We are exploring ways of reducing costs and strengthening our capacity by working together and identifying areas of common interest.

Commissioning or delivering services together is specifically designed to not change how residents receive and experience services unless there is an advantage to do so.

To safeguard local autonomy the Councils confirm the following ten-point governance guarantee:

1. Local residents will continue to elect the same number of councillors to each Council and there will be no change in the name or governance structure of any of the Councils, other than to effect joint decision-making.
2. Each Council will retain its own Constitution, setting out how it makes decisions, organises scrutiny and delegates authority.
3. The boundaries of the areas for each Council will not change.
4. Each Council will continue to set its own Council Tax and publish its own budget and accounts.
5. Each Council will continue to spend its own money to support its local communities.
6. Each Council will continue to be able to set its own spending priorities and its own policies on how services are delivered. The Councils may jointly commission some services from contractors, voluntary bodies and others, but can also decide to commission, or grant aid, on their own.
7. Neither Council can be 'out-voted' by the other Council in a way which requires that Council to make any decision such as adopt a policy, accept a cost or change a priority that its decision makers are not willing to support.
8. The costs of changes and the benefits achieved from change will be fairly attributed and shared to the satisfaction of both Councils.
9. No Council will be obliged to break an existing contract.
10. Each Council will continue to speak up for its own residents, even when there is an apparent conflict of interest between the boroughs.

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ASSEMBLY

5 December 2012

Title: Adoption of Regulatory Provisions to Enforce the Unauthorised Crossing of Kerbed Footways and Verges	
Report of the Corporate Director of Housing and Environment	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Kath Stent, Interim Group Manager, Environmental Health & Trading Standards	Contact Details: Tel: 020 8227 3994 E-mail: kath.stent@lbdd.gov.uk
Accountable Divisional Director: Robin Payne, Divisional Director of Environment	
Accountable Director:	Darren Henaghan, Corporate Director of Housing and Environment
Summary:	
<p>The report outlines enhanced powers available to the Council as Highway Authority under section 16 of the London Local Authorities and Transport for London Act 2003, concerning vehicles driving over the footway. These enhanced enforcement powers are an addition to existing powers contained in section 184 of the Highways Act 1980.</p> <p>Residents have regularly expressed their concern about neighbours crossing the footway without having made the necessary arrangements to have the kerb dropped. This unauthorised use also presents problems of potential damage to paving and any underground services, as well as creating risk to pedestrians and other road users. The proposals within this report, if adopted by the Assembly, will enable the Council to take action against drivers who habitually drive across footways without proper arrangements being made.</p>	
Recommendation(s)	
The Assembly is recommended to resolve:	
<ul style="list-style-type: none"> (i) that the Council adopts the powers available under Section 16 of the London Local Authorities and Transport for London Act 2003 in respect of the enforcement of unauthorised crossing by vehicles over kerbed footways or verges; and (ii) that 17 March 2013 is the 'appointed day' on which these powers will come into effect. 	
Reason(s)	
To enable the adoptive provisions of the London Local Authorities and Transport for London Act 2003 to be implemented providing necessary enhancements to existing enforcement powers in relation to Vehicle Crossings over footways and verges to the benefit of public safety.	

1. Introduction and Background

- 1.1 Section 16 of the London Local Authorities and Transport for London Act 2003 grants additional power to the Highway Authority to serve a notice on an occupier, who takes or allows someone else to take a motor vehicle across a verge or footway where no vehicle crossing (crossover) has been constructed and requiring them to stop doing it. Ultimately, if they do not comply with the notice, this section allows the Authority to take steps to stop it being possible to take a vehicle across the footway (e.g. erect bollards) and to charge the owner or occupier of the premises for the works.
- 1.2 In order for this part of the legislation to be used it is necessary for a resolution to be passed by the Assembly and for a date to be published for implementation. The date of implementation cannot be less than three months from the date of publication of the passing of such a resolution.
- 1.3 Most provisions of the London Local Authorities and Transport for London Act 2003 came into effect from 1st January 2004. Sections 4, 5, 7 and 16 of the Act were expressly excluded from the general commencement and, instead, provision was made for local authorities to determine individually whether the sections should come into effect in their areas and, if so, to fix the date or dates on which the sections would come into operation.
- 1.4 Section 3 of the Act allows each authority to introduce the sections of the Act specified in Section 1 of the Act on different dates, subject to the necessary notification and publication requirement. The 'appointed day' has to be set by a resolution of the Assembly and the making of the resolution and the day chosen have to be advertised in the London Gazette and in a local newspaper with a gap of at least three months between publication and the day itself.

2. Proposal and Issues

- 2.1 Residents tell us that they are concerned about neighbours crossing the footway without having made the necessary arrangements to have the kerb dropped. This also presents problems of potential damage to both paving and any underground services as well as creating risk to pedestrians and other road users.
- 2.2 The current legislative powers under the Highways Act 1980 are limited with regard to enforcement provision and the expanded powers under the London Local Authorities and Transport for London Act 2003 will allow more robust enforcement and ensure the protection of our highways and highway users.
- 2.3 The complementary powers provided by Section 16 of the London Local Authorities and Transport for London Act 2003 and the Highways Act 1980 are summarised in **Appendix 1**.

3. Options Appraisal

- 3.1 The proposal is to adopt Section 16 of the London Local Authorities and Transport for London Act 2003 to enhance the Council's enforcement options in relation to habitual crossings across kerbed footways or verges to access the highway.

- 3.2 The alternative is to do nothing and continue to use the powers and penalties under the Highways Act 1980. If the Highways Act notice is ignored, this gives the Council powers to install a vehicle crossover and recover its costs, either by taking the resident to Court or putting a land charge against the property. The downside to this course of action is that it can tie up a significant amount of Council resources, either in terms of money or officer time and if the matter is putting pedestrians or other highway users at risk the delays may be put lives at risk. Section 16 offers the opportunity to issue a notice requiring the crossings to cease and to back that up with prosecution.

4. Consultation

- 4.1 The proposal to implement the Section 16 powers responds to concerns expressed about residents crossing the footway without having made the necessary arrangements to have the kerb dropped.
- 4.2 Implementation of the powers is an administrative process and does not require prior consultation to take place. However, the Council is required to publish a notice of its decision in a local newspaper and in the London Gazette, specifying the day fixed as the 'appointed day' on which the resolution will take effect.

5. Financial Implications

Implications completed by: Jo Moore, Finance Group Manager

- 5.1 This report is seeking to adopt new powers made available under the London Local Authorities & Transport for London Act 2003. The Council has already adopted the Highways Act 1980 powers. As detailed in the table below these new powers allow the Council to either prosecute the owner or occupier (maximum £1,000 fine) or to take preventative action by installing bollards to prevent access.
- 5.2 The enforcement activity and prosecution will be undertaken by the Council's existing teams (including legal) and therefore costs will be contained within existing budgets. Any income from fines will be used to meet the Council's existing enforcement income budget of £142k which covers all aspects of non-compliance of environmental legislation and not just this particular contravention.
- 5.3 If the prevention activity is undertaken then any additional costs to the service in erecting the barriers will be fully recharged to the owner or occupier. There is a risk of non-payment of any recharged works and in this event there will be an additional cost to the Council in writing off any unpaid debts unless the debt can be secured by way of charge to the property concerned.

6. Legal Implications

Implications completed by: Paul Feild, Corporate Governance Solicitor

- 6.1 The Council took part in the promotion of the London Local Authorities and Transport for London Act 2003 ("the 2003 Act") in 2002/3. However some of the measures require a specific resolution to come into effect, including Section 16. Such a resolution needs to be taken by a full Council, ie the Assembly. Following the resolution, the Council is required to publish a notice of the resolution in a local

newspaper and in the London Gazette, specifying the day fixed as the day on which the resolution will take effect. The commencement day must not be earlier than three months from publication of the notice.

- 6.2 Once effective Section 16 will enable the Council to take action to prevent an occupier from habitually taking or permitting a vehicle to be taken across a kerbed footway or a verge in the highway to or from their premises.
- 6.3 Section 16 enables the Council to serve a notice on the occupier of the premises to cease taking or permitting mechanically propelled vehicles across the kerbed footway or verge. Before issuing a notice, the Council must have regard to specified matters, that is:
- The need to prevent damage to a footway or verge.
 - The need to ensure safe access to and egress from premises (so far as practicable)
 - The need to facilitate passage of vehicular traffic in and parking of vehicles on the highway (so far as practicable)
 - The need to prevent obstruction of the highway or verge.
- 6.4 The notice must give at least 28 days before it takes effect. The occupier has two opportunities to challenge a notice. First, the occupier may object in writing to the notice and the Council is required to consider whether it will maintain or withdraw the notice. Secondly, if the Council does not withdraw the notice the occupier may appeal against the notice to the County Court.
- 6.5 Once the notice takes effect, then two consequences follow. First, the Council may carry out works to prevent vehicles crossing the highway or verge. Secondly, the Act imposes criminal sanctions relating to contravention of the notice or interference with the Council's works. The measure creates three specific offences:
- Knowingly permitting a footway or verge to be used as a crossing in contravention of a notice served under Section 16.
 - Knowingly using a footway or verge as a crossing in contravention of a notice served under Section 16.
 - Removing, damaging, altering or defacing works executed by the Council, following a notice becoming effective, to prevent mechanically propelled vehicles from crossing (without reasonable excuse).
- 6.6 The Council may take criminal proceedings against not only the recipient of the Notice but also the driver of a vehicle or a person who interferes with works.

7. Other Implications

- 7.1 **Customer Impact** - There are no impacts relating to race, gender, sexuality, faith, age, disability or community cohesion. Compliance and /or non compliance with legislation will involve costs to owners and/or occupiers.
- 7.2 **Property / Asset Issues** - Adoption of Section 16 of the London Local Authorities and Transport for London Act 2003 will support the prevention of damage to Council owned assets.

Background Papers Used in the Preparation of the Report:

London Local Authorities and Transport for London Act 2003
Highways Act 1980

List of appendices:

- **Appendix 1** - Summary and examples of applicable qualifying and disqualifying factors

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Summary and examples of applicable qualifying and disqualifying factors

London Local Authorities & Transport for London Act 2003	Section 16	Statutory Notice to stop crossing footways and/or verge – 28 days to comply	£1000 maximum fine on prosecution for non compliance
		Preventing crossover by installing barriers	Cost recharged to owner or occupier – not applied where invalid carriage is vehicle being used
Highways Act 1980	Section 137	Fixed Penalty Notice for wilful obstruction of highway	£100 reduced to £50 paid within 14 days
		Prosecution for recurring offences	£1000 fine
Highways Act 1980	Section 184	Notice to carry out works for the construction of a vehicle crossing over the footway or verge and; application of reasonable conditions on the use of the footway or verge as a crossing	Cost recharged to owner and/or occupier
		Contravention of conditions	£1000 fine

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ASSEMBLY

5 December 2012

Title: Treasury Management Strategy Statement Mid-year Review Report 2012/13	
Report of the Cabinet Member for Finance	
Open Report	For Decision
Wards Affected: None	Key Decision: Yes
Report Author: David Dickinson, Group Manager Pensions and Treasury	Contact Details: Tel: 020 8227 2722 E-mail: david.dickinson@lbbd.gov.uk
Accountable Divisional Director: Jonathan Bunt, Divisional Director of Finance	
Accountable Director: Graham Farrant, Chief Executive	
<p>Summary:</p> <p>Recent changes in the regulatory environment now place a greater onus on Elected Members for the review and scrutiny of treasury management policy and activities. This report, Treasury Management Strategy Statement Mid-year Review Report 2012/13, is important in that respect, as it provides details of the mid-year position for treasury activities and highlights compliance with the Council's policies previously approved by the Assembly.</p> <p>The Council agreed the Treasury Management Strategy Statement for 2012/13 on 22 February 2012 which incorporates the Prudential Indicators. This report updates Members on treasury management activities in the current year and seeks approval to a change to the Council's Investment Strategy.</p>	
<p>Recommendation(s)</p> <p>The Assembly is asked to:</p> <p>(i) Note the report, the treasury activity, the prudential indicators and risk study results; and</p> <p>(ii) Agree to the following changes to the Council's Investment Strategy, as detailed in section 6 of the report:</p> <ol style="list-style-type: none"> 1. Increase the limit on investment with Lloyds TSB from £30m to a maximum of 40% of the average monthly cash available to invest; and 2. Set a fixed investment limit of £40m to be invested with Lloyds TSB after which all additional investment need to be invested in the Lloyds TSB call account. 	
<p>Reason(s)</p> <p>This report is required to be presented to the full Council in accordance with the revised CIPFA Code of Practice for Treasury Management in the Public Services.</p>	

1. Background

- 1.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in counterparties of an appropriate level of risk, providing adequate liquidity before considering maximising investment return.
- 1.2 The second main function of treasury management is the funding of the Council's capital programme. These capital plans provide a guide to the Council's borrowing need, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.3 As a consequence, treasury management is defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2. Introduction

- 2.1 The CIPFA Code of Practice on Treasury Management 2011 requires the:
- I. Creation and maintenance of a Treasury Management Policy Statement (TMPS) which sets out the policies and objectives of the Council's treasury management activities.
 - II. Creation and maintenance of Treasury Management Practices (TMP) which set out the manner in which the Council will seek to achieve those policies and objectives.
 - III. Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a **Mid-year Review Report** and an Annual Report (stewardship report) covering activities during the previous year.
 - IV. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
 - V. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Cabinet.
- 2.2 This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- A summary of the Treasury Position at 30 September 2012;
- The Council's debt position as at 30 September 2012;
- A review of the Council's investment portfolio for 2012/13;
- A recommendation to a change in the investment strategy;
- The Council's capital expenditure (prudential indicators);
- A review of compliance with Treasury and Prudential Limits for 2012/13;
- Results of a recent risk study on the Council's treasury strategy;
- An economic update for the first six months of 2012/13 (**Appendix 1**); and
- A list of investments held as at 30 September 2012 (**Appendix 2**).

2.3 Proposed key changes to the Treasury and Capital Strategies:

As part of the review of the Council's investment portfolio, a change is requested to the investment strategy. The recommendations are below, with the reasons and further details contained in section 6 of this report.

- Increase the limit on investment with Lloyds TSB from £30m to a maximum of 40% of the average monthly cash available to invest; and
- Set a fixed investment limit of £40m to be invested with Lloyds TSB after which all additional investment needs to be invested in the Lloyds TSB call account.

3. Treasury Position at 30 September 2012

3.1 Table 1 below details the Council's mid year treasury position.

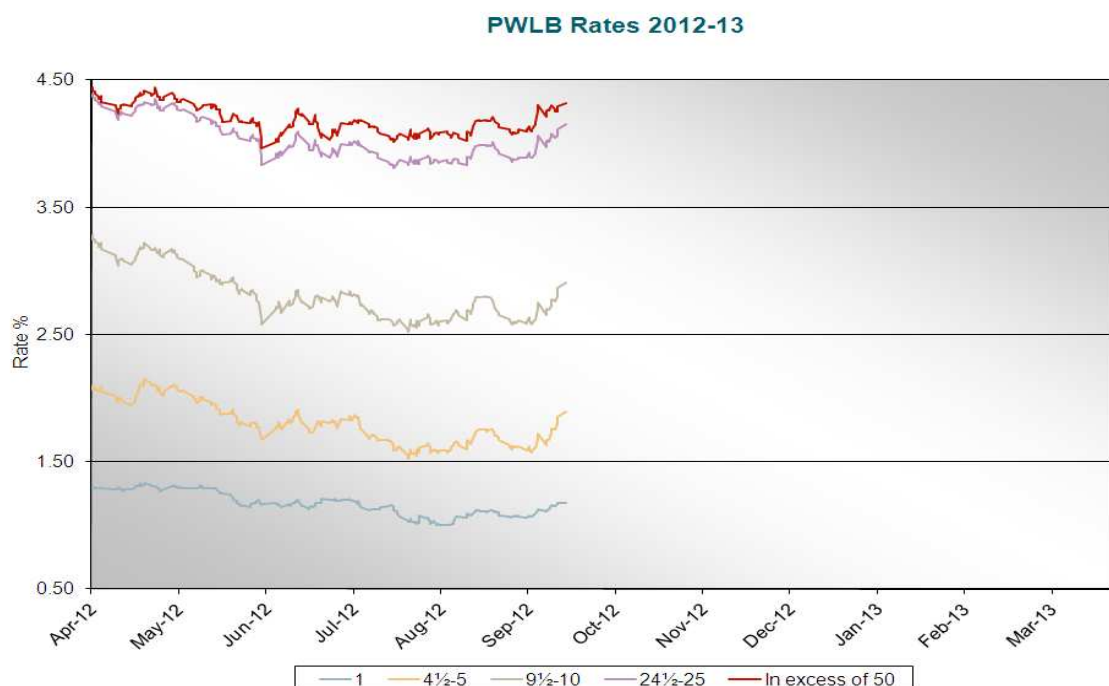
Table 1: Council's treasury position at 30 September 2012

	Principal Outstanding 30/09/2012 £'000	Rate of Return 30/09/2012 %	Average Life 30/09/2012 (yrs)
Fixed Rate Funding:			
PWLB	285,912	3.55	38.96
Variable Rate Funding:			
PWLB	0	0	0
Market	40,000	4.02	55.89
Total Debt	325,912	3.61	41.04
Investments			
In-House	75,014	1.85	
External Managers:			
Investec	38,944	1.03	
Total Investments	113,958	1.57	

4. Debt Position as at 30 September 2012

- 4.1 The Council's capital financing requirement (CFR) for 2012/13 is forecast to be £506.72m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions.
- 4.2 On 27 April 2012 £10m of PWLB borrowing was paid back as it had reached its maturity date. As there was sufficient cash held by the Council to meet the 2012/13 CFR the £10m borrowing was not replaced although officers continue to closely monitor the Council's cash-flow to ensure that sufficient liquidity is available.
- 4.3 As the interest rate paid on the £10m was 3.85%, this reduced the interest payments by over £350k for 2012/13. The reduction in interest payments was negated by rate increases on two other tranches of borrowing as their initial low variable rates increased to the current fixed rates of 4.05% and 4.07% respectively.
- 4.4 Due to large cash balances held, internal borrowing is still preferred over external borrowing. While borrowing rates remain significantly higher than investment rates the Council will seek to delay new loans as long as possible, whilst monitoring the latest rate forecasts to ensure any new loans are undertaken before base rate rises.
- 4.5 As outlined below, the general trend has been a slight reduction in interest rates during the six months, across all maturity bands. It is anticipated that further borrowing will not be undertaken during this financial year.
- 4.6 Chart 1 below shows the movement in PWLB rates for the first six months of the financial year (to 30 September 2012):

Chart 1: Movement in PWLB rates (1 April to 30 September 2012)



- 4.7 Table 2 shows the General Fund debt held as at 30 September 2012. The current General Fund borrowing is now £60m.

Table 2: General Fund Debt held as at 30 September 2012

Borrowing/Loan Held	Interest Rate	Fixed/ Variable	Principal	2012/13 Interest	Term End date
494971 - PWLB	4.07%	Fixed	10,000,000	407,000	26/04/2013
494972 - PWLB	4.25%	Fixed	10,000,000	425,000	28/04/2014
Long Term - Barclays	3.98%	Fixed	10,000,000	398,000	30/05/2078
Long Term - Dexia	3.97%	Fixed	10,000,000	397,000	30/06/2077
Long Term - RBS	4.05%	Fixed	10,000,000	405,000	27/02/2060
Long Term - RBS	4.07%	Fixed	10,000,000	407,000	26/03/2055
Total	4.07%		60,000,000	2,439,000	

4.8 Debt Rescheduling

Debt rescheduling opportunities have been limited in the current economic climate. During the first six months of the year, no debt rescheduling was undertaken.

4.9 Certainty Rate (20bps reduction in borrowing costs) Update

- 4.9.1 The Office for Budgetary Responsibility (OBR) is keen to have clearer sight of funding data as they currently receive outdated data. As an incentive for local authorities to submit returns they have allowed compliant local authorities to borrow from the Public Works Loan Board (PWLB) at 20 basis points (bps) lower than currently available.
- 4.9.3 HM Treasury stated that this exercise should be seen as a light-touch approach that is simply seeking clarity of funding plans and helps the Treasury allocate its scarce funding resources more accurately. The key message was that local authorities should comply with the 17 September 2012 deadline.
- 4.9.3 With regard to the information requested, local authorities were asked to provide a summary of their internal borrowing positions based on its best estimate of future funding.
- 4.9.4 The OBR return was submitted on 17 September 2012 and the Council can access the 20bps discount from 1 November 2012.
- 4.9.5 Detail on the discount rates that would apply to the early repayment of these loans will be clarified by the PWLB in their October circular, which has not yet been received.

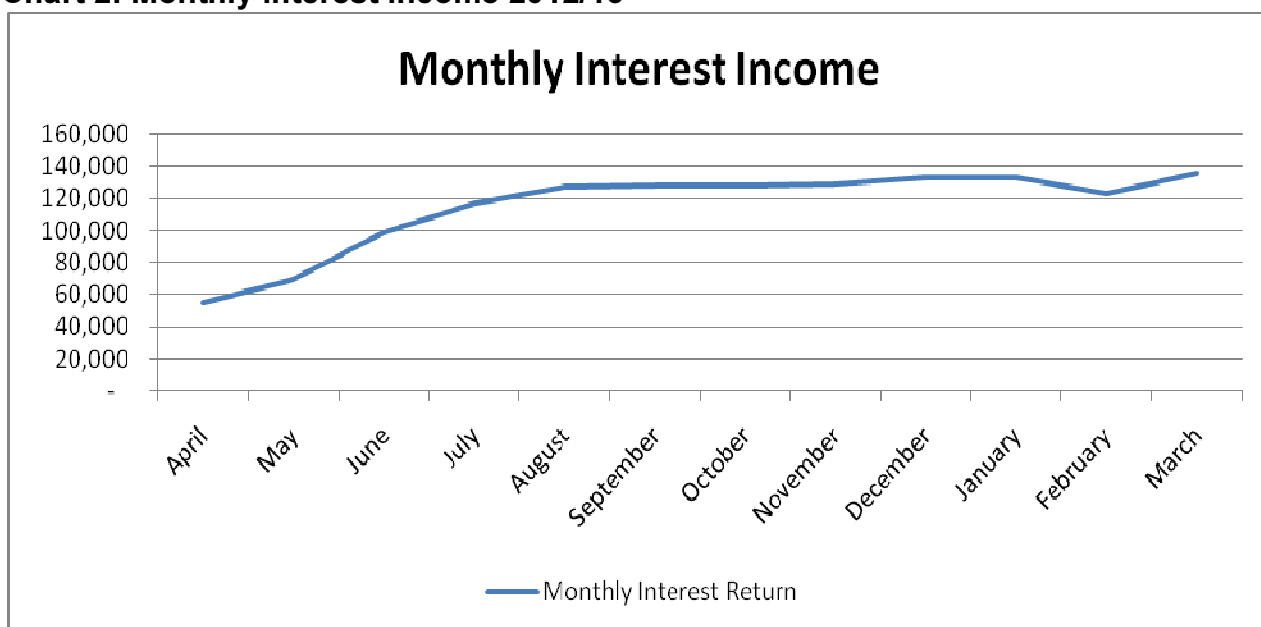
5. **Investment Portfolio 2012/13**

- 5.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. Currently the investment market is difficult in terms of earning the level of interest rates seen in previous decades as rates are very low

and in line with the 0.5% Bank Rate. The continuing Euro zone sovereign debt crisis, and its potential impact on banks, prompts a low risk and short term strategy.

- 5.2 Given this risk adverse environment, investment returns are likely to remain low and are likely to reduce further into 2013. To reduce the effects of the decrease in return and investment income, treasury invested in a number of one year deals to lock in the relatively high rates that were available at the start of the financial year. This has allowed both an increase in investment income as well as secured the higher than average returns into 2013/14.
- 5.3 As at 30 September 2012 the Council held £114m of investments (£99.5m at 31 March 2012) and the investment portfolio yield for the first six months of the year was 1.57%. A full list of investments held as at 30 September 2011 is in **Appendix 2**.
- 5.4 For the remaining six months of the year a combination of increased cash balances and better than expected one year investment returns will improve the overall return to an estimated 1.75%.
- 5.5 The Divisional Director of Finance confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2012/13.
- 5.6 Chart 2 below provides a summary of the actual monthly income between April and September 2012 and provides a forecast of the expected monthly interest income for the remaining six months of the year.

Chart 2: Monthly interest income 2012/13

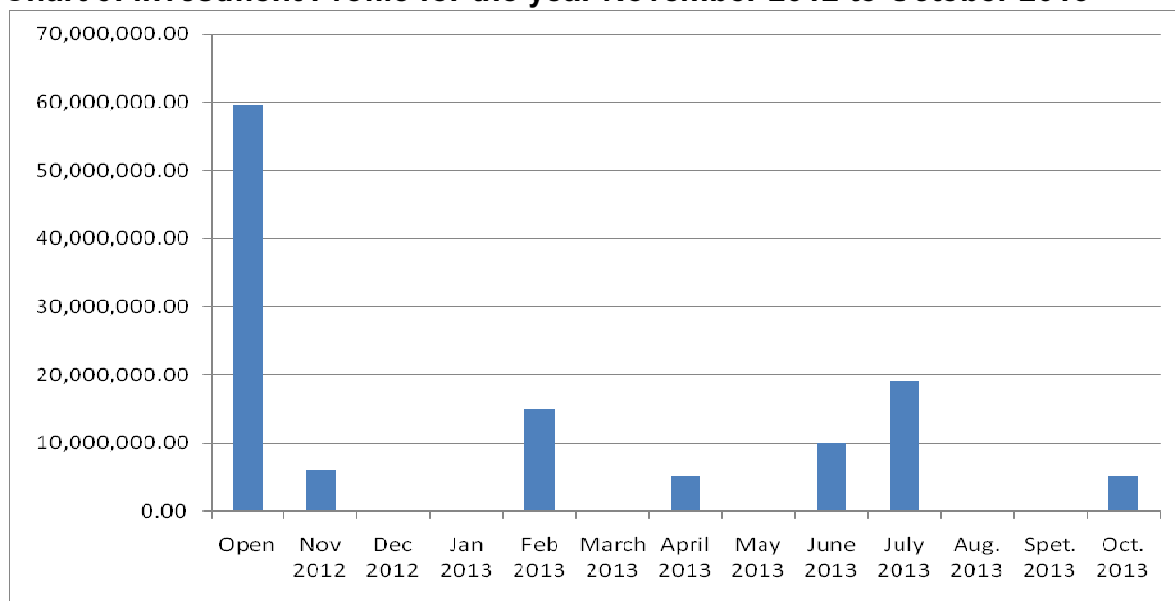


5.7 Investment Profile

- 5.7.1 The maturity profile of the Council's investments in Chart 3 below shows that the Council holds 54.85% (down from 90% at 31 March 2012) for 90 days or less.

5.7.2 Spreading out the maturity of longer dated investments allows the Council to take advantage of improved rates of return over one year while ensuring sufficient liquidity is available to cover its future borrowing requirement.

Chart 3: Investment Profile for the year November 2012 to October 2013



5.7.3 In line with the Council strategy of not investing over a period greater than one year, all investments mature within one year.

6. Change to Investment Strategy

6.1 The Council's investments are managed on the following principles, in order of priority:

- **Security** – minimising the risk of losing cash arising from a bank failure and consequent default;
- **Liquidity** – ensuring the Council will have access to cash as required to meet daily expenditure obligations;
- **Yield** – after ensuring the above are met, the Council will aim to maximise earnings on cash invested.

6.2 The current investment counterparty criteria selection approved in the Treasury Management Strategy Statement is meeting the requirement of the treasury management function. However, as a result of increased cash balances, investing in the two part nationalised banks, RBS and Lloyds TSB, is limited to a set amount of £30m each.

6.3 While this limit is sufficient for RBS, a variable limit of 40% of the average monthly balance is requested for Lloyds TSB. Of the 40% a cash limit of £40m is requested for fixed deposits of up to a year with and cash invested over the £40m limit to be invested in an overnight call account.

6.4 The reasoning to increase the limit for Lloyds includes:

1. It will allow flexibility in managing the exposure of the Council to the part nationalised bank, with the exposure reduced or increased according to the overall size of the cash available to invest.
2. The Council's advisers, Sector, continue to view the current significant UK ownership of Lloyds as providing significant comfort to investors.
3. Lloyds currently provide excellent returns over one year and the ability to increase the allocation will result in improved returns to the Council.
4. Lloyds TSB's share price has improved over the year and it is up 61.22% (as at 16 October 2012) for the year to date.
5. The Government still holds 43.4% of Lloyds TSB shares and there is currently no evidence to suggest that there will be a sale of the Government's stake. Therefore the quasi-government guarantee for Lloyds is likely to remain until at least the next formal Strategy Review in February 2013.
6. The £40m limit on fixed investments will set a cap on the Council's exposure to Lloyds over fixed durations and will allow amounts over the £40m cap to be invested in a call account that can be accessed daily.
7. Lloyds TSB is the Council's bank and it will allow daily dealing to be managed within the 40% limit restrictions.

7. The Council's Capital Position (Prudential Indicators)

7.1 Prudential Indicator for Capital Expenditure

Table 3 below shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget.

Table 3: Revised Estimate to Capital Programme as at 30 September 2012

Capital Expenditure by Service	2012/13 Original Estimate £m	2012/13 Revised Estimate £m
Adult & Community Services	4.472	5.977
Children's Services	47.213	61.969
Housing & Environment	4.231	7.501
HRA	60.700	49.353
Finance & Resources	28.223	21.783
Total	144.839	146.583

7.2 Changes to the Financing of the Capital Programme

Table 4 draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Table 4: Revised Borrowing need as at 30 September 2012

Capital Expenditure	2012/13 Original Estimate £m	2012/13 Revised Estimate £m
Supported		
Unsupported	144.839	141.583
Total spend	144.839	141.583
Financed by:		
Capital receipts	3.000	5.102
Capital grants & conts.	57.875	87.296
Capital reserves	36.700	18.189
Revenue		1.625
Total financing	97.575	112.212
Borrowing need	47.264	29.371

7.3 Prudential Indicator – Capital Financing Requirement

The Council is on target to achieve the original forecast Capital Financing Requirement (Prudential Indicator – External Debt / the Operational Boundary).

Table 5: Revised Capital Financing Requirement as at 30 September 2012

	2012/13 Original Estimate £m	2012/13 Revised Estimate £m
Prudential Indicator – Capital Financing Requirement		
CFR – non housing	255.838	238.096
CFR – housing	274.622	268.622
Total CFR	530.460	506.718
Net movement in CFR		(23.742)
Prudential Indicator – External Debt / the Operational Boundary		
Borrowing	382.264	325.912
Other long term liabilities	49.000	58.000
Total debt 31 March	431.264	383.912

7.4 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Net external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2012/13 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

Table 6: Revised Borrowing Limits as at 30 September 2012

	2012/13 Original Estimate £m	2012/13 Revised Estimate £m
Gross borrowing	382.264	325.912
Plus other long term liabilities	49.000	58.000
Less investments	(48.000)	(115.000)
Net borrowing	383.264	268.912
CFR (year end position)	530.460	506.718

- 7.5 The Divisional Director of Finance and Resources reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.
- 7.6 A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Table 7: Authorised External Debt Limits and Current Position as at 30 September 2012

Authorised limit for external debt	2012/13 Original Indicator	Current Position
Borrowing	469.000	325.912
Other long term liabilities	59.000	58.000
Total	528.000	383.912

8. Risk Exposure

- 8.1 CIPFA has carried out a risk assessment of the Council's investments and treasury management. Overall the strategy is seen as positive, with the use of internal resources to fund the CFR being viewed as an appropriate option. A summary of the key risks analysed is provided below.

8.2 Interest Rate Risk

In comparison to other Local Authorities (LAs) in the risk study, for the level of return achieved (1.65% as at 30 June 2012), the risk taken is low and the study highlighted that the Council is taking less risk, for better return than the majority of other LAs in the study. Overall as at 30 June 2012 the Council was ranked 20 out of 165 LAs in the study for return.

8.3 Weighted average duration

A comparison of the Council's investment duration (how long each investment is invested for) was made with other participating LAs in the Risk Study. Overall the Council invested for a longer duration than other LAs. Investing for a longer duration is riskier than a shorter term investment but returns are higher. The results were

skewed by many LAs not investing for longer than 3 months, with the actual risk being taken by the Council being low.

8.4 Credit risk compared to the expected return

Comparing the credit risk of the institutions the Council is invested in to the return achieved provides an indication as to whether the credit risk being taken is being rewarded in respect of returns. The Council is near the LAs average for credit risk but is towards the top of the return. Again the results are skewed by a large number of LAs only investing in very low risk institutions which results in very low risk but also much lower returns on investments.

9. **Options Appraisal**

- 9.1 There is no legal requirement to prepare a Treasury Management Strategy Statement Mid-year Review; however, it is good governance to do so and meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

10. **Consultation**

- 10.1 The Divisional Director of Finance has been informed of the approach, data and commentary in this report.

11. **Financial Implications**

Implications completed by: Jonathan Bunt
Telephone: 020 8724 8427
E-mail: jonathan.bunt@lbbd.gov.uk

- 11.1 This report sets out the midyear position on the Council's treasury management position and is concerned with the returns on the Council's investments as well as its short and long term borrowing positions.

12. **Legal Implications**

Implications completed by: Eldred Taylor-Camara (Legal Group Manager)
Telephone: 020 8227 3344
E-mail: eldred.taylor-camara@lbbd.gov.uk

- 12.1 The Legal Practice has been consulted in the preparation of this report and confirms there are no legal implications to highlight.

13. **Risk Management**

- 13.1 The whole report concerns itself with the management of risks relating to the Council's cash flow. The report mostly contains information on how the Treasury Management Strategy has been used to maximise income during the first 6 months of the year.

14. Contractual Issues

No specific contractual issues.

15. Staffing Issues

No staffing issues.

16. Customer Impact

No specific implications.

17. Safeguarding Children

No specific implications.

18. Health Issues

No specific implications.

19. Crime and Disorder Issues

No specific implications.

20. Property / Asset Issues

No specific implications.

Background Papers Used in the Preparation of the Report:

- Treasury Management Strategy Statement - Assembly Report 22 February 2012
- CIPFA – Revised Treasury Management in the Public Sector
- CIPFA – Revised Prudential Code for Capital Finance in Local Authorities

List of appendices:

Appendix 1 - Sector's Economic update

Appendix 2 - Investments held as at 30 September 2012

Sector's Economic update

Economic performance to date

Economic sentiment, in respect of the prospects for the UK economy to recover swiftly from recession, suffered a major blow in August when the Bank of England substantially lowered its expectations for the speed of recovery and rate of growth over the coming months and materially amended its forecasts for 2012 and 2013. It was noted that the UK economy is heavily influenced by worldwide economic developments, particularly in the Eurozone, and that on-going negative sentiment in that area would inevitably permeate into the UK's economic performance.

With regard to the Eurozone, investor confidence remains weak because successive "rescue packages" have first raised, and then disappointed, market expectations. However, the uncertainty created by the continuing Eurozone debt crisis is having a major effect in undermining business and consumer confidence not only in Europe and the UK, but also in America and the Far East/China.

In the UK, consumer confidence remains very depressed with unemployment concerns, indebtedness and a squeeze on real incomes from high inflation and low pay rises, all taking a toll. Whilst inflation has fallen considerably (CPI @ 2.6% in July), UK GDP fell by 0.5% in the quarter to 30 June, the third quarterly fall in succession. This means that the UK's recovery from the initial 2008 recession has been the worst and slowest of any G7 country apart from Italy (G7 = US, Japan, Germany, France, Canada, Italy and UK). It is also the slowest recovery from a recession of any of the five UK recessions since 1930 and total GDP is still 4.5% below its peak in 2008.

This weak recovery has caused social security payments to remain elevated and tax receipts to be depressed. Consequently, the Chancellor's plan to eliminate the annual public sector borrowing deficit has been pushed back further into the future. The Monetary Policy Committee has kept Bank Rate at 0.5% throughout the period while quantitative easing was increased by £50bn to £375bn in July. In addition, in June, the Bank of England and the Government announced schemes to free up banking funds for business and consumers.

On a positive note, despite all the bad news on the economic front, the UK's sovereign debt remains one of the first ports of call for surplus cash to be invested in and gilt yields, prior to the ECB bond buying announcement in early September, were close to zero for periods out to five years and not that much higher out to ten years.

Outlook for the next six months of 2012/13

The risks in economic forecasts continue unabated from the previous treasury strategy. Concern has been escalating that the Chinese economy is heading for a hard landing, rather than a gentle slowdown, while America is hamstrung by political deadlock which prevents a positive approach to countering weak growth. Whether the presidential election in November will remedy this deadlock is debatable but urgent action will be required early in 2013 to address the US debt position. However, on 13 September the Fed announced an aggressive stimulus programme for the economy with a third round of quantitative easing focused on boosting the stubbornly weak growth in job creation, and this time with

no time limit. They also announced that it was unlikely that there would be any increase in interest rates until at least mid 2015.

Eurozone growth will remain weak as austerity programmes in various countries curtail economic recovery. A crunch situation is rapidly developing in Greece as it has failed yet again to achieve deficit reduction targets and so may require yet another (third) bail out. There is the distinct possibility that some of the northern European countries could push for the ejection of Greece from the Eurozone unless its financial prospects improve, which does not seem likely at this juncture. A financial crisis was also rapidly escalating over the situation in Spain.

However, in early September the ECB announced that it would purchase unlimited amounts of shorter term bonds of Eurozone countries which have formally agreed the terms for a bailout. Importantly, this support would be subject to conditions (which have yet to be set) and include supervision from the International Monetary Fund. This resulted in a surge in confidence that the Eurozone has at last put in place the framework for adequate defences to protect the Euro.

However, it remains to be seen whether the politicians in charge of Spain and Italy will accept such loss of sovereignty in the light of the verdicts that voters have delivered to the politicians in other peripheral countries which have accepted such supervision and austerity programmes. The Eurozone crisis is therefore far from being resolved as yet. The immediate aftermath of this announcement was a rise in bond yields in safe haven countries, including the UK. Nevertheless, this could prove to be as short lived as previous "solutions" to the Eurozone crisis.

The Bank of England Quarterly Inflation Report in August pushed back the timing of the return to trend growth and also lowered its inflation expectations. Nevertheless, concern remains that the Bank's forecasts of a weaker and delayed robust recovery may still prove to be over optimistic given the world headwinds the UK economy faces. Weak export markets will remain a drag on the economy and consumer expenditure will continue to be depressed due to a focus on paying down debt, negative economic sentiment and job fears. The Coalition Government, meanwhile, is likely to be hampered in promoting growth by the requirement of maintaining austerity measures to tackle the budget deficit.

The overall balance of risks is, therefore, weighted to the downside:

- We expect low growth in the UK to continue, with Bank Rate unlikely to rise in the next 24 months, coupled with a possible further extension of quantitative easing. This will keep investment returns depressed.
- The expected longer run trend for PWLB borrowing rates is for them to eventually rise, primarily due to the need for a high volume of gilt issuance in the UK and the high volume of debt issuance in other major western countries. However, the current safe haven status of the UK may continue for some time, tempering any increases in yield.
- This interest rate forecast is based on an assumption that growth starts to recover in the next three years to a near trend rate (2.5%). However, if the Eurozone debt crisis worsens as a result of one or more countries having to leave the Euro, or low growth in the UK continues longer, then Bank Rate is likely to be depressed for even longer than in this forecast.

Interest rate forecast

The Sector central forecast is for the first increase in Bank Rate to be in the first quarter of 2014 but there is downside risk to this projection. With growth predictions for the U.K continuing to be reduced on an almost monthly basis by both the Office for Budget Responsibility and economic commentators generally, and financial markets unconvinced that politicians have resolved the Euro-one sovereign debt crisis in the medium-term, with continued high levels of volatility continuing.

Table 5: PWLB Forecast

	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
Bank rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.25%	1.50%
5yr PWLB rate	2.10%	2.20%	2.20%	2.30%	2.40%	2.50%	2.60%	2.80%	3.00%	3.20%	3.40%
10yr PWLB rate	3.00%	3.20%	3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	4.00%	4.20%	4.40%
25yr PWLB rate	4.20%	4.30%	4.30%	4.40%	4.50%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%
50yr PWLB rate	4.30%	4.40%	4.40%	4.50%	4.60%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%

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APPENDIX 2

Investments held as at 30 September 2012

Investments Held	Fitch LT/ ST Rating	Interest Rate	Call A/C	Principle	Issue Date	Repayment Date
INVESTEC		1.10%	Variable	38,944,463	N/A	N/A
SANTANDER	A/F1	0.75%	CallA/C	58,809	N/A	N/A
BARCLAYS BANK	A/F1	0.75%	CallA/C	15,000,000	N/A	N/A
LLOYDS TSB BANK	A/F1	0.75%	CallA/C	4,953,976	N/A	N/A
LLOYDS TSB BANK	A/F1	3.00%	Fixed	5,000,000	19-Apr-12	11-Apr-13
RBS	A/F1	1.24%	Fixed	6,000,000	01-May-12	01-Nov-12
RBS	A/F1	1.48%	Fixed	10,000,000	09-May-12	08-Feb-13
LLOYDS TSB BANK	A/F1	2.30%	Fixed	5,000,000	23-May-12	25-Feb-13
LLOYDS TSB BANK	A/F1	3.10%	Fixed	5,000,000	07-Jun-12	07-Jun-13
LLOYDS TSB BANK	A/F1	3.10%	Fixed	5,000,000	15-Jun-12	15-Jun-13
RBS	A/F1	2.25%	Fixed	14,000,000	11-Jul-12	10-Jul-13
LLOYDS TSB BANK	A/F1	3.00%	Fixed	5,000,000	06-Jul-12	04-Jul-13
			Total	113,957,248		

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ASSEMBLY

5 December 2012

Title: Review of Financial Regulations and Rules and proposed changes to the Financial Scheme of Delegation	
Open Report	For comment
Wards Affected: All	Key Decision: No
Report Author: Jonathan Bunt, Divisional Director of Finance	Contact Details: Tel: 020 8227 8427 E-mail: jonathan.bunt@lbbd.gov.uk
Accountable Divisional Director: Jonathan Bunt, Divisional Director of Finance	
Accountable Director: Graham Farrant, Chief Executive	
<p>Summary:</p> <p>At its meeting on 14 December 2011, the Public Accounts and Audit Select Committee (PAASC) considered a report looking at a review of the Council's Financial Regulations and Rules.</p> <p>These Regulations and Rules set out procedures and good practice guidance in respect of all aspects of the finance and audit requirements, including budget setting, budget monitoring, closure of accounts, treasury management, fraud, insurance, and the control of resources.</p> <p>The report to PAASC set out the background to the Financial Regulations and Rules and the changes proposed to them as well as the internal financial scheme of delegation. They are mainly for clarification and provide more detail as to what is required. The principle changes concern approval limits for purchase orders following the implementation of the Oracle iProcurement system and limits on amendments to approved budgets. A copy of the proposed Regulations and Rules is detailed in Appendix A, and the internal financial scheme of delegation at Appendix B.</p> <p>The delay in bringing forward the proposed changes has in part being as a consequence of the wider ongoing review of the Constitution.</p>	
<p>Recommendations</p> <p>That the Assembly:</p> <ol style="list-style-type: none"> a) approve the new Financial Regulations and Rules for full adoption across the Council as set out in Appendix A b) approve the internal financial scheme of delegation as set out in Appendix B, c) authorise the Chief Financial Officer to vary the revised corporate limits set out in Appendix B where this is considered to improve the efficiency of the Council's financial operations without unacceptably increasing risk, and <p>authorise the Monitoring Officer to make the necessary amendments to the Council Constitution</p>	

Reason(s)

It is good practice to periodically review the Rules to ensure that they balance the need for efficient administration with the minimisation of any financial risks to the authority.

1. Introduction and Background

1.1 Within the Council's Constitution are the Council's Financial Rules, by which the Council controls itself and governs the manner in which it does its business. They define what officers can and cannot do without higher approval. It is good practice to periodically review the Rules to ensure that they balance the need for efficient administration with the minimisation of any financial risks to the authority. The Financial Rules were reviewed by the Public Accounts and Audit Select Committee (PAASC) on 14 December 2011.

2. Proposal and Issues

2.1 The report to PAASC set out the background and proposed changes to the Rules, which principally concerned approval for limits for purchase orders following the implementation of the Oracle i-Procurement system and limits on amendments to approved budgets.

2.2 The corporate limits to the internal financial scheme of delegation for purchase orders and payment of accounts had not been amended for over seven years and the introduction of i-Procurement provided an opportunity for review. The new limits are informed both by comparison with other boroughs' limits and the number of invoices processed by value. Currently 95% of invoices are below £5,000 and 72% are below £500. The proposed limits are shown in Appendix B, with revenue limits in column 4 and capital limits in column 6.

2.3 Other boroughs reviewed also allowed departments to apply to vary the corporate limits where it was considered that this would improve the efficiency of their operations without unacceptably increasing risk. It is proposed that the Chief Financial Officer (Section 151 Officer) be authorised to allow amended levels of approval, subject to the submission of an agreed business case.

2.4 **Budget Virements-** Comparison with a number of other London Borough's showed a range of officer approval limits for virements from £100,000 to £500,000, with this Council being at the lower end of the range with a £100,000 officer limit. In order to improve the flexibility of service delivery, it is proposed that the limit for virements is aligned with the Council's key decision limit of £200,000. This is shown in Appendix B, column 8.

2.6 **Budget Adjustments-** Whilst a budget virement covers a transfer of a budget from its original purpose, there are also occasions when budgets might move either within or between departments, for example during restructures, but retain their original purpose. For these occasions it is proposed that a new category of a budget adjustment is introduced. There would be no limit to the adjustment levels for Divisional Directors, subject to the agreement of the Chief Financial Officer. The proposed limits are shown in Appendix B, column 10.

- 2.7 Further changes and additions have been made in order to provide more clarity, and these include:
- (a) The introduction has been expanded to clearly explain the purpose of the Financial Regulations and Rules.
 - (b) Section 1 (Roles and Responsibilities) has been expanded to clarify officers' responsibilities and accountability
 - (c) Section 5 (Risk Management and Control of Resources) includes details of the requirements for payments to be transmitted electronically.

3. Options Appraisal

- 3.1 If the proposed Financial Regulations and Rules were not adopted or adhered to, the Council would be exposed to the risk of financial malpractice, incurring fraud/corruption or loss, and having a negative external audit report.

4. Consultation

- 4.1 Public Accounts and Audit Select Committee

5. Financial Implications

Implications completed by: Jonathan Bunt, Divisional Director of Finance
Telephone: 020 8227 8427 Email: jonathan.bunt@lbbd.gov.uk

- 5.1 Although there are no specific implications for the Council the revisions include a number of changes to the Financial Rules that govern how the Council conducts its financial transactions.

6. Legal Implications

Implications completed by: Paul Feild Corporate Governance Lawyer

E-mail paul.feild@lbbd.gov.uk

- 6.1 A periodic review of the Council's financial regulations and the resulting proposed changes to the scheme of delegation are part of the mechanism of ensuring sound governance arrangements in accordance with good practice. Local authorities are under an explicit duty to ensure that their financial management is adequate and effective and that they have a robust system of internal control and management of financial risk. The measures in this report support that requirement.

7. Other Implications

7.1 Risk Management

The procedures laid out in the Financial Regulations and Rules represent sound and robust financial practice. If they were to not be adopted or adhered to then the Authority would be exposed to the risk of having financial malpractice; incurring fraud / corruption or loss; and having a negative external audit report.

Background Papers Used in the Preparation of the Report:

Report to PAASC – 14 December 2011

List of appendices:

Appendix A – Revised Financial Regulations and Rules

Appendix B – Revised Internal Financial Scheme of Delegation Limits

FINANCIAL REGULATIONS AND RULES (amended February 2011)

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Appendix A: Interpretation

Introduction

In order to conduct itself efficiently, effectively and in accordance with good corporate governance, the Council needs to establish and adhere to financial management policies and this entails the establishment of financial regulations and rules which lay down the procedures to be followed by officers in discharging their financial duties.

The financial regulations are the framework within which the financial affairs of the authority operate. They set out and govern the way the Council undertakes financial planning, risk management and control processes, budget management, budgetary control and statutory year-end processes.

The regulations provide clarity about the overarching financial accountabilities and responsibilities of individuals, including the Assembly, Cabinet, the Chief Financial Officer, Corporate Directors, Divisional Directors (Heads of Service) and Managers, and provide a framework for decision-making. Where there are specific statutory powers and duties, the financial regulations seek to ensure these are duly complied with, as well as reflecting best professional practices and decisions of the Council.

The financial regulations also govern the way the day-to-day financial administration and financial controls are conducted and exercised. They set out the standards to ensure that the Council's resources are used wisely and for the purposes intended, ensure the best practice for dealing with financial matters, improve value for money, service delivery and customer satisfaction and to secure the financial standing of the Council.

These regulations should be read in conjunction with all other financial policies of the Council including contract standing orders, the scheme of delegation, the role of committees and employee codes of conduct.

The regulations apply to all activities of the Council. In practice, this means all monies and funds administered by Council officers by virtue of their office. This includes the authority's direct service and trading organisations within the internal market and funds managed on behalf of third parties such as the superannuation fund and private school funds. Locally managed schools have their own financial regulations.

External providers (outsourced services, contractors and consultants for example) are managed through the contract process. The contract document will set out the financial requirements. This will include for example, compliance with key control procedures, generation of service performance statistics, attendance at service client meetings and access to accounts.

The regulations apply to all staff and Members of the Council. However, the prime audience consists of Members, Corporate Directors, Divisional Directors/Heads of Service, delegated budget holders and all staff working in Human Resources, Payroll, Payables, Receivables and Finance.

It is the responsibility of Corporate Directors to ensure that all employees with financial responsibilities are made aware of and have access to these regulations and rules.

Any failure to comply with these rules constitutes gross misconduct and will be followed by disciplinary action as appropriate.

The Chief Financial Officer is responsible for maintaining a continuous review of these Regulations. The Finance Managers, the Divisional Director of Corporate Finance or the Chief Financial Officer should be contacted if further advice, clarity and support are required in the application of the Financial Regulations and Rules.

Interpretation – please refer to Appendix A

Section 1: Roles and Responsibilities

Sound financial planning, management and administration are essential in order to:

- ensure and maintain the effective use of resources to achieve agreed service standards;
- provide complete, accurate and transparent accounts that demonstrate accountability to the public;
- comply with legal and corporate accounting requirements;
- ensure the appropriate use and security of financial and physical assets;
- help the Council provide value for money services and conduct its affairs in an efficient, effective and economic manner.

Members and officers of the Council shall carry out their roles in line with the key areas of responsibilities and associated specific financial procedure rules set out below.

Roles, Responsibilities and Accountability	
Assembly	The Assembly is responsible for adopting the Authority's Constitution and members' code of conduct, and for approving the policy framework and budget within which the Cabinet operates.
Cabinet	The Cabinet is responsible for: <ol style="list-style-type: none"> 1. the regulation and control of the finances of the Council, and for discharging executive functions in accordance with the policy framework and budget; 2. the approval of draft estimates for submission to the Assembly, and for monitoring financial performance throughout the year. The Cabinet shall also submit recommendations to the Assembly for the levying of general or special rates or taxes.
Select Committees	Select Committees are responsible for scrutinising any aspect of the finances of the Council, including monitoring and challenging the decisions of the Cabinet. They scrutinise executive decisions, before or after they have been implemented, and for holding the

Roles, Responsibilities and Accountability	
	<p>Cabinet to account.</p> <p>The Public Accounts and Audit Select Committee (PAASC) is an advisory body incorporating the Council’s audit function and reports to Assembly. It is responsible for providing independent assurance of the risk management framework and the associated systems of internal control. It provides scrutiny of financial and non-financial performance, and oversees the financial reporting process. It also has a specific responsibility to maintain an overview of the Council’s Constitution in respect of contract procedure rules and financial regulations.</p>
Head of the Paid Service (Chief Executive)	<p>The Head of Paid Service is responsible for:</p> <ol style="list-style-type: none"> 1. the corporate and overall strategic management of the authority as a whole and the establishment of a framework for management direction, style and standards; 2. securing a process for resource allocation that ensures due consideration of national policy and corporate priorities; 3. ensuring arrangements are in place to monitor, manage and measure the performance of the Council. <p>He or she must report to and provide information to Cabinet, the Assembly, and other Committees.</p>
Monitoring Officer	<p>The Monitoring Officer is responsible for:</p> <ol style="list-style-type: none"> 1. promoting and maintaining high standards of financial conduct; 2. reporting any actual or potential breaches of the law or mal-administration to the Assembly and/or Cabinet; 3. ensuring that procedures for recording and reporting key decisions are operating effectively; 4. ensuring that executive decisions and the reasons for them are made public; 5. advising all councillors and officers about who has authority to take a particular decision; 6. advising the Cabinet or Assembly about whether a decision is likely to conflict with the Authority’s policy framework or budget; 7. for maintaining an up-to-date constitution.
Chief Financial Officer	<p>The Chief Financial Officer, as the designated statutory Chief Financial Officer (and “Section 151 Officer”), is the Officer responsible for the proper administration of the Council’s financial</p>

Roles, Responsibilities and Accountability	
	<p>affairs under Section 151 of the Local Government Act 1972, and Sections 112-114 of the Local Government Finance Act 1988.</p> <p>The Chief Financial Officer has a duty under Section 114(2) of the Local Government Act 1988 to make a report if it appears that the Council, Cabinet, or any Committee has carried out a decision which (a) involves the Council incurring expenditure which is unlawful, or (b) involves a course of action which if pursued would be unlawful and likely to cause a loss or deficiency to the Council.</p> <p>The Chief Financial Officer has a duty under Section 114(3) of the Local Government Finance Act 1988 to make a timely report (in consultation with the Chief Executive and the Monitoring Officer) to every Member where it appears that the expenditure incurred or likely to be incurred in a financial year exceeds resources available to meet the expenditure.</p> <p>The Chief Financial Officer's responsibilities are:</p> <ol style="list-style-type: none"> 1. to ensure the co-ordination and integration of service planning, financial planning, asset management, value for money and corporate governance; 2. to ensure that the Council's financial arrangements secure the proper stewardship and control of all public funds; 3. to provide financial advice, information and support so that resources are managed effectively in delivering the Council's services; 4. to set corporate financial management standards and agrees with Directorates detailed procedures to meet these standards; 5. to ensure that there is an adequate internal audit and control; 6. to approve financial systems or proposals to introduce new processes or systems (including IT systems) to ensure sound financial controls; 7. to maintain the Council's principal accounting records and prepares the Council's annual statement of accounts; 8. to provide information and financial returns to external bodies; 9. to prepare the revenue budget and capital programme; 10. treasury management and banking.
Corporate Directors	<p>Each Corporate Director responsibilities are:</p> <ol style="list-style-type: none"> 1. to observe the Council's financial regulations, monitoring financial performance within their department and managing the service within the available budget and to clearly understand the

Roles, Responsibilities and Accountability

consequences of a lack of control;

2. to ensure that any expenditure incurred within their service is in accordance with both the purpose and objectives of the services being provided. Expenditure must not be incurred or charged to any budget where such expenditure bears no relation to the service being provided;
 3. to establish standards of internal control and through their senior management team, ensure the proper identification and cost effective management of financial risk; to plan and maintain the effective use of resources to achieve agreed service delivery standards, take or recommend actions where necessary to stay within, or less than, the agreed budgets set by Council;
 4. to achieve and demonstrate value for money for commissioned and provided services;
 5. to ensure that a proper scheme of delegation has been established within their area and is operating effectively. The scheme of delegation should identify staff authorised to act on the Chief Officer's behalf, or on behalf of the Cabinet, in respect of payments, income collection and placing orders, together with the limits of their authority;
- Each Chief Officer, or failing them, the Chief Financial Officer, shall report to the Cabinet immediately where they are not complying with these Rules.
6. the control and accountability of employees and the security, custody and control of all of the resources, including plant, buildings, materials, cash and stores, appertaining to his/her department;
 7. to operate processes to check that established controls are in place and evaluate their effectiveness and ensure that Budget Holders have effective procedures for safeguarding the Council's resources;
 8. to identify the short, medium and long term financial implications of policy, legislative requirements and service standards;
 9. to establish clear accountabilities for all managers that include objectives of and responsibility for systems and information;
 10. to ensure all their staff understand and comply with Financial Procedure Rules, Contract Procedure Rules, Council policies and directorate departmental instructions;
 11. to ensure that all employees understand and have access to a

Roles, Responsibilities and Accountability	
	<p>copy of the Council's Fraud and Corruption Policy and Strategy and associated guidance. Where fraud or corruption is suspected Chief Officers must immediately report to the Chief Internal Auditor.</p> <p>Each Corporate Director shall consult the Chief Financial Officer on any matter which is liable to materially affect the finances of the Council before any form of commitment is incurred and before reporting the matter to the Cabinet.</p> <p>Each Corporate Director shall consider the financial effects of new policy and changes in service delivery, and ensure that all reports contain appropriate financial implications agreed with the Chief Financial Officer.</p>
Divisional Directors (Heads of Service)/ Budget Holders	<p>Each Divisional Director (Head of Service) and Budget Holder will:</p> <ol style="list-style-type: none"> 1. determine the appropriate level of control within their areas of responsibility in accordance with advice and guidance provided by the Corporate Director of Finance and Resources, their Corporate Directors and the Council's auditors; 2. monitor compliance within these regulations, policies and instructions; 3. be accountable for planning and maintaining effective and efficient use of resources to achieve agreed service delivery standards within, or less than, the agreed budgets set by Council; 4. clearly understand the consequences of a lack of control and compliance; 5. ensure all their staff understand and comply with Financial Regulations and Procedure Rules, Contract Procedure Rules, Council policies and directorate departmental instructions; and have access to a copy of the Council's Fraud and Corruption Policy and Strategy and associated guidance; 6. identify the short, medium and long term financial implications of policy, legislative requirements and service standards; 7. achieve and demonstrate value for money for commissioned and provided services, plan service developments and take or recommend actions where necessary to stay within agreed budgets set by the Council; 8. ensure all staff have effective procedures for safeguarding the Council's resources;

Roles, Responsibilities and Accountability	
	9. operate processes to check that established controls are in place and evaluate their effectiveness.
All Employees	<p>All employees have a responsibility to follow Financial Regulations and Procedure Rules, Contract Procedure Rules, Code of Conduct, Council policies and directorate instructions.</p> <p>Employees must ensure the Council resources are only used in carrying out the business of the Council and help the Council achieve open and honest administration by supporting approved fraud prevention strategies and avoiding potential conflicts of interest.</p> <p>Under no circumstances must employees use Council resources or assets for their personal benefit.</p> <p>Employees must not allow any personal debt owed to the Council to become unmanaged. Personal debt includes, but is not limited to, rent arrears, council tax arrears, arrears arising for leaseholder agreements with the Council, employee loan arrears or employee leasing arrangements. Where any such arrears have been accrued prior to employment with the Council and are still outstanding, employees should undertake to clear those arrears within an agreed and reasonable period of time.</p> <p>All employees have a responsibility to assist the Council's audit processes, to keep accurate and comprehensive records to support the transactions undertaken on the Council's behalf and to report to their Corporate Director any occasions where they believe that Financial Procedure Rules, Contract Procedure Rules, Council Policies or Directorate instructions are not being followed, or where the resources are at risk.</p>
Internal Audit and Risk Management Services	To provide advice to management on the operation of financial controls to prevent fraud, material errors and misappropriation of funds, to investigate any suspected irregularities and management of risk. These Services will conduct independent reviews of Directorate internal control arrangements and will report non-compliance with the Council's Financial Regulations and Scheme of Delegation.
External Auditors	The external auditors will report on whether the Council's accounts and statements present a true and fair view of the Council's financial position.

Section 2: Financial Planning

Each year the Council is required to produce a Medium Term Financial Strategy (MTFS) to provide a framework for the Council to plan and manage the way resources are allocated and spent over the next three year period, to meet the Council's objectives and to secure value for money. It therefore supports and guides the Council's annual budget setting process, the corporate planning process including the external environment expected to be faced over the next three years, and facilitates effective service delivery.

The budgets reflect Council priorities and give authority to delegated budget holders to incur expenditure to meet service standards and targets.

In order to ensure a consistent approach across the Council, the Chief Financial Officer stipulates the detailed form and procedures relating to the development of the Medium Term Financial Strategy, revenue and capital budgets by the issue of standard formats (including timetables, information requirements and challenge processes).

Corporate Directors and Heads of Service shall prepare their reports to these standards. They will take into account the need to demonstrate the value for money, efficiency and effectiveness of current services and proposals for change, the policy choices available to the Council and service impact on national and local policy priorities including the implementation of statutory requirements, the risk and opportunities in implementing changes and the impact of proposals in the short, medium and long term.

The Chief Financial Officer shall present the Council's revenue and capital estimates (draft budget) to Cabinet for approval as part of the budget and Medium Term Financial Strategy process. The draft budget is to be submitted to and considered by Cabinet at its meeting in December, and then again with any amendments incorporated, at its meeting in February. The final draft budget is then to be approved and adopted by Assembly at its meeting in late February prior to the financial year.

Key Timescales*:

- | | |
|---|-------------------|
| • Submission of savings proposals | August/ September |
| • Select Committee Scrutiny of Savings options | October/ November |
| • Cabinet consideration of draft budget report | February |
| • Cabinet approval of Fees & Charges | February |
| • Cabinet approval of Budget and Council Tax Report | February |
| • Assembly approval of Budget | February |
| • Publication of Council Tax leaflet | February |
| • Circulation of Budget Book to Budget Managers | March |

* These timescales are correct for the 2012/13 budget process and are indicative for all other years (and can be overridden by guidance from Corporate Finance).

2.1 Annual Revenue Budgets

- 2.1.1 The general format of the budget will be approved by the Council and proposed by the Cabinet on the advice of the Chief Financial Officer. The draft budget should include indicative cash limits to different services and projects including proposed contingency funds.
- 2.1.2 All Chief Officers are responsible for submitting bids to Corporate Finance to meet the departmental savings target set by Cabinet on the advice of the Chief Financial Officer.
- 2.1.3 Estimates of revenue income and expenditure for the current year revised budget and the following year base/original budget shall be prepared by Chief Officers in consultation with the Chief Financial Officer in accordance with any financial plan(s) approved by the Assembly.
- 2.1.4 Budgets shall reflect Council priorities and give authority to Budget Holders to incur expenditure to meet service standards and targets.
- 2.1.5 The Chief Financial Officer shall collate the estimates and submit them for approval to the Cabinet for submission to the Assembly.
- 2.1.6 The Public Audit & Account Select Committee (PAASC) is responsible for reviewing and providing scrutiny on the draft budget ahead of it going to Cabinet.
- 2.1.7 Finally, on the advice of the Chief Financial Officer, the budget will be proposed by Cabinet and approved by the Assembly. The draft budget should include allocation to different services and projects, proposed taxation levels and contingency funds.

2.2 Capital Budgets

- 2.2.1 The Chief Financial Officer shall undertake an annual review of the medium term capital programme and consequential revenue implications for inclusion in the Medium Term Financial Strategy. This review shall take into account the ongoing need for a scheme with particular focus on cost, benefits and risk assessments.
- 2.2.2 Detailed guidance for the preparation of the Capital Programme including the need for a full project appraisal shall be issued by the Chief Financial Officer.
- 2.2.3 Proposals for new capital schemes for the following financial year and future three years shall be prepared by Chief Officers in consultation with the Chief Financial Officer in accordance with any financial plans of the Council. The Programme will then be reported to the Cabinet for submission to the Assembly.
- 2.2.4 The Programme shall include all schemes which are within the definition of prescribed capital expenditure, and shall show:
 - i. Existing schemes for the period of the programme;

- ii. New schemes to be started in the period of the Programme;
- iii. The estimated capital expenditure which will arise on each new scheme and the relevant form of funding;
- iv. Slippage on schemes in progress but not expected to be completed in the current year.

2.2.5 Project appraisals for capital schemes (together with any supporting information) are to be submitted to the Capital Programme Management Office (CPMO) for assessment and inclusion in the Programme, before expenditure can commence.

2.2.6 A delegated authority form is then required before Contractors can be engaged and this form must be signed off by the Delivery Manager, the Project Sponsor, the Programme Sponsor, the relevant Corporate Director, Procurement and Corporate Finance. The delegated authority form details the reason for the project, the options considered, the Cabinet approval date, funding available, the contractor selected and the value of the contract awarded.

2.2.7 Capital expenditure shall only be incurred in accordance with the approved Capital Programme. The Chief Financial Officer shall be responsible for defining whether expenditure is classed as capital or revenue.

2.2.8 All capital receipts shall be pooled unless otherwise agreed by the Cabinet, for example, to contractual obligations or reduce any set aside of capital receipts or where legislation requires a different approach.

2.2.9 Departmental Borrowing

Where there is insufficient external funding for a capital project, departmental borrowing can be used where the project is expected to generate sufficient savings to cover the costs of borrowing. The funding sources will be recorded on the capital programme once the project has been approved.

The cost of borrowing constitutes two elements; the Minimum Revenue Provision (MRP) and Interest. The costs will be calculated as follows:

- MRP will match the actual MRP charge (straight line basis over the life of the asset);
- The interest charge will also be the same each year and will be the total departmental borrowing multiplied by the interest rate;
- The interest rate will equal the Public Works Loan Board (PWLB) rate of an Equal Instalments of Principal (EIP) loan as at 1st April in the year after the asset becomes operational with a term equal to that of the asset's life.

Although the actual interest charged will be greater than a normal EIP loan the fact charges are not incurred until the asset becomes operational will in

part offset this. Additionally the complexity of varying the interest charges would be impractical.

Arrangements for charging departments with the costs of departmental borrowing are set out below:

- Borrowing costs are charged the year after the asset becomes operational;
- Budgets to cover the borrowing costs will be transferred by departmental finance and copies provided to central finance once central finance have circulated the charges and central codes to use;
- Budgets will have to be set based on estimated departmental borrowing as final financing figure will not be known until year-end. As such a further in year budget transfer may be required to match actual outturn. This demonstrates a clear relationship between project cost and revenue implications.

2.2.10 Minimum Revenue Provision

Local authorities are required each year to set aside some of their revenues as provision for debt in respect of capital expenditure financed by borrowing.

The Council uses the Equal Instalment Method to calculate its Minimum Revenue Provision (MRP) which is given by the following formula:

$$\frac{A - B}{C}$$

where:-

A is the amount of the capital expenditure in respect of the asset financed by borrowing or credit arrangements;

B is the total provision made before the current financial year in respect of that expenditure;

C is the inclusive number of financial years from the current year to that in which the estimated life of the asset expires.

2.3 Reserves and Provisions

2.3.1 The Chief Financial Officer is responsible for recommending to the Cabinet the adequate level of unallocated General Fund and HRA Reserves, the Reserves Strategy and any limitations or conditions on the use of such unallocated reserves.

2.3.2 The Chief Financial Officer is responsible for recommending to the Cabinet the adequate level of specific provisions and earmarked reserves including the decision-making and authorisation processes for the use of those provisions and reserves.

Section 3: Financial Management

A key component of good financial management is to ensure that the revenue, capital and balance sheet accounts are reviewed regularly throughout the year, not just at year end. The first building block for good financial management is strong stewardship.

Sound financial management and control is important to:

- ensure expenditure incurred within services is in accordance with both the purpose and objectives of the approved budgets, in line with Council priorities and to manage the delivery of services within the available budget;
- early detection of financial risks and implications that may impact on the financial strength and stability of the Council and to implement appropriate remedial actions;
- facilitate the delivery of value for money services.

Budgetary control allows the Council to review and adjust its budget targets during the financial year, ensuring the accountability of budget holders against their allocated budgets. Identifying and justifying variances between budgets and year-end forecast and highlighting changing trends and resource requirements, enabling efficient management of surpluses and deficits.

Budget Monitoring

Budget monitoring will be carried out and reported to the Cabinet on a monthly basis who, taking into account the advice of the Chief Financial Officer, will make any appropriate recommendations to steward the budget in a direction consistent with agreed spending objectives.

Corporate Directors, Divisional Directors (Heads of Services) and delegated budget holders are accountable for spending within budget, reporting any variations and implementing the action proposed to correct variances.

Divisional Directors (Heads of Services) and delegated budget holders must regularly monitor actual income and expenditure against all budgets they are responsible for and ensure that all budget targets are achieved. This includes;

- projection of likely future income and expenditure in order to identify any material potential over or under spends;
- take corrective action without delay and, if action beyond their authority is required, report to their Corporate Director immediately;
- report any material variances from income and expenditure budgets to Corporate Finance, including any impact on future years so that appropriate actions can be taken to contain, reduce or eliminate projected over or under spend.

3.1 Revenue Budget Monitoring

1. Corporate Directors, Divisional Directors (Heads of Services), and delegated budget holders are responsible for monitoring their budgets, and must take appropriate action to ensure they do not exceed their budget for any one financial year.
2. On a monthly basis, Corporate Directors will meet with the Chief Financial Officer with budget monitoring reports to be submitted to Cabinet, setting out the overall financial position of each service and the current projected year-end outturn together with corrective actions as necessary.
3. Where it appears that an approved revenue budget (defined as the individual CIPFA summary subjective analysis for each service, as shown in the annually approved budget book) will overspend by £50,000 or 5% of the Gross Budget (whichever is the smaller) the responsible Corporate Director will notify the Chief Financial Officer and relevant Portfolio Holder, report to Cabinet, and will immediately take steps to rectify the situation.
4. Where a Service / Department is forecasting an overall net overspend of £100,000, then this should culminate in an action plan to Cabinet, which sets out proposals for offsetting it, together with an assessment of the impact these corrective actions will have on service delivery and performance targets.
5. If an overspend in excess of £100,000 is forecast, then in addition that Corporate Director must notify the Chief Financial Officer and submit an action plan. Corporate Directors must also advise if the problem relates solely to the current financial year or if it is a recurring pressure.
6. Where a particular Service has (or is projecting to have) an unspent balance, the relevant Corporate Director must apply to the Cabinet if they wish to earmark these savings for a planned purpose in the next financial year. The Cabinet may agree the use of any under spending, subject to the advice of the Chief Financial Officer as to the overall financial position of the Council.

3.2 Revenue Budget Virement/ Adjustment

Budgets may be transferred within the year using a budget virement or budget adjustment. In both cases, advice must be sought from Corporate Finance before the transfer is agreed.

3.2.1 Revenue Budget Virement

A budget virement is a transfer of a budget from the purposes for which Council originally agreed in setting the budget and Council Tax to another purpose.

Following approval of the annual budget, Chief Officers may approve virements in accordance with the delegations and limits set out below.

	Revenue Budget Virement	Officer with Delegated Authority
1.	<u>Within own Directorate:</u> Up to £100,000 Up to £200,000	Divisional Directors (Head of Service) with budget responsibility in consultation with the Corporate Director and Group Finance Manager. Corporate Director in consultation with the Chief Financial Officer.
2.	<u>Cross Directorate</u> Up to £200,000	Corporate Director in consultation with the Chief Financial Officer.

Virements for greater amounts and all supplementary estimates must be approved by the Cabinet. Virements must not be fragmented to circumvent these rules.

Each virement request must indicate whether the virement is permanent (i.e. affect current and future years' budgets) or one-off for the current financial year.

The virement must be recorded in the Council's financial system.

Virement is permitted from the revenue budget to the capital budget but not from the capital budget to the revenue budget.

3.2.2 Revenue Budget Adjustment

A budget adjustment is a transfer of a budget from one cost centre to another whilst retaining the original purpose for which the budget was approved.

The approval for all revenue budget adjustment is delegated to Corporate Directors in consultation with the Chief Financial Officer.

Each budget adjustment request must indicate whether the budget adjustment is permanent (i.e. affect current and future years' budgets) or one-off for the current financial year.

The budget adjustment must be recorded in the Council's financial system.

3.3 Carry Forward of Revenue Budgets from One Year to the Next

With the prior written approval of the Chief Financial Officer, Corporate Directors may request for underspends on revenue expenditure of £50,000 per Divisional Director (Head of Service) to be carried from one financial year to another. Any carry-forward exceeding £50,000 per Divisional Director

(Head of Service) in the aggregate requires the approval of the Cabinet, which may also require any overspend to be carried forward.

Only underspends arising from delayed spending of funding received for specific purposes may be carried forward if such underspend was as a result of factors beyond management control or where the Council will suffer a financial loss.

Carry forward may not be allowed if the Directorate's total budget or the total budget of the Council is overspent at year-end. The first call on any underspend is to rectify the overall financial position.

3.4 Capital Monitoring

1. Before expenditure can commence on any individual scheme within the Capital Programme, the approval of the Cabinet and the Capital Programme Management Office (CPMO) will be required.
2. If an approved capital scheme is forecast to overspend then the relevant Corporate Director must notify the Chief Financial Officer, and also present options for offsetting the overspend.
3. The de minimis level for capitalisation of assets is set at:
 - £2,000 for expenditure by schools;
 - £6,000 for vehicles;
 - £20,000 for all other expenditure.

Related assets may be grouped together to exceed the de minimis level where individually they would not. Examples include expenditure on an IT project or bulk buying of wheelie bins.

3.5 Capital Budget Virements

Capital Virements: Transfers of any amount between schemes should be approved by Cabinet.

Capital re-profiles: Subject to there being no additional funding and no revenue or capital cost implication arising from such a re-profiling then delegated authority is given to Corporate Directors in consultation with the Chief Financial Officer to re-profile the capital budget of a scheme up to a value of £250,000. A series of smaller re-profiles should not be carried out in order to circumvent the total.

3.6 Use of Contingency

The contingency as set in each year's budget may be called upon by Corporate Directors in consultation with the Chief Financial Officer, for individual items of expenditure of up to £100,000, in excess of which will require Cabinet approval.

3.7 Financial Advice

- 3.7.1 The advice of the Chief Financial Officer must be sought regarding any matter which could materially affect the finances or financial systems of the Council before any commitment is made.
- 3.7.2 Corporate Directors shall ensure the early and continuous involvement of the Finance and Legal functions in proposals leading to reports to Members and in particular large, complex or sensitive proposals. The Chief Financial Officer and the Monitoring Officer must be consulted on any reports to Members in accordance with the Council's established report clearance procedures. The Chief Financial Officer and/or the Monitoring Officer has the right to withdraw any report where notice has not been given or the full financial and/or legal implications cannot be provided in the timescale available.

Section 4: Closure of Accounts

The Chief Financial Officer is responsible for making arrangements for closing the accounts and producing the annual Statement of Accounts, including all matters relating to their audit and public inspection.

Each Corporate Director is responsible for ensuring that they and their staff adhere to the instructions and timetable requirements set out by the Corporate Finance Service to enable the closure of accounts.

Each Corporate Director / delegated budget holder shall, as soon as possible after the 31 March in each year, notify the Chief Financial Officer of all outstanding expenditure (creditors), income (debtors), payments in advance (PIA), and receipts in advance (RIA) relating to the previous financial year.

Each Chief Officer / delegated budget holder must provide on time any information and evidence (working papers) the Chief Financial Officer requires to produce the Statement of Accounts; complete claims for external funding; and to produce records to meet external audit requirements.

The Statement of Accounts will be prepared in accordance with the CIPFA Code of Accounting Practice, which includes the timescales for its production, and the requirement to produce an Annual Governance Statement (AGS).

The Annual Audit Letter presents the audit opinion of the accounts, as well as comments and recommendations on the Council's financial standing, the legality of financial transactions and internal control. This will be reported to the Public Audit & Account Select Committee (PAASC) each year, with an appropriate management action plan.

Key Timescales*

- | | |
|---|-------------|
| ○ Outturn report to Cabinet | mid June |
| ○ Statement of accounts issued to PAASC | end of June |
| ○ Deadline for approval of accounts | end of June |
| ○ PASSC acting as the Council's Audit Committee | |

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- | | |
|--|------------------|
| ○ approve final accounts | mid September |
| ○ Accounts signed by external auditors | end of September |
| ○ Accounts issued for publication | end of September |

* These timescales are correct for the 2010/11 closure of accounts and are indicative for all other years (and can be overridden by guidance from Corporate Finance).

Section 5: Risk Management & Control of Resources

5.1 Internal Control

Internal control refers to the aspects of systems and processes devised by management to help ensure the Council's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and safeguards the Authority's assets and interests by the prevention and/or detection of error and fraud.

The Chief Financial Officer should ensure that the financial management of the authority is adequate and effective; and that there is a sound system of internal control. The internal controls need to facilitate the effective exercise of the Council's actions and include the arrangements for managing risk.

Each Corporate Director is ultimately responsible for the internal controls and risk management arrangements within their service. Internal Audit support this through delivery of its Annual Audit Plan, designed to give independent assurance on the internal control and risk management arrangements of the Council.

5.2 Internal Audit

5.2.1 Under the Accounts and Audit Regulations 2011 the Council has a statutory obligation to undertake an adequate and effective internal audit of its accounting records and of its system of internal control. The Chief Internal Auditor has the delegated authority for providing and maintaining this service.

5.2.2 An annual review will be conducted into the effectiveness of internal audit which will be considered by the Public Accounts and Audit Select Committee (PAASC). Such a review will form part of the annual review of the effectiveness of the overall system of internal control and reported in the Annual Governance Statement.

5.2.3 The Chief Internal Auditor, and their nominated officers, shall have authority to:

1. enter at all reasonable times into Council operational premises or on to Council land, (this can also be that of the Council's suppliers and contractors where permitted by the contract agreement);
2. have access to all records, documents and correspondence relating to any financial or other transactions of the Council;

3. require such explanations as are necessary concerning any matter under examination; and
4. require any employee of the Council to produce cash, stores or any other Council property under his control.

5.3 Fraud, Corruption, and Theft

- 5.3.1 Under Section 151 of the Local Government Act 1972 the Council has a statutory obligation to ensure the protection of public funds. Accordingly, the Council maintains an effective system of prevention and detection of fraud, corruption, and theft and associated policies.
- 5.3.2 The primary responsibility for the prevention, detection, and deterrence of fraud, bribery or money laundering activity lies with each Corporate Director. However all Council employees have a duty to act to prevent and report occurrences of fraud and theft. This is supported by the Corporate Anti-Fraud Team through its proactive, preventative and reactive work.
- 5.3.3 Managers should immediately inform the Chief Internal Auditor in any case where fraud/irregularity is suspected, who shall in turn determine what appropriate investigations are required.

5.4 Risk Management

- 5.4.1 The Cabinet is responsible for approving the Authority's risk management policy statement and strategy and for reviewing the effectiveness of risk management. Cabinet is also ultimately responsible for ensuring that proper insurance exists where appropriate.
- 5.4.2 The Chief Financial Officer is responsible for the Authority's risk management policy statement and for promoting it throughout the Council.
- 5.4.3 Corporate Directors are responsible for maintaining risk registers in accordance with the Risk Management policy and framework, issued by the Council's Risk Manager. Chief Officers will regularly review the risks and advise the Council's Risk Manager appropriately of any material changes as they arise.
- 5.4.4 All managers are responsible for managing risk, including taking action to mitigate the occurrence of the risk, and for maintaining contingencies (including a business continuity plan) should the risk actually materialise. Managers will need to take into account the matrix rating of the risk and the costs of any mitigating action.
- 5.4.5 Risk Management and effective Corporate Governance requires the management of all types of risk, financial and non-financial.
- 5.4.6 All risks should be identified on a 'likelihood / impact' matrix, where each is assessed in terms of having a low, medium or high likelihood and severity, by quantifying the financial impact where possible.

5.4.7 The Council is obligated to run a whistleblower scheme, which all staff should be made aware of by their Manager /Corporate Director and actively encouraged to use when appropriate.

5.5 Insurances

5.5.1 The Chief Financial Officer shall effect and periodically review all insurance cover in consultation with other Corporate Directors who shall provide such information as may be required.

5.5.2 Corporate Directors shall promptly notify the Chief Financial Officer of all new risks and any alterations, terminations, loss or liabilities that affect existing insurances. Where appropriate, Corporate Directors should also inform the Police of any losses as soon as possible and advise the Chief Internal Auditor.

5.5.3 Corporate Directors shall consult the Chief Financial Officer in respect of the terms of any indemnity which the Council is required to obtain or provide.

5.6 Security

5.6.1 Each Corporate Director is responsible for maintaining security at all times for all Council property, stocks, stores etc. under his/her control. He/she shall consult the Chief Internal Auditor in any case where security is thought to be defective or where special arrangements may be needed.

5.6.2 Maximum limits for cash holding shall be agreed with the Chief Internal Auditor and shall not be exceeded without express permission.

5.6.3 Keys to safes and other similar receptacles must be kept in a secure place or carried by a responsible person at all times. Any loss of keys must be reported to the Chief Internal Auditor as soon as possible.

5.6.4 Each Corporate Director will be responsible for the privacy and security of all information held or accessed by computer equipment within his/her department in accordance with Data Protection and Information Governance best practice.

5.7 Banking and Cash

5.7.1 Where a bank account is opened, these accounts must not be overdrawn, unless with the prior approval of the Chief Financial Officer. If this occurs, the Council's Bankers will report the matter to the Council accordingly.

5.7.2 The Chief Financial Officer must approve all banking and card acquiring arrangements across the Council.

5.8 Imprest Accounts and Petty Cash

5.8.1 In conjunction with corporate policy, the use of Purchasing Cards (P-cards) is to be used across the Council where possible in order to minimise the use of cash. The Oracle based i-expenses system is also to be used wherever possible by staff for the reimbursement of personal expenses incurred whilst undertaking Council business.

- 5.8.2 The Chief Financial Officer shall provide such Imprest Accounts as he/she considers appropriate, and to be used when P-cards and i-Expenses are not possible.
- 5.8.3 There should be regular reimbursement of the petty cash up to an imprest level; and the holder should ensure there is adequate physical security of the cash.
- 5.8.4 No income received on behalf of the Council may be paid into an Imprest Account but must be banked or paid to the Authority in accordance with these Rules.
- 5.8.5 Payments shall be limited to minor items of expenditure and such other specific payments as the Chief Financial Officer may approve and shall be supported by a receipt. This excludes the payment of salaries and wages. No individual item purchased on petty cash shall exceed £50 in value and the total of any petty cash transaction shall not exceed £100 without the Divisional Director (Head of Service) prior approval to individual payments or to specific areas of payment.
- 5.8.6 An employee responsible for an Imprest Account shall provide the Chief Financial Officer with a certificate as to the state of the account, annually and also when required otherwise.
- 5.8.7 On leaving the employment of the Council, or otherwise ceasing to be entitled to hold an Imprest Account, an employee shall account to the Chief Financial Officer for the amount advanced to him/her. No imprest account must be overdrawn

5.9 Cheques

- 5.9.1 The Council's preferred payment method is by BACS, and cheques should only be raised where BACS is not possible.
- 5.9.2 All cheques, except those drawn on authorised Imprest Accounts, shall be ordered by the Chief Financial Officer, who shall make proper arrangements for their safe custody.
- 5.9.3 Means of payment other than by cheque, e.g. bank credit, shall be subject to arrangements approved by the Chief Financial Officer.
- 5.9.4 Cheques above financial limits set by the Chief Financial Officer shall be manually countersigned by delegated officers authorised to do so by the Chief Financial Officer.

5.10 Electronic Payments

Where payments are to be transmitted electronically, the Chief Financial Officer shall approve the necessary arrangements made to safeguard the Council against losses. Requests for electronic transfers through the banking system must be made to the Corporate Finance (Treasury Management Team) in writing by an authorised signatory.

The Treasury Management team must be given advance warning when such transfers are required. As a general guide, seven days' notice is required for payments up to £500,000 and fourteen days for payments in excess of £500,000.

Payment by Direct Debit may only be agreed with the prior approval of the Chief Financial Officer who will be required to take any necessary action to safeguard against loss of VAT recovery.

5.11 Investments, Borrowing and Trust Funds

5.11.1 All investments and borrowings of money shall be under the control of the Chief Financial Officer and shall be made by him/her under arrangements approved by them in the name of the Council. These arrangements are detailed in the Council's Treasury Management Strategy and its appendices.

5.11.2 All securities, the property of which are in the name of the Council or its nominees and the title deeds of all property and its ownership shall be held in the custody of the Council's Legal Service (or the Council's bankers, Custodian, Nominees or stockbrokers as appropriate).

5.11.3 The Chief Financial Officer, or the Council's bankers with the approval of the Council, shall be the Council's registrar of stocks, bonds, loans and mortgages and shall transact as well as maintain records of all borrowing and investments of money by the Council.

5.11.4 All trust funds shall wherever possible be in the name of the Council.

5.11.5 All employees acting as trustees by virtue of their official positions shall deposit all securities etc. relating to the trust with the Chief Financial Officer unless the deed otherwise provides.

5.12 Stocks, Stores and Inventories

5.12.1 Each Corporate Director is responsible for keeping all accounts of stocks and stores within their Service.

5.12.2 Each Corporate Director shall arrange for the storekeeper to keep the necessary records, after consultation with the Chief Financial Officer.

5.12.3 Each Corporate Director shall arrange for a system of continuous stocktaking to ensure that all items are checked at least once every year.

5.12.4 Any discrepancy or surplus, obsolete or unusable stock at any depot or stores where the total variation or expected loss does not exceed £500 (or 1% of the total value of stock held at that depot, whichever is the greater) shall be dealt with by the Corporate Director in consultation with the Chief Financial Officer. Where any variation or expected loss exceeds this amount a report must be submitted to the Cabinet.

5.12.5 Inventories shall be maintained by all departments in a form and with such details determined by the Corporate Director with the concurrence of the Chief Financial Officer.

5.12.6 Each Corporate Director shall be responsible for maintaining an annual check of all inventory items, and for taking appropriate action with regard to surpluses or deficiencies after consultation with the Chief Financial Officer.

5.12.7 Council property shall not be used for anything other than Council business without the prior approval of the responsible Corporate Director.

5.13 Leases

5.13.1 Each Corporate Director is responsible for the leases within their Service.

5.13.2 Leases need to be accounted for correctly in compliance with new International Financial Reporting Standards (IFRS).

5.13.3 Where there has been an acquisition of a new lease or a change in an existing one, Corporate Directors should liaise with the Corporate Finance Service in order to agree the appropriate action and treatment of the lease.

5.14 Write Off, Disposal of Assets and Debts

5.14.1 Write offs: If assets have been lost, stolen or damaged and the loss is not recoverable from insurance or other sources, they may be written off by the Corporate Directors in conjunction with the Chief Financial Officer..

5.14.2 Corporate Directors may write off other non repeating sums to the value of £2,000. Sums above this limit may be written off in agreement with the Chief Financial Officer up to a value of £10,000. Other write offs proposed in excess of this sum must be subject to a report by the relevant Corporate Directors to the Cabinet, supported by the Chief Financial Officer.

5.14.3 Debts in relation to Revenues and Benefits may be written off in accordance with the debt write off strategy as agreed from time to time by the Cabinet.

5.14.4 Write offs in excess of £2,000 will be reported to the Cabinet on a quarterly basis.

5.14.5 Disposals: Any asset of the Council deemed obsolete or surplus to requirements shall, where the residual value does not exceed £5,000, be disposed of by the Chief Officer in consultation with the Chief Internal Auditor. Where the residual value exceeds £5,000 a report shall be submitted to the Cabinet stating the reason for disposal and the recommended method of disposal. The Capital Finance team are also to be informed of the disposal, as it may affect the Fixed Asset Register.

5.14.6 Any proposals to sell or lease land/property, etc. at less than market value must follow the procedure as laid down in the "Land Acquisitions and Disposal Rules", which requires full consultation and agreement on the financial implications as approved by the Chief Financial Officer.

5.14.7 All land sales will be approved by the Cabinet and should adhere to the 'Land Acquisition and Disposal Rules' within Part D of the Council's Constitution.

Section 6: Treasury Management Framework

- 6.1 The Council adopts and adheres to the Key recommendations of the Revised CIPFA Treasury Management Code of Practice 2009, Cross-Sectoral Guidance Notes 2009 and Revised CIPFA Prudential Code
- 6.2 The Treasury Management Policy Statement (TMPS) shall be reviewed and maintained annually by the Assembly. This statement shall set out the policies and objectives of the Council's treasury management activities.
- 6.3 The Chief Financial Officer shall create and maintain suitable Treasury Management Practices (TMPs), which shall set out the manner in which the Council will seek to achieve the policies and objectives set by the Assembly.
- 6.4 The Chief Financial Officer shall report to the Assembly annually and at regular intervals on all treasury management policies, practices and activities including an annual strategy at the start of the year and annual report at year end.
- 6.5 The Chief Financial Officer will set Prudential Indicators for the forthcoming and following two financial years. The Chief Financial Officer will provide regular reports to the Cabinet and Assembly and report any breaches or amendments of the Code.
- 6.6 Prudential Indicators are reported annually via the Treasury Management Strategy before the start of the financial year.
- 6.7 There are a number of treasury indicators which previously formed part of the prudential code, but which are now more appropriately linked to the Revised Treasury Management Code and guidance. Local authorities are still required to "have regard" to these treasury indicators.
- 6.8 The key treasury indicators which are still part of the Prudential Code are:
 - Authorised limit for external debt
 - Operational boundary for external debt
 - Actual external debt
 - External Debt
- 6.9 In the medium term local authorities only have the power to borrow for capital purposes.
- 6.10 The authorised limit – This sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) and is the statutory limit determined under Section 3 (1) of the Local Government Act 2003 (referred to in the legislation as Affordable Limit). This limit needs to be set or revised by members.
- 6.11 The operational limit – This links directly to the Council's estimates of the Capital Financing Reserve (CFR) and estimates of other cash flow requirements. This indicator is based on the same estimates as the authorised limits reflecting the most likely prudent but not worst case scenario but without the additional headroom included within the authorised limit for future known

capital needs now. It should act as a monitor indicator to ensure the authorised limit is not breached.

6.12 The Chief Financial Officer shall ensure that all legislative amendments and changes in treasury or capital limits are approved by the Assembly.

6.13 The Chief Financial Officer will be responsible for adopting the changes outlined and compliance with any practices or limits.

Section 7: Financial Administration, Systems and Procedures

This section outlines the standards of financial administration, systems and procedures that must be followed to ensure that all employees have a clear understanding of their responsibilities in regards to:

1. Being clear on who is authorised to approve financial transactions;
2. Ensuring staff appointments are made in accordance with employment law, that salaries and wages are properly authorised, that the proper deductions are made (statutory and non-statutory) and all payments are properly recorded and correctly charged;
3. Ordering and paying for goods and services according to the Council's Contract Procedure Rules, securing value for money, paying only for what the Council receives and dealing with VAT properly;
4. Ensuring the Council pays and accounts for tax correctly;
5. Ensuring all sources of income to the Council are identified, claimed and collected;
6. Ensuring that a live and complete record of all Council transactions is maintained.

7.1 Approval Limits

The approval of contracts/ contractors should be carried out in accordance with the Council's Contract Rules, which form part of this Constitution. This entails amongst other things that proposed contracts greater than £400,000 must be reported to Cabinet before any procurement process begins. Furthermore, the procurement of lower value contracts is subject to a series of procedures and controls as set out in the Contract Rules and the actual award of contracts is subject to approval being granted by one or more Corporate Directors depending upon contract value.

The approval of all payments, (including purchase orders, invoice authorisations, termination payments) should be carried out within each service in accordance with the Council's internal financial scheme of delegation.

7.2 Human Resources and Payroll – Payments to Employees and Members

- 7.2.1 The Chief Financial Officer is responsible for the payment of all salaries, wages and pensions, compensation and other emoluments due to current or former employees of the Council, and to Members. Each Corporate Director shall notify the Divisional Director of Human Resources and Organisational Development as soon as possible, of all matters affecting the payment of such emoluments i.e. appointments, resignations, absences from duty etc.
- 7.2.2 The names of employees authorised to sign any documents affecting pay shall be sent to the Chief Financial Officer by each Corporate Director together with specimen signatures and shall be amended on the occasion of any change. The Corporate Director must sign this notification.
- 7.2.3 Payments should be paid directly into employees / Members bank account on the specified pay date; and should only be paid to the person concerned, unless otherwise authorised.
- 7.2.4 All payments made should be in accordance with established pay grades, and rates of pay.

7.3 Ordering and Paying for Goods and Services

- 7.3.1 All staff and managers are required to ensure that the most appropriate method of payment is used for each item of expenditure (excluding employee's salary payments) as follows:
1. i-Expenses – used to reimburse staff for expenses incurred in the course of their work for example travelling and subsistence, eye tests, glasses (towards the cost of single vision / bi-focal lenses) and medical certificates.

The usage of the automated i-expenses system will have authorisation levels decreed by the Organisational hierarchy up to a maximum claim value of £250. Where claims are made in excess of this value, they will not be automatically paid once approved by an appropriate officer, but will be subject to further investigation by the Accounts Payable Manager or designated representative, prior to the release of payment.

The Chief Executive and Corporate Directors will self approve their expenses with weekly reports to the Chief Financial Officer.

2. Purchase Card – used to pay for low value, high volume goods or services such as advanced booking of accommodation and travel expenses, books and periodicals.
3. Purchase Order – all other expenditure that cannot be purchased using i-expenses and purchase card.

There may be occasions, in cases of emergency, when verbal orders are placed, but these must be the exception rather than the rule and always confirmed by the issue of an authorised official order.

Under no circumstances may individual employees use the Council's ordering or payment systems for personal use or benefit.

Failure to comply with these rules constitutes gross misconduct and may be followed by disciplinary action as appropriate.

- 7.3.2 Payments must be in accordance with the Contract Procedure Rules and the Financial Scheme of Delegation set out within the constitution, in respect of financial limits and Cabinet approval, tendering for contracts, contract extensions and variation orders, and the use of approved supplier lists.
- 7.3.3 Corporate Directors or Divisional Directors (Heads of Service) must designate specific employees who are authorised to place and approve orders on their behalf and must operate procedures which secure value for money in accordance with Contract Procedure Rules. The procedures must also be properly recorded, communicated to staff, and continuously monitored.
- 7.3.4 The Council operates an automated purchase to pay process and it is the corporate policy that a requisition be raised using Oracle i-procurement in order for a purchase order to be generated. i-Procurement will have requisition authorisation levels set as follows:

Band	Positions	Limits
Revenue Expenditure		
A	Any	=£0 - £100
B	Any	=£101 - £500
C	Group Manager	=£501 - £5,000
D	Divisional Director (Head of Service)	=£5,001 - £250,000
E	Corporate Director	Above £250,001
Capital Programme		
A	Any	=£0 - £10,000
B	Delivery Manager/ Project Manager	=£10,001 - £50,000
C	Project Sponsor (Group Manager)	=£50,001 - £5,000,000
D	Programme Sponsor (Divisional Director/ Head of Service)	Above £5,000,000

There may be occasions where these authorisation levels may not be practical, but as these must be the exception rather than the rule, the Corporate Director will be required to submit a business case for approval by the Chief Financial Officer.

The approvers for Capital Programme will be defined and agreed as part of the Capital Programme Management Office (CPMO) approval process. Also, before spending can commence on capital programmes, the delegated authority form, which approves the award of the contract to a named Contractor, must be completed and signed off by the appropriate Corporate Director, the Procurement Manager and Chief Financial Officer. Only then can a purchase requisition be raised on i-procurement.

Any changes in authorised personnel must be notified immediately to Corporate Finance.

- 7.3.5 In order to protect individual employees and also minimise the risk of losses through misappropriation or fraud, duties must be arranged to avoid the same member of staff having authority to place orders, receive and pay for goods without the involvement of others. Where limited staff resources make this difficult to achieve, the advice of Internal Audit must be sought regarding compensating controls.
- 7.3.6 When receiving goods or services checks must immediately be made by the requisitioner/buyer to ensure that:
1. The goods or services are in accordance with the order placed.
 2. Any faults or deficiencies are reported to the supplier and remedial action taken.
 3. Where necessary, inventories or stock records have been updated.
 4. Goods delivered are placed in the safe custody of their authorised recipient.
 5. Goods and services are 'receipted' on Oracle iProcurement.
- 7.3.7 Payment must only be made on the satisfactory completion of the order placed. Any proposal to pay in advance of receiving the goods or services must, therefore, be first authorised by the Chief Financial Officer.
- 7.3.8 Corporate Directors will ensure to the satisfaction of the Chief Financial Officer that procedures and documentation are in place:
1. To verify that expenditure has been properly incurred, and accurate and timely payments are being made (i.e. within 30 days of the invoice being received by the Authority). Where supplier deadlines for payments are specified and they are shorter than 30 days, and especially where early payment discounts are offered, then these timescales should be met where possible.

2. To verify that the goods, services, or works in question have been received or carried out, and are to the quality expected. Goods and services should be ordered through Oracle iProcurement and 'goods received' upon delivery.
 3. To ensure there is adequate provision in the Budget.
 4. To avoid duplicate payments.
 5. Incorrect invoices should not be amended but returned to the supplier.
- 7.3.9 Where items of expenditure cannot be commissioned through the raising of an Oracle iProcurement purchase order, the creditor invoices or requisitions must be certified for payment by the responsible budget officer or designated representative. The names of such authorised employees and specimen signatures shall be authorised by the respective Divisional Director (Head of Service) and passed to the Chief Financial Officer.
- 7.3.10 The Chief Financial Officer may require, where necessary, evidence that appropriate checks have been undertaken before payment.
- 7.3.11 Construction Industry Scheme (CIS): When ordering services such as painting, decorating, plumbing or any other general building works deemed to be within the scope of the scheme, Budget Holders must observe the regulations stipulated by Her Majesty's Revenue and Customs (HMRC). The scheme requires that the Council acts as agent to the HMRC, deducting Income Tax where appropriate. Any enquiries should be referred to the Accounts Payable Manager who will liaise with the HMRC as required.

7.4 Taxation and VAT

- 7.4.1 The Chief Financial Officer is responsible for maintaining the Authority's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate. He / she is also responsible for advising Chief Officers, on all taxation issues that affect the Authority.
- 7.4.2 The Payment Team must ensure that VAT is checked when paying invoices to ensure that:
1. Transactions where no VAT is paid are correctly identified as Zero Rated, Exempt or Outside the Scope.
 2. There is a valid tax invoice and the VAT is correctly calculated.
- 7.4.3 Delegated budget holders must ensure that tax is correctly charged on income due to the Council.
- 7.4.4 Corporate Finance Service is to provide a corporate resource that will advise on VAT implications across the Council. Where more technical advice is required departments will be required to fund the cost of that advice.

7.5 Income Accounts and Debtors

- 7.5.1 Corporate Directors must ensure that accounts are rendered promptly for the recovery of all income due. Elevate East London (EEL) will raise all accounts as requested by Corporate Directors, who will provide details of goods supplied or services / works rendered.
- 7.5.2 All money received by an employee on behalf of the Council shall be paid to the Chief Financial Officer, or as he/she may direct, to the Council's bank account. All cash received on behalf of the Council shall be receipted. No deduction may be made from such money without the Chief Financial Officer authority.
- 7.5.3 Each employee who banks money shall enter on the paying-in slip the name of his/her department, office or establishment and, where payment is made by cheque, a reference to the related debt (such as the receipt number or the name of the debtor) or otherwise to indicate the origin of the debt, on the reverse of each cheque.
- 7.5.4 Every transfer of the Council's money from one employee to another will be evidenced in the records of the department concerned by the signature of the receiving employee.

7.6 Accounting Systems and Processes

- 7.6.1 The Chief Financial Officer is responsible for the operation of the authority's accounting systems, the form of accounts and the supporting financial records.
- 7.6.2 Chief Officers are responsible for the proper operation of financial processes in their own departments.
- 7.6.3 Any changes made by Chief Officers to the existing financial systems, proposals to introduce new processes or the establishment of new systems (including IT systems) must be agreed in advance by the Chief Financial Officer. Internal Audit must be informed of and involved as appropriate in all changes to systems of internal control before they happen in order that advice can be provided.
- 7.6.4 Corporate Directors must ensure that, where appropriate, computer and other systems are registered in accordance with data protection legislation. Each must also ensure that staff are aware of their responsibilities under freedom of information legislation.
- 7.6.4 Delegated budget holders in conjunction with the Directorate Finance Managers must ensure that all financial transactions are accounted for in a timely manner in the accounting system using an appropriate code, which properly records the nature of the income or expenditure. All accounting transactions and financial statements produced must conform to the latest legislation and best accounting practices.
- 7.6.5 Delegated budget holders must ensure that all income and expenditure is accounted for separately and not set off, one against the other. Capital expenditure must be accounted for separately from revenue expenditure.

- 7.6.6 Delegated budget holders must only use their own designated accounting codes unless written authority has been given by another delegated budget holder or Chief Financial Officer.
- 7.6.7 The Chief Financial Officer, in conjunction with the delegated budget holders will maintain a definitive list of accounting codes to be used by all departments, which must be reviewed and updated regularly.
- 7.6.8 It is the responsibility of the relevant Finance Manager to ensure that Control and Suspense accounts are reconciled monthly. A monthly reconciliation must be done for all bank accounts, to prove the correctness of the bank balance and to confirm that all transactions have been processed into the Council's accounts.
- 7.6.9 Journal transfers approved by Finance Managers must be used to make accounting adjustments and must show the full details of the transaction and reference to source documents.

7.7 Records and Procedures

- 7.7.1 Corporate Directors shall keep such records and adopt such procedures as, in the opinion of the Chief Financial Officer, are necessary to record correctly all financial operations of his/her department and to ensure accuracy and proper recovery of all sums due to the Council.
- 7.7.2 An effective system should be established for the examination and checking of accounts and cash transactions so that, as far as practicable:-
1. The provision of such examination and checking of accounts and cash transactions shall be separated from the duties of collecting and disbursing of monies.
 2. Officers examining and checking accounts and cash transactions shall not themselves be employed in any of these transactions.
 3. Where the principles set out above are not practicable the appropriate Corporate Director and the Chief Financial Officer shall be advised.
 4. All arrangements with the Council Bankers, including the opening of new bank accounts, shall be made by the Chief Financial Officer, or under arrangements approved by him/her. All bank accounts should also be fully reconciled as at 31 March each year.

7.8 Trading Accounts

The Chief Financial Officer is responsible for advising on the establishment and operation of trading accounts and business units.

Section 8: External Arrangements

8.1 Joint Venture

- 8.1.1 Cabinet is responsible for approving delegations, including frameworks for partnerships. Cabinet can delegate functions relating to partnerships to officers, but where functions are delegated, Cabinet remains accountable for them to the Assembly.
- 8.1.2 The Chief Executive as Head of the Paid Service represents the authority in the Elevate Joint Venture.
- 8.1.3 The Monitoring Officer is responsible for promoting and maintaining the same high standards of conduct with regard to financial administration in the Elevate Joint Venture that apply throughout the Authority.
- 8.1.4 The Chief Financial Officer must ensure that the accounting arrangements to be adopted relating to the Elevate Joint Venture are satisfactory. He or she must also consider the overall corporate governance arrangements and legal issues associated with contractual arrangements entered into. He or she must ensure that the risks have been fully appraised before agreements are entered in to.
- 8.1.5 Chief Officers and their staff, have a client role in respect of the Elevate Joint Venture, and should monitor outputs and service levels accordingly, to ensure that they are in line with the agreed standards.

8.2 External Funding

- 8.2.1 External funding covers bids to Government and other organisations that are offering funding for projects that meet certain criteria, as well as contributions from organisations and individuals (public or private).
- 8.2.2 Corporate Directors are ultimately responsible for the external funding within their service, including exploring feasible options and proposals to maximise its availability to the Council and ensuring it is received and properly recorded.
- 8.2.3 Corporate Directors must provide the Chief Financial Officer, or nominated deputy, with details of all bids for external funding. This should also include details of any matched funding; whether it is revenue or capital; and any future/ongoing revenue implications.
- 8.2.4 Corporate Directors/ delegated budget holders must not commit expenditure on projects requiring matched funding contributions until the external funding has been confirmed, unless approval has been given by the Chief Financial Officer.
- 8.2.5 Corporate Directors/ delegated budget holders must ensure that monies are received from the funding body, and where possible this should be before any planned financial commitments are entered into by the Council. Corporate Directors / Divisional Directors (Head of Service) must also advise the Chief

Financial Officer of all grant and subsidy notifications as soon as they are received.

- 8.2.6 Corporate Directors/ delegated budget holders are also responsible for ensuring that all conditions associated with external funding are met, and that all appropriate information and evidence required to complete grant/subsidy claims is provided on time.
- 8.2.7 Where the external funding notified is higher than the budget, the surplus amount should be returned to the central contingency unless regulations specify restrictions on its use, in which case it should be used to offset other uncontrollable pressures within the service. Where the funding is less than the budget, the Corporate Director / Divisional Director (Head of Service) should notify the Chief Financial Officer of options for containing the potential overspend.
- 8.2.8 Some services may be funded (wholly or partly) through time-limited external funding. If / when the possibility of expenditure / commitments slipping past the funding deadline is forecast, the responsible Corporate Director/ delegated budget holder or Chief Officer should notify the Chief Financial Officer immediately and provide options for reducing expenditure and/or identifying alternative funding. Where there is a risk of external funding being reduced or stopped, budget managers should have an exit strategy in place, which will prevent any impact on other internal Council budgets.

8.3 Work for Third Parties

The Cabinet is responsible for approving the contractual arrangements for any work for third parties or external bodies.

APPENDIX A

INTERPRETATION

- A.1 Any reference to an Act of Parliament, Regulation or other legislation shall include a reference to that legislation as amended, applied, consolidated or re-enacted by virtue of any subsequent legislation.
- A.2 The expression 'Corporate Director' refers to the position of 'Chief Officer' and includes their authorised representatives.
- A.3 The expression "The Chief Financial Officer", is also known as the Council's Section 151 Officer.
- A.4 Any reference to the 'Chief Financial Officer' shall include their nominated Deputy.
- A.5 The "Assembly" means the Council acting as or through the Assembly, and includes any person or body to which the Assembly delegates functions
- A.6 The "Council" means the London Borough of Barking and Dagenham
- A.7 The expression "Cabinet" includes any person or body to which the Cabinet delegates executive functions
- A.8 "Code of Practice" is the Contracts Code of Practice approved by the Assembly as set out in Part D of the Council Constitution
- A.9 "Value" shall mean, where known, the precise value or, where not known, the estimated value, of the works, services, goods or materials that will be payable by the Council over the entire contract period (including any extension period). Where the anticipated value is near the turning point between two classifications, the value of the contract shall be treated as if it were in the higher classification
- A.10 "Partnership" means public sector partnerships in which the Council participates as a constituent participant or lead authority within a separate organisation.
- A.11 The term "contract" shall include all the contracts, agreements and orders for the carrying out of work, the provision of services and the supply of goods or materials to, for, or by the Council, by the purchase, lease, rental or hire purchase, including the provision of services to the public on the Council's land or premises. It shall not include contracts for the employment of staff, or for the sale, purchase, lease or licence of land or buildings.
- A.12 These Rules are to be interpreted subject to United Kingdom and European Union legislation, regulations, orders and directives. EU Procurement legislation in particular prohibits discrimination on grounds of national standards or in support of the promotion of local economic interests. These EU Treaty provisions apply to all contracts including those below the EU Public Procurement thresholds.
- A.13 Corporate Directors will refer to the Chief Executive any questions relating to the interpretation of the Rules.
- A.14 These Rules should be applied in accordance with the Code of Practice.
- A.15 Reference to Chief Internal Auditor includes Group Manager, Internal Audit and Corporate Anti-Fraud.

(Contact Chief Financial Officer: Tel: 020 8724 8427)

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(1)	(2)	(3)		(4)		(5)		(6)		(7)		(8)		(9)		(10)	
		Purchase orders / Payment of accounts - REVENUE		Purchase orders / Payment of accounts - CAPITAL		Purchase orders / Payment of accounts - CAPITAL		Purchase orders / Payment of accounts - CAPITAL		Revenue budget virements		Revenue budget virements		Revenue budget adjustments		Revenue budget adjustments	
Band	Staff grade	Current Limit	Proposed Limit	Current Limit	Proposed Limit	Current Limit	Proposed Limit	Current Limit	Proposed Limit	Current Limit	Proposed Limit	Current Limit	Proposed Limit	Current Limit	Proposed Limit	Current Limit	Proposed Limit
A	As delegated by Group Manager or above	£0	Up to £100	£0	Up to £10,000	£0	£0	£0	£0	£0	£0	N/A	£0	N/A	£0	N/A	£0
B	As delegated by Group Manager or above	Up to £10,000 when deputising for Group Manager	Up to £500	Up to £10,000 when deputising for Group Manager	Up to £50,000	Up to £10,000 when deputising for Group Manager	Up to £50,000	Up to £10,000 when deputising for Group Manager	Up to £50,000	£0	£0	£0	£0	N/A	£0	N/A	£0
C	Group Manager	Up to £10,000	Up to £5,000	Up to £10,000	Up to £5,000,000	Up to £10,000	Up to £5,000,000	Up to £10,000	Up to £5,000,000	£0	£0	£0	£0	N/A	Up to £20,000	N/A	Up to £20,000
D	Head of Service / Divisional Director	Up to £100,000	Up to £250,000	Up to £100,000	Over £5,000,000	Up to £100,000	Over £5,000,000	Up to £100,000	Over £5,000,000	Up to £100,000	Up to £100,000	Up to £100,000	Up to £100,000	N/A	Up to £100,000	N/A	Up to £100,000
E	Corporate Director	All expenditure containable within delegated budget	All expenditure containable within delegated budget	All expenditure containable within delegated budget	All expenditure containable within delegated budget	All expenditure containable within delegated budget	All expenditure containable within delegated budget	All expenditure containable within delegated budget	All expenditure containable within delegated budget	Up to £100,000, subject to agreement of Director of Finance and Resources	Up to £200,000, subject to agreement of Director of Finance and Resources	Up to £100,000, subject to agreement of Director of Finance and Resources	Up to £200,000, subject to agreement of Director of Finance and Resources	N/A	Unlimited, subject to agreement of Director of Finance and Resources	N/A	Unlimited, subject to agreement of Director of Finance and Resources

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