



Summons to and
Agenda for a
Meeting on
**Thursday, 19th May,
2016**

**at 10.10 am, or on
the rising of the
County Council
whichever is the
later.**



DEMOCRATIC SERVICES
SESSIONS HOUSE
MAIDSTONE

Wednesday, 11 May 2016

To: All Members of the County Council

Please attend the meeting of the County Council in the Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 19 May 2016 at **10.10 am, or on the rising of the County Council whichever is the later**, to deal with the following business. **The meeting is scheduled to end by 4.30 pm.**

Webcasting Notice

Please note: this meeting may be filmed for the live or subsequent broadcast via the Council's internet site or by any member of the public or press present.

By entering into this room you are consenting to being filmed. If you do not wish to have your image captured please let the Clerk know immediately.

Voting at County Council Meetings

Before a vote is taken the Chairman will announce that a vote is to be taken and the division bell shall be rung for 60 seconds unless the Chairman is satisfied that all Members are present in the Chamber.

20 seconds are allowed for electronic voting to take place and the Chairman will announce that the vote has closed and the result.

A G E N D A

1. Election of Chairman
2. Election of Vice-Chairman
3. Apologies for Absence
4. Declarations of Disclosable Pecuniary Interests or Other Significant Interests in items on the agenda

5. Minutes of the meetings held on 24 March 2016 and, if in order, to be approved as a correct record **(Pages 7 - 20)**
6. Chairman's Announcements
7. Questions
8. Report by Leader of the Council (Oral)
9. Select Committee - Energy Security **(Pages 21 - 34)**
10. Members' Allowances Scheme – 2016/17 **(Pages 35 - 40)**
11. Updated Financial Regulations **(Pages 41 - 82)**
12. Request for Extended Leave of Absence **(Pages 83 - 84)**
13. Motions for Time Limited Debate
 - (a) Compulsory Academisation of schools

Proposed by Mr Vye and seconded by Mr Bird

"This Council welcomes the Government's decision to withdraw the proposed compulsory academisation of schools, a proposition which has been widely condemned by school staff, parents and councillors in Kent.

This council recognises the hard work and dedication of school staff in raising educational standards across the county and the vital role of parent governors in supporting schools management and also making schools locally accountable.

This council is determined to provide all children in Kent with a good education and reaffirms its commitment to supporting schools through the county council's Schools Improvement unit."

- (b) KCC Headquarters – security and public access

Proposed by Mr Heale and seconded by Mr Latchford

"This Council believes it is time to review the levels of security and public access to KCC Headquarters at County Hall in the interests of greater safety for both KCC officers and members and requests the Cabinet Member for Corporate and Democratic Services to initiate this review."

- (c) School and community energy schemes

Proposed by Mr Wedgbury seconded by Mr Parry

"KCC asks the Chairman of the Council to contact the Secretary of State for Energy and Climate Change to ask her to consider supporting Community and Schools energy projects through targeted financial help. In particular we ask

the Secretary of State to look again at the support available for community renewable energy schemes including the discontinuation of tax relief (SITR) for community energy schemes and the absence of a higher specific FIT tariff to encourage the deployment of school and community energy schemes. We believe targeted support will provide a number of important environmental and social benefits as well as reducing energy bills. It would also enable community buildings to play a role in developing local energy economies and continue to provide much needed local services by utilising the income generation from renewable energy."

A handwritten signature in black ink, appearing to read 'Peter Sass', written in a cursive style.

Peter Sass
Head of Democratic Services

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KENT COUNTY COUNCIL

MINUTES of a meeting of the Kent County Council held in the Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 24 March 2016.

PRESENT:

Mr M J Harrison (Chairman)

Mr T Gates (Vice-Chairman)

Mrs A D Allen, MBE, Mr M J Angell, Mr M Baldock, Mr M A C Balfour, Mr R H Bird, Mr H Birkby, Mr N J Bond, Mr A H T Bowles, Mr D L Brazier, Mrs P Brivio, Mr R E Brookbank, Mr L Burgess, Mr C W Caller, Miss S J Carey, Mr P B Carter, CBE, Mr N J D Chard, Mr I S Chittenden, Mr B E Clark, Mrs P T Cole, Mr G Cooke, Mr G Cowan, Mrs M E Crabtree, Mr A D Crowther, Mrs V J Dagger, Mr D S Daley, Mr M C Dance, Mr J A Davies, Dr M R Eddy, Mr J Elenor, Mrs M Elenor, Mr G K Gibbens, Mr R W Gough, Mr P M Harman, Ms A Harrison, Mr M Heale, Mr P M Hill, OBE, Mr C P D Hoare, Mrs S V Hohler, Mr S Holden, Mr P J Homewood, Mr E E C Hotson, Mrs S Howes, Mr A J King, MBE, Mr J A Kite, MBE, Mr S J G Koowaree, Mr R A Latchford, OBE, Mr R L H Long, TD, Mr G Lymer, Mr B E MacDowall, Mr T A Maddison, Mr S C Manion, Mr R A Marsh, Mr F McKenna, Mr B Neaves, Mr M J Northey, Mr J M Ozog, Mr R J Parry, Mr C R Pearman, Mr L B Ridings, MBE, Mr J E Scholes, Mr W Scobie, Mr C Simkins, Mr J D Simmonds, MBE, Mr C P Smith, Mr D Smyth, Mrs P A V Stockell, Mr B J Sweetland, Mr A Terry, Mr N S Thandi, Mr R Truelove, Mr M J Vye, Mrs C J Waters, Mr J N Wedgbury, Mr M E Whybrow, Mr M A Wickham and Mrs Z Wiltshire

IN ATTENDANCE: Mr D Cockburn (Corporate Director Strategic & Corporate Services), Mr G Wild (Director of Governance and Law) and Mr P Sass (Head of Democratic Services)

UNRESTRICTED ITEMS

62. Apologies for Absence

The Director of Governance and Law reported apologies from Ms Cribbon, Mrs Dean, Mr Oakford, Mrs Rowbotham, Mr Shonk and Mrs Whittle.

63. Declarations of Disclosable Pecuniary Interests or Other Significant Interests in items on the agenda

None.

64. Minutes of the meeting held on 11 February 2016 and, if in order, to be approved as a correct record

RESOLVED that the minutes of the meeting held on 11 February 2016 be approved as a correct record subject to:

(a) The addition of reference under the Chairman's announcements of the agreement of the County Council not to show the PowerPoint presentation on "The Year so Far", and

(b) The addition at the end of paragraph (5) of the following:-

"(o) To note the financial outlook for 2017-18 and 2018-19 with further anticipated funding reductions and spending demands necessitating additional savings the vast majority of which are yet to be identified"

65. Visit by 36 Regiment Royal Engineers - Major George Drysdale

(1) The Chairman welcomed Major Drysdale, 2nd in command of 36 Regiment Royal Engineers, and invited him to address the County Council.

(2) Major Drysdale outlined the work of the Regiment which included radar repairs in the Falklands, building a training area in Kenya, and UN peacekeeping work in Cyprus. This was in addition to ongoing work in Nepal following the earthquake in 2015.

(3) The Chairman thanked Major Drysdale for attending the meeting.

66. Chairman's Announcements

(a) Mr Chris Capon, MBE

(1) The Chairman stated that it was with regret that he had to inform Members of the sad death of Mr Chris Capon, MBE, on 18 February 2016. Mr Capon had served on Kent County Council as the Conservative Member for Hythe from 1977 to 2013. During his time with KCC Mr Capon served on a number of Committees including Children, Families & Education – Resources & Operations (Chairman); Policy Overview Co-ordinating Committee, Regulation Committee, School Organisation Advisory Board. He had also served as Chairman of the Hythe Neighbourhood Forum and the Shepway Local Board. Mr Capon had been Chairman of the County Council in 2002-03 and awarded Honorary Alderman of the Council in 2013.

(2) Mr Capon's funeral had taken place on Friday 11 March 2016

(3) Mr Carter, Dr Eddy, Mr Vye and Mr Whybrow paid tribute to Mr Capon

(b) Mrs Caroline Mullins

(4) The Chairman stated that it was with regret that he had to inform Members of the sad death of Mrs Caroline Mullins, on 2 March 2016. Mrs Mullins had served on Kent County Council as the Conservative Member for Ashford North from 1993 - 1997. During her time with KCC Mrs Mullins had served on the Education Committee, the Special Educational Needs Sub-Committee and the Social Services Committee.

(5) A Celebration of Life Service had been held for Mrs Mullins on Wednesday, 16 March 2016.

(6) Mr Angell paid tribute to Mrs Mullins.

(c) Mr Kevin O'Daly

(7) The Chairman stated that it was with regret that he had to inform Members of the sad death of Mr Kevin O'Daly on 10 March 2016. Mr O'Daly was the former Liberal Democrat Member for Swale West from 1993 to 1997. During his time with KCC Mr O'Daly had served on the Environment Committee, the Social Services Committee, the Planning Sub-Committee and the Safety Panel. Mr O'Daly had also served on the Fire and Public Protection Committee and the Children and Adult Social Services Sub-Committee.

(8) A private Service of Remembrance for Mr O'Daly would take place in Boston, Lincolnshire on Tuesday 29 March 2016.

(9) Mr Truelove, Mr Vye and Mr Baldock paid tribute to Mr O'Daly

(10) At the end of the tributes all Members stood in silence in memory of Mr Capon, Mrs Mullins and Mr O'Daly.

(11) After the one minute silence the Chairman moved, the Vice-Chairman seconded and it was resolved that:

(12) This Council records the sense of loss it feels on the sad passing of Mr Capon, Mrs Mullins and Mr O'Daly and extends to their families and friends our heartfelt sympathy to them in their sad bereavements.

(e) The Year so Far

(13) The Chairman introduced a PowerPoint slide show which illustrated some of the events which he and the Vice-Chairman had attended since the December meeting of the County Council.

67. Questions

In accordance with Procedure Rule 1.17(4), 10 questions were asked and replies given. A record of all questions put and answers given at the meeting are available [online](#) with the papers for this meeting. Questions 10 to 13 were not put in the time available but written answers were provided.

68. Report by Leader of the Council (Oral)

(1) The Leader updated the Council on events since the December meeting.

(2) Mr Carter referred to developments around the devolution agenda and in particular focused on health and social care integration, education and governance arrangements.

(3) Mr Carter stated that following the first of the city devolution deals being signed off, it was important that the counties did not get left behind. He was hopeful that, with partners, an exciting devolution bid could be put together. This would

include health and social care integration, education, the skills agenda and infrastructure delivery to accelerate economic growth and housing growth in the county.

(4) In relation to health and social care integration, Mr Carter stated that KCC had been tasked, in the NHS Five Year Forward View, to set out the terms of sustainable transformation plans for health and social care integration. If Kent delivered ambitious, well-constructed sustainable transformation plans which brought together the health budget of the county of Kent with Medway and supported improvement in the delivery of services, it was possible that Kent would get additional funding for the delivery of those plans. Through the Kent Health and Wellbeing Board, working with health partners, there was a real willingness, to deliver those plans by June 2016. The aim of the plans was the transformation in the delivery of primary and community care integration with social care to reduce the need to hospitalise residents. This would build on the innovation within the delivery programme for the Canterbury CCG. He referred to new Greater Manchester Combined Authority and the many additional powers being devolved to it in relation to health and social care integration.

(5) Mr Carter referred to the recently published government white paper, *Education Excellence for Everyone*. He stated that Kent had a record of supporting school improvement in a mixed economy of schools. Kent had helped schools to expand, transformed school buildings, ensured sufficiency of school places, arranged school transport, including introducing the Kent Freedom Pass, and ran complex admissions arrangements for 220,000 pupils.

(6) Mr Carter expressed disappointment that under *Education Excellence for Everyone* the County Council's role in school improvement would be removed in the next few years. Although the County Council would retain duties regarding school admissions and the planning of place provision, as all schools were forced to become academies, the delivery of the expansion of schools and the maintenance programme would be delivered by others. Mr Carter stated that Kent had a proud record of delivering good quality schools and school expansions at very competitive costs compared to the rest of the country, both nationally and in the South East. Central Government seemed to dismiss the significant importance of the added value that good local authorities made in the world of education. Mr Carter expressed the view that this was centralisation rather than devolution.

(7) Mr Carter emphasised that the County Council had exercised its statutory educational duties intelligently and sensibly and that this would be missed by schools across the county. Kent's success was based on a community of schools of all different types working together to serve the educational needs of all the young people in an area. He stated that irrespective of the future of local government in education, that collegiate working must be retained and built upon in the coming years.

(8) In relation to any devolution bid submitted for Kent, Mr Carter stated that the governance arrangements would have to improve accountability which was a challenge that KCC would be working on with district colleagues and other public sector partners. He emphasised that the proposal must be more efficient in the use of public resource, lead to improve public services and help to support and accelerate growth. In addition the proposal must be in tune with the wishes of both the business community and residents of the area that covers the combined authority or the

devolution bid. Regarding the issue of directly elected mayors, the recent referendum results clearly showed the general public's opposition to their introduction. There was a need to negotiate with government about how devolution could work, particularly in two-tier areas. However, the governance arrangements for devolution must support the opportunity provided by devolution to shape and deliver improved public services for residents and business at less cost.

(9) Mr Latchford, the Leader of the Opposition, asked the Leader if Kent had been involved in any way in the further three devolution deals that were emerging. He referred to the lengthy County Council Network (CCN) document, based on a 6 month research project and detailed engagement with member councils, which put forward the first blueprint for county devolution. He stated that if devolution enabled local authorities to have more control over how their services were delivered and to set their priorities then it would provide an opportunity to improve the lives of those in the county. However, his Group were totally opposed to any devolution bid that involved the creation of unitary councils instead of the current two-tier system of local government, as they considered that a two tier system was more democratic and better suited the county. KCC, along with along with other authorities, had had increasing responsibilities imposed on them at the same time as cuts to central government grants.

(10) Mr Latchford expressed the view that it was time for devolution for England, as enjoyed by Scotland, Northern Ireland and Wales, with more freedom from Westminster and opportunities for funding from within the county. Kent had a reputation for good fiscal management, and had through good management at all levels provided the services expected by its residents.

(11) In relation to *Education Excellence for Everyone*, Mr Latchford referred to the statement by the Secretary of State for Education and her aim for educational excellence. He agreed that there was a need to support the best teachers, not only in the classroom. However, he did not support the concept that every school should be an academy. Grammar schools had been a major success in helping social mobility for a long time and Kent was a leading county in the provision of grammar schools.

(12) Mr Cowan, Leader of the Labour Group, referred to the Leader's comments on devolution. Mr Cowan stated that counties needed the opportunity to become more financially independent including raising and retaining more of the proceeds of growth regenerated by hard working residents and thriving local businesses. He expressed the view that the whole devolution agenda was driven by the Treasury in a pursuit of economic growth. He expressed concern that a large county like Kent could be left behind in terms of infrastructure investments and that its special issues such as being the gateway of Europe were only slowly being addressed.

(13) Mr Cowan referred to Mr Carter's stated first priority, as chairman of the CCN, being the continuous momentum on county devolution and that the government must deliver on its promises to be flexible on local governance and the devolution offer to all areas. Mr Cowan stated that there had been little movement on county devolution deals. He referred to Conservative local council leaders who had been discussing combined authorities, including a unitary authority for East Kent, to take advantage of devolved powers.

(14) In relation to the education white paper, Mr Cowan stated it was clear that central government did not want local government's help with education. He expressed the view that central government was trying to destroy the link between schools and local democracy, built on the myth that schools would improve if free from local education authority (LEA) control. The Labour group were opposed to the white paper.

(15) Regarding government plans to convert all schools to academies by 2020, Mr Cowan stated that there was no evidence that academies improved children's educational achievement and that the white paper was a distraction from the problems facing schools. He referred to Hextable and the cost that had been incurred due the government not listening to KCC. He acknowledged that LEAs like Kent did not control schools but they did have a strategic role to play.

(16) Mr Bird, Deputy Leader of the Liberal Democrat Group, referred to devolution and stated that there was a need to be sure of Kent's long term objectives and to ensure that the devolved governance was sustainable and in the best interests of Kent. Mr Bird mentioned the contradictory statements from national and local politicians about devolution and also the confusing scenario in Hampshire. However, he expressed the belief that devolution could enhance local government in Kent and reminded Members that the Liberal Democrats had long advocated local accountability as one the fundamental hallmarks of a fair, inclusive and successful democracy.

(17) Mr Bird stated that it appeared that many devolution proposals had been about financial considerations, which he acknowledged were important, than about creating sustainable local governance. He referred to the potential gains for Kent from devolution and the need to plan for more homes and jobs, better roads and public transport, additional schools and integrated health and social care, whilst at the same time trying to protect and enhance quality of life for residents. He expressed the view that this may be better achieved through strategic local government structures than the current fragmented two-tier system.

(18) Mr Bird asked Mr Carter when KCC Members would be able to debate in an open forum, the devolution proposals for Kent, which had the broad support of the districts. He suggested that if this did not happen soon, then the DCLG might decide Kent's political framework. He shared concerns about the government's plans for schools.

(19) Mr Whybrow, Leader of the Independents Group, stated that KCC had been asking for devolution for a long time. He referred to the KCC document *Closer to people and places*, which had been published 10 years ago, and the Leaders' *Bold Steps for radical reform* document published in 2010. Mr Whybrow made reference to the Leader's stance on devolution and the comments made by Sir Roger Gale MP and the Leader of Shepway Council. Mr Whybrow stated that there appeared to be a lot of vested interests in relation to devolution and that he would like to see more openness. He expressed some sympathy with East Kent's aspirations as he believed that there were times when the county, on some aspects, ignored East Kent. He expressed the view that there was a disconnect between what Central Government were saying and the reality of their devolution strategy.

(20) Mr Whybrow stated that he agreed with everything that has been said about the education white paper, which appeared to be flowing against devolution. He expressed the view that the same had been the case with planning, with an increase in control being taken back to the centre. He referred to Councils being allowed by Government to raise council tax but only for a specific purpose. He concluded by hoping that there would be more transparency about Kent's devolution bid.

(21) In replying, Mr Carter referred to the comments on devolution and stated he had been talking to the Secretary of State, Greg Clark, MP, recently about the devolution agenda not becoming a distraction to the requirement on local government to deliver an extraordinary efficiency drive over the next few years. Kent, for a county of its size and scale, had a track record of delivering efficiency and transformation.

(22) In relation to the health economy, Mr Carter stated that he hoped that Kent, with Medway, would be able to put produce a good sustainable transformation plan, through positive relationships with health colleagues, which would deliver significant additional money.

(23) Regarding the skills agenda, Mr Carter stated that Kent, working with the Local Enterprise Partnership and the Kent and Medway Economic Partnership, had established a skills commission. The aim of the commission was to ensure that devolved powers allowed the alignment of skills funding to the needs to business, both private and public sector, and addressed the ambitions and aspirations of young people.

(24) Mr Carter mentioned the growth and infrastructure framework for Kent and Medway, which had been well received and endorsed by all the districts and Medway Council. This framework set out a template for the delivery of the infrastructure plan in Kent to support the housing growth and commercial growth agenda across the county.

(25) Mr Carter stated that although Kent had not yet submitted a devolution bid, there had been messages from government taking time in preparing bids. It was evident that Kent had some local difficulty in the delivery of the proposition with some districts not wanting to engage at this stage. It was important to work through this and to achieve a solution for Kent, otherwise the residents and business of Kent would lose out on a devolution package.

(26) Regarding directly elected mayors. Mr Carter acknowledged that this was a big problem and gave the examples of Hampshire and Cambridgeshire. Kent would play to the strengths of county governance, working with the districts and boroughs in order for Kent to transform its public services.

(27) Mr Carter stated that, as Chairman of the CCN his role was to make sure that counties were not fragmented and broken up as he believed that this would be a massive disaster for the country. Counties, working with other public sector partners, including their districts and boroughs, had the ability to deliver that transformation at pace and scale. This was in comparison to local government reorganisation which he believed would be a retrograde step in delivering that transformation due to the need to establish new authorities.

(28) RESOLVED that the Leader's report be noted.

69. Business Rate Retention & School Funding Reform

(1) Mr Carter moved and Mr Simmonds seconded the following motion:

“Members are asked to note this report and the presentations on the day and discuss how the Council can best influence the outcomes of what will be a hugely significant change to local government funding.”

(2) Mr Wood introduced a PowerPoint presentation by Mr Shipton on business rate retention and this was followed by an opportunity for Members to ask questions of officers. It was emphasised that there would be a Member briefing on this important subject in May 2016 .

(3) Mr Abbott gave a PowerPoint presentation on the school funding reform and answered questions from Members.

(4) The motion was agreed without a formal vote.

(5) RESOLVED that the report, the presentation and the discussion on how the Council can best influence the outcomes of what will be a hugely significant change to local government funding be noted.

70. Presentation of the Kent Invicta Award to Graham Clarke

(1) The Chairman welcomed Mr and Mrs Clarke to the meeting and invited Mr Clarke to come forward and receive the Kent Invicta Award for 2016. The Kent Invicta Award recognised residents of Kent who had achieved excellence in their chosen field or who have provided an exceptional service to the county. The chairman outlined the many contributions made to Kent by Mr Clarke.

(2) The Chairman stated that he was delighted that the Group Leaders had agreed unanimously that the Award should be presented to Mr Clarke and it gave him great pleasure, on behalf of all KCC Members, to present him with the award and a cheque in the sum of £5,000 for his chosen charity, the Canterbury Oast Trust.

(3) Mr Daley and the Chairman spoke to congratulate Mr Clarke .In accepting this award, Mr Clarke responded and expressed his thanks to Members for this award.

71. Presentation of cheques to Chairman's Charities

The Chairman stated that it was his pleasure to present cheques to his charities. He invited Mr Obee, on behalf of Demelza House to receive a cheque for £1,678.18 and Ms Murch to receive a cheque for £1,678.19 on behalf of Riding for the Disabled.

72. Adjournment and reconvening of meeting

The meeting was adjourned to enable the Special meeting to confer the award of Honorary Alderman to be held and was reconvened after the Special meeting.

73. Treasury Management 6 Month Review 2015/16

(1) Mr Simmonds moved and Miss Carey seconded the motion that

“Members are asked to consider and comment on the report.”

(2) In proposing the motion Mr Simmonds updated the report and informed the Council that £52m had been received from the Icelandic banks which was an additional £2m to the original £50m investment.

(3) The motion was agreed without a formal vote.

(4) RESOLVED that the comments on the report be noted

74. Pay Policy Statement 2016/17

(1) Mr Cooke moved and Mr Carter seconded the following motion:

“County Council approves the attached Pay Policy Statement.”

(2) The motion was agreed without a formal vote.

(3) RESOLVED that the Pay Policy Statement for 2016/17 be approved.

75. Motion for Time Limited Debate

The referendum on Britain’s membership of the European Union

(1) Miss Carey moved and Mr Brazier seconded the following motion:

“This Council congratulates the Government for honouring its manifesto commitment to hold a referendum on the United Kingdom’s membership of the European Union.

We respect that elected Members of the Council may have divergent views but we all have a common interest in ensuring a good turnout at the referendum and, therefore urge all Kent residents to make their votes count in the Referendum on 23 June and especially to encourage those who are not currently registered to vote to do so before the registration deadline of 7 June.”

(2) Mr Latchford moved and Mr Birkby seconded the following amendment;

“In paragraph 1 delete all words after “This Council” and substitute:

This Council “is pleased that the Government is committed to holding a referendum on our nation’s membership of the European union on the 23rd June 2016. This will be a once in a lifetime opportunity for all eligible residents to make a decision that has far reaching consequences for the United Kingdom and its sovereignty, and we urge and encourage all Kent residents to make their vote count”.

Delete paragraph 2”

(3) Following debate the Chairman put the amendment as set out in paragraph (2) above to the vote and the voting was as follows:

For (15)

Mr M Baldock, Mr H Birkby, Mr L Burgess, Mr A Crowther, Mr J Elenor, Mrs M Elenor, Mr P Harman, Mr M Heale, Mr C Hoare, Mr R Latchford, Mr B MacDowall, Mr F McKenna, Mr B Neaves, Mr A Terry, Mrs Z Wiltshire

Against (53)

Mrs A Allen, Mr M Angell, Mr M Balfour, Mr R Bird, Mr D Brazier, Mrs P Brivio, Mr C Caller, Miss S Carey, Mr P Carter, Mr N Chard, Mr I Chittenden, Mr G Cooke, Mr G Cowan, Mrs M Crabtree, Mrs V Dagger, Mr D Daley, Mr M Dance, Mr J Davies, Dr M Eddy, Mr T Gates, Mr G Gibbens, Mr R Gough, Ms A Harrison, Mr M Hill, Mrs S Hohler, Mr S Holden, Mr P Homewood, Mr E Hotson, Ms S Howes, Mr A King, Mr J Kite, Mr G Koowaree, Mr R Long, Mr G Lymer, Mr T Maddison, Mr S Manion, Mr A Marsh, Mr M Northey, Mr J Ozog, Mr R Parry, Mr C Pearman, Mr L Ridings, Mr J Scholes, Mr C Simkins, Mr J Simmonds, Mr C Smith, Mr D Smyth, Mrs P Stockell, Mr R Truelove, Mr M Vye, Mrs C Waters, Mr J Wedgbury, Mr M Whybrow.

Abstain (1)

Mr R Brookbank,

Amendment lost

(4) The Chairman then put the motion as set out in paragraph (1) to the vote and the voting was as follows:

For (47)

Mrs A Allen, Mr M Angell, Mr M Balfour, Mr D Brazier, Mr R Brookbank, Mr L Burgess, Miss S Carey, Mr P Carter, Mr N Chard, Mr G Cooke, Mrs M Crabtree, Mr A Crowther, Mrs V Dagger, Mr M Dance, Mr J Elenor, Mrs M Elenor, Mr T Gates, Mr G Gibbens, Mr R Gough, Mr M Harrison, Mr M Hill, Mr C Hoare, Mrs S Hohler, Mr S Holden, Mr P Homewood, Mr E Hotson, Mr A King, Mr J Kite, Mr R Latchford, Mr R Long, Mr G Lymer, Mr B MacDowall, Mr S Manion, Mr F McKenna, Mr M Northey, Mr J Ozog, Mr R Parry, Mr C Pearman, Mr L Ridings, Mr J Scholes, Mr C Simkins, Mr J Simmonds, Mr C Smith, Mrs P Stockell, Mrs C Waters, Mr J Wedgbury, Mrs Z Wiltshire

Against (8)

Mr R Bird, Mr I Chittenden, Mr D Daley, Mr J Davies, Mr P Harman, Mr G Koowaree, Mr M Vye, Mr M Whybrow

Abstain (13)

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Mr H Birkby, Mrs P Brivio, Mr C Caller, Mr G Cowan, Ms A Harrison, Dr M Eddy, Mr M Heale, Ms S Howes, Mr T Maddison Mr B Neaves, Mr D Smyth, Mr A Terry, Mr R Truelove

Motion carried

(4) RESOLVED that Council congratulates the Government for honouring its manifesto commitment to hold a referendum on the United Kingdom's membership of the European Union. We respect that elected Members of the Council may have divergent views but we all have a common interest in ensuring a good turnout at the referendum and, therefore urge all Kent residents to make their votes count in the Referendum on 23 June and especially to encourage those who are not currently registered to vote to do so before the registration deadline of 7 June.

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KENT COUNTY COUNCIL

MINUTES of a meeting of the Kent County Council held in the Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 24 March 2016.

PRESENT:

Mr M J Harrison (Chairman)
Mr T Gates (Vice-Chairman)

Mrs A D Allen, MBE, Mr M J Angell, Mr M Baldock, Mr M A C Balfour, Mr R H Bird, Mr H Birkby, Mr N J Bond, Mr A H T Bowles, Mr D L Brazier, Mrs P Brivio, Mr R E Brookbank, Mr L Burgess, Mr C W Caller, Miss S J Carey, Mr P B Carter, CBE, Mr N J D Chard, Mr I S Chittenden, Mr B E Clark, Mrs P T Cole, Mr G Cooke, Mr G Cowan, Mrs M E Crabtree, Mr A D Crowther, Mrs V J Dagger, Mr D S Daley, Mr M C Dance, Mr J A Davies, Dr M R Eddy, Mr J Elenor, Mrs M Elenor, Mr G K Gibbens, Mr R W Gough, Mr P M Harman, Ms A Harrison, Mr M Heale, Mr P M Hill, OBE, Mr C P D Hoare, Mrs S V Hohler, Mr S Holden, Mr P J Homewood, Mr E E C Hotson, Mrs S Howes, Mr A J King, MBE, Mr J A Kite, MBE, Mr S J G Koowaree, Mr R A Latchford, OBE, Mr R L H Long, TD, Mr G Lymer, Mr B E MacDowall, Mr T A Maddison, Mr S C Manion, Mr R A Marsh, Mr F McKenna, Mr B Neaves, Mr M J Northey, Mr J M Ozog, Mr R J Parry, Mr C R Pearman, Mr L B Ridings, MBE, Mrs E D Rowbotham, Mr J E Scholes, Mr W Scobie, Mr C Simkins, Mr J D Simmonds, MBE, Mr C P Smith, Mr D Smyth, Mrs P A V Stockell, Mr B J Sweetland, Mr A Terry, Mr N S Thandi, Mr R Truelove, Mr M J Vye, Mrs C J Waters, Mr J N Wedgbury, Mr M E Whybrow, Mr M A Wickham and Mrs Z Wiltshire

IN ATTENDANCE: Mr D Cockburn (Corporate Director Strategic & Corporate Services), Mr G Wild (Director of Governance and Law) and Mr P Sass (Head of Democratic Services)

UNRESTRICTED ITEMS

1. Apologies for Absence

The Director of Governance and Law reported apologies from Ms Cribbon, Mrs Dean, Mr Oakford, Mrs Rowbotham, Mr Shonk and Mrs Whittle.

2. Declarations of Disclosable Pecuniary Interests or Other Significant Interests in items on the agenda

None.

3. Appointment of Honorary Alderman

(1) The Chairman offered a very warm welcome to the meeting to Mr Roy Bullock, MBE.

(2) The Chairman stated that Mr Bullock had been regarded by Group Leaders as having given eminent service both to Kent County Council and the people of Kent.

24 MARCH 2016

(3) RESOLVED UNANIMOUSLY that Mr Bullock, MBE, distinguished former Member of Kent County Council, be awarded the status of Honorary Alderman.

(4) The Chairman then presented Mr Bullock, with his Honorary Aldermen badge and scroll.

(5) Mr Bullock responded in suitable terms and expressed his thanks for the honour bestowed upon him by the County Council.

By: Mr Matthew Balfour, Cabinet Member for Environment and Transport
Ms Barbara Cooper, Corporate Director of Growth, Environment and Transport

To: County Council meeting – 19 May 2016

Subject: Select Committee: Energy Security

Past Pathway of

Paper: Cabinet – 25 April 2016

Summary: To comment on and endorse the report of the Select Committee on Energy Security.

1. Introduction

Kent County Council has significant existing commitments to supporting energy generation and security, as exemplified in the work of the previous Renewable Energy Select Committee and outlined in the Kent Environment Strategy. Increasing energy prices, limited spare energy capacity and the ongoing effects of climate change make energy security a pressing issue.

The establishment of the Energy Security Select Committee demonstrates Kent County Council's ongoing commitment to furthering a balanced mix of low carbon energy generation measures, reflecting a national shift from a domination of solid fuel and petroleum in the 1970s, to an increase of natural gas from the North Sea in the 1980s, to the current growth of renewable fuels and a decline in coal.

The review also demonstrates KCC's intention to ensure that Kent has as resilient and sustainable an energy supply as possible. This should reflect an awareness of Kent's environmental opportunities as well as a consideration of matters such as landscape, historical and agricultural impacts.

The work of the Committee aimed to provide an informative and objective basis for the further development of a joint Kent and Medway energy security strategy and inform the updating of the Kent Environment Strategy, which is led by KCC's Sustainable Business and Communities team.

The supply and generation of energy, as well as the reduction of energy consumption, is of significant national importance to citizens, businesses and local government alike, as are the related social, environmental, and economic impacts of such measures. This review reflects a commitment on the behalf of Kent County Council to securing the future energy needs of Kent, and ensuring that this is done in a sustainable, affordable and secure way.

2. Select Committee

2.1 Membership

The Chairman of the Select Committee was Mr Jim Wedgbury (Conservative). Other members of the Committee were Mr David Brazier (Conservative), Mr Brian Clark (Lib Dem), Mr Adrian Crowther (UKIP), Mr Christopher Hoare (UKIP), Mr Peter Homewood (Conservative), Mrs Eileen Rowbotham (Labour), Mr Chris Smith (Conservative) and Mrs Carole Waters (Conservative). In addition, Mr Martin Whybrow (Green) was co-opted onto the Committee.

2.2 Terms of Reference

The agreed terms of reference were:

- To clarify the meaning of “Energy Security” and the responsibilities of KCC in ensuring this security.
- To examine and assess a range of energy issues so as to best secure the future energy needs of Kent.
- To identify existing best practice across the UK and abroad on how best to strengthen a sustainable, reliable energy infrastructure for Kent.
- For the Energy Security Select Committee to make recommendations after having gathered evidence and information throughout the review.

2.3 Evidence

The Energy Security Select Committee conducted a programme of hearings and visits between October 2015 and January 2016. The Select Committee held fourteen hearings, from which it gathered a wealth of information and evidence from a variety of sources, including:

- Academics
- Energy generators and suppliers
- Community energy groups
- Consultants
- Other local authorities
- KCC officers

Full details of all the oral evidence received by the committee is available [online](#)

This oral evidence was complemented by written evidence which was submitted to the Committee by a variety of sources. Literature stemming from desktop research was also used to inform the review.

Four official visits also took place during the review. The visits included Islington London Borough Council’s district heat network, a range of community energy generation measures carried out by the Sustainable Sheppey project, Dungeness B nuclear power plant, and an anaerobic digester and solar farm at St Nicholas-at-Wade farm in Kent. A list of the

witnesses who provided oral and written evidence, as well as details of the visits, can be found in Appendix 1.

3. The Report

The Select Committee approved its report at a formal meeting on 22 March 2016. This report was submitted to [Cabinet](#) on 25 April 2015 for comment.

The executive summary of the report is attached in Appendix 2. A copy of the full report is available online

(https://www.kent.gov.uk/_data/assets/pdf_file/0007/55933/Energy-Security-Select-Committee-report-March-2016.pdf) or via the Select Committee Research Officer (details below).

4. Conclusion

We welcome the report and would like to congratulate the Select Committee on completing this piece of work.

We would also like to thank all the witnesses who gave evidence to the Select Committee and the officers who supported it.

5. Recommendations

5.1 The Select Committee be thanked for its work and for producing a relevant and balanced document.

5.2 The witnesses and others who provided evidence and made valuable contributions to the Select Committee be thanked.

5.3 County Council's comments on the report be noted and the report endorsed. .

Select Committee Research Officer:

Gaetano Romagnuolo
Research Officer – Overview and Scrutiny
gaetano.romagnuolo@kent.gov.uk
03000 416624

Evidence

Oral Evidence

A summary of the key topics discussed between witnesses and Members has been provided underneath each session.

Friday 13 November 2015

- **Carolyn McKenzie, Neil Hilkene, Steve Baggs**, Growth, Environment and Transport Directorate, KCC

Tuesday 17 November 2015

- **Robert Jeffery and Cian Fitzgerald**, OVO Energy
- **Chris Jelly**, Elham Going Green

Thursday 26 November 2015

- **Mary Thorogood and Mel Rogers**, Vattenfall
- **Phillip Jackson**, Daedalus Environmental/E3
- **Nick Swinford**, University of Kent

Friday 4 December 2015

- **Prof. Gordon MacKerron and Emily Cox**, Sussex Energy Group/University of Sussex
- **Dr Wim Melis**, University of Greenwich
- **Stephanie Karpetas**, Sustainability Connections

Tuesday 15 December 2015

- **Jeremy Martin**, Southend-on-Sea Borough Council
- **Matthew Morris**, Kent Downs AONB
- **Joseph Grice**, London Borough of Islington

Wednesday 16 December 2015

- **Andy Morgan**, LASER
- **Carolyn McKenzie, Neil Hilkene, Steve Baggs**, Growth, Environment and Transport Directorate, KCC

Written Evidence

- **James Diggle**, External Communications Manager, EDF Energy
- **Chris Jelly**, Elham Going Green
- **Professor Gordon MacKerron and Miss Emily Cox**, Sussex Energy Group/University of Sussex
- **Dr Wim Melis**, University of Greenwich

Visits

Wednesday, 4 November 2015

- Islington LB District Heat Network

Monday, 30 November 2015

- St Nicholas-at-Wade Farm, St Nicholas-at-Wade

Tuesday 8 December 2015

- Sustainable Sheppey, Isle of Sheppey

Monday, 14 December 2015

- Dungeness B Nuclear Power Station, Dungeness

Executive Summary

1.1. Committee Membership

1.1.1. The Committee consists of ten Members of Kent County Council (KCC): five members of the Conservative Party, two members of the UK Independence Party (UKIP), one member of the Labour Party, one member of the Liberal Democrat Party and one (co-opted) member of the Green party¹.



Mr David Brazier
Conservative
Sevenoaks North East



Mr Brian Clark
Liberal Democrat
Maidstone South



Mr Adrian Crowther
UKIP
Sheppey



Mr Christopher Hoare
UKIP
Tunbridge Wells East



Mr Peter Homewood
Conservative
Malling Rural North
East



Mrs Eileen Rowbotham
Labour
Deal



Mr Chris Smith
Conservative
Tonbridge



Mrs Carole Waters
Conservative
Romney Marsh



Mr Jim Wedgbury

¹ Mr Martin Whybrow (Green Party) participated fully in the evidence gathering meetings, but took no part in the approval of the final report and recommendations.

1.2. Scene Setting

- 1.2.1. Kent County Council has significant existing commitments to energy generation and security, as exemplified in the work of the previous Renewable Energy Select Committee and outlined in the Kent Environment Strategy. Increasing energy prices, limited spare energy capacity and the ongoing effects of climate change make energy security a pressing issue.
- 1.2.2. The establishment of the Energy Security Select Committee demonstrates Kent County Council's ongoing commitment to furthering a balanced mix of low carbon energy generation measures; to fairly evaluating all applicable energy generation measures and to ensuring that Kent has as resilient and sustainable an energy supply as possible.
- 1.2.3. This review will aim to provide an informative and objective basis for the further development of a joint Kent and Medway energy security strategy and inform the updating of the Kent Environment Strategy, which is led by KCC's Sustainable Business and Communities team.
- 1.2.4. The supply and generation of energy for Kent, as well as the reduction of energy consumption, is of significant importance to citizens, businesses and local government alike, as are the related social, environmental, and economic impacts of such measures. This review reflects a commitment on the behalf of Kent County Council to securing the future energy needs of Kent, and ensuring that this is done in a sustainable, affordable and secure way.

1.3. Terms of Reference

- 1.3.1. To clarify the meaning of “Energy Security” and the responsibilities of KCC in ensuring this security.
- 1.3.2. To examine and assess a range of energy issues so as to best secure the future energy needs of Kent.
- 1.3.3. To identify existing best practice across the UK and abroad on how best to strengthen a sustainable, reliable energy infrastructure for Kent.
- 1.3.4. For the Energy Security Select Committee to make recommendations after having gathered evidence and information throughout the review.

1.4. Scope

1.4.1. The complexity of this topic and the tight timeframe of the review required a clear and focused approach. The key themes and aspects that were covered by the review are detailed below:

To clarify the meaning of “Energy Security” and the responsibilities of KCC in ensuring this security.

- a. To explore the definition of “Energy Security”.
- b. To examine the responsibilities and roles that KCC holds in securing energy security.

To examine and assess a range of energy generation methods so as to best secure the future energy needs of Kent.

- a. To investigate the various energy security measures available to KCC, Kent residents, and Kent businesses.
- b. To assess these measures and their suitability in helping to secure the future energy needs of Kent.

To identify existing best practice across the UK and abroad of how best to strengthen a sustainable, reliable energy infrastructure for Kent.

- a. To explore best practice examples, both across the UK and abroad, of how local authorities and other relevant organisations work to develop energy security and sustainability in their area.
- b. To consider how this best practice can be replicated to improve energy security in Kent.

For the Energy Security Select Committee to make recommendations after having gathered evidence and information throughout the review.

- a. To use the findings of the review and the resultant recommendations to inform the development of a joint Kent and Medway

energy security strategy and to contribute to the updating of the Kent Environment Strategy.

1.5. Recommendations

NB: The recommendations below are arranged in priority order. Numbering reflects order of appearance within the report text.

Recommendations 1, 2, 3, 4, 5 and 6 (combined)

That the Cabinet Member for Environment and Transport writes to the Secretary of State for Energy and Climate Change, to highlight key issues of concern for national and local energy security, such as:

- 1. The importance of further new nuclear both nationally and for Kent (see Section 5.1, p.79).**
- 2. The need for the introduction of stronger national building standards, requiring both increased energy efficiency and generation measures in new developments (Section 5.1, p.82).**
- 3. The need for additional financial support for community energy projects following the reduction of the FiT (Section 4.2, p.74).**
- 4. The need for local authority control and management of any future energy efficiency schemes that replace ECO (Section 5.3, p.101).**
- 5. The need for energy utilities to produce and implement 25 year management plans, akin to those held by water utilities (Section 6.1, p.118).**
- 6. The need to ensure that the South-East CORE is adequately resourced and supported so as to facilitate the continued uptake of renewable (wind) energy within Kent (Section 4.2, p.72).**

Recommendation 7

That KCC, working in partnership with relevant organisations, builds on the work of the Select Committee in identifying key opportunities and risks to Kent's energy infrastructure, ensuring the evidence base underpinning our energy security is up-to-date and robust (Section 2.4, p.34).

Recommendation 8

That KCC leads by example through driving further energy saving and energy generation measures across its estate - in accordance with KCC's Carbon Management Plan - and in partnership with Kent social housing providers and districts (Section 4.1, p.65).

Recommendation 9

That KCC creates a communications strategy strengthening its engagement with businesses and local communities to help them understand the benefit of reducing energy use and generating their own energy (Section 4.2, p.74).

Recommendation 10

That KCC investigates the feasibility of creating investment measures to develop local, low-carbon energy generation and diversification projects (Section 5.2, p.99).

Recommendation 11

That KCC works with partners and local authorities to influence the design and planning process for developments from the start, so as to ensure that they are as energy efficient as possible (Section 5.3, p.104).

Recommendation 12

That KCC works with educational institutions within Kent to ensure that students and apprentices are given the necessary skillsets and expertise required for working across the energy sector (Section 5.4, p.109).

Recommendation 13

That KCC continues to strengthen its ability to work in partnership with local authorities, relevant agencies, businesses, community groups and the education and training sector to make sure that a comprehensive approach is taken in ensuring energy security for Kent (Section 6.1, p.114).

Recommendation 14

That LASER and Sustainable Business and Communities investigate the feasibility of KCC establishing itself as an energy supplier to the local community (Section 6.1, p.116).

Recommendation 15

That KCC works in partnership with UKPN and relevant energy generation companies within Kent to better understand the risks to Kent's energy systems and how these can be mitigated (Section 6.1, p.118).

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By: Chairman of the Member Remuneration Panel
To: County Council - 19 May 2016
Subject: MEMBERS' ALLOWANCES SCHEME – 2016/17
Status: Unrestricted

Summary: The report recommends a Members' Allowances Scheme for the period 1 June 2016 to 4 May 2017 for adoption by the County Council.

Introduction

1. Under the Local Authorities (Members' Allowances) (England) Regulations 2003, every relevant local authority is required to review its Members' Allowances Scheme at least once every four years and formally adopt a Members' Allowances Scheme each year. In doing so, local authorities are required to establish and maintain a Member Remuneration Panel, whose function is to provide the local authority with advice and recommendations on its Scheme.

2. Local authorities must include in their Members' Allowances Scheme a basic allowance, payable to all Members, and may include provision for the payment of Special Responsibility Allowances (SRAs) and a dependents' carers' allowance. In addition, the 2003 Regulations allow the inclusion of a travel and subsistence allowance and a co-optees' allowance, within the Scheme.

Members' Allowances Scheme - 1 June 2016 to 4 May 2017

3. Attached as an Appendix to this report is the Members' Allowances Scheme recommended by the Member Remuneration Panel for adoption by the County for the period 1 June 2016 to 4 May 2017.

4. Recommendation: The County Council are recommended to adopt the Members' Allowances Scheme for the period 1 June 2016 to 4 May 2017 as set out in the Appendix to this report.

Peter Sass
Head of Democratic Services
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Members' Allowances Scheme

For the period 1 June 2014 to 31 May 2015

Adopted by the Council on 15 May 2014

BASIC ALLOWANCE - £12,805 per annum (inclusive of an element for routine subsistence expenditure on KCC duties).

SPECIAL RESPONSIBILITY ALLOWANCES

	%	£
Executive		
Leader	100	42,109
Cabinet Members (maximum 9)	65	27,370
Deputy Cabinet Members (maximum 11)	30	12,632
Cabinet Committee Chairman (maximum 6)	17.5	7,367
Council		
Council Chairman	33	13,878
Council Vice-Chairman	17.5	7,367
Planning Applications Committee Chairman	22	9,268
Regulation Committee Chairman	22	9,268
Other Committee Chairmen (a)	17.5	7,367
Scrutiny Committee Chairman	17.5	7,367
Select Committee Chairmen (for period of review)	17.5	7,367
Opposition		
Leader of each Opposition Group (of at least five members)	15	6,316 plus £500 for each additional Group Member

Notes:

- (a) Other Committee Chairmen: Governance & Audit, Health Overview & Scrutiny and Superannuation Fund.
- (b) No Member to receive more than one Special Responsibility Allowance.
- (c) No other allowance to be payable.

TRAVEL EXPENSES

Travel by private vehicles will be reimbursed at the rates set for tax allowance purposes by the Inland Revenue for business travel. Currently, these are 45p per mile for the first 10,000 miles and 25p a mile thereafter.

Parking fees, public transport fares and any hotel expenses will be reimbursed at cost, but only on production of a valid ticket or receipt - the cheapest available fare for the time of travel should normally be purchased.

Taxi fares will only be reimbursed on production of a valid receipt and if use of public transport or the Member's own car is impracticable

Travel expenses will be reimbursed for any journey on council duties between premises as agreed for tax purposes (normally excluding journeys to constituents' homes).

VAT receipts for fuel must always be provided to accompany Members' expense claims and any instructions issued by the Director of Governance and Law in relation to the submission of expense claims complied with.

Air travel and rail travel other than to/from London or within Kent should be booked through officers to enable use of discounting arrangements.

Journeys undertaken in accordance with the following descriptions are allowed to be claimed for:

- (a) attendance at KCC premises to undertake KCC business, including attendance at Council, Cabinet and Committees, etc (including group meetings) and to undertake general Member responsibilities;
- (b) representing KCC at external meetings, including Parish and Town Councils and those of voluntary organisations where the member is there on behalf of KCC;
- (c) attendance at events organised by KCC and/or where invitations have been issued by County Officers or Members (including Chairman's events and other corporate events); and
- (d) attendance at meetings/events where the Member is an official KCC representative (as determined by the Selection and Member Services Committee) or requested by the Leader or the relevant Cabinet Member.

SUBSISTENCE EXPENSES

These are not normally reimbursed. Hotel accommodation should be booked through officers. Any other reasonably unavoidable costs related to overnight stays, excluding normal subsistence, will be reimbursed on production of a receipt.

DEPENDENTS' CARERS' ALLOWANCE

Members who incur expenses themselves in respect of care responsibilities for dependent children under 16 or dependent adults certified by a doctor or social worker as needing attendance will be reimbursed, on production of valid receipts, for actual payments to a carer while the Member is on Council duties, up to a maximum of £10 per hour for each dependent child or adult. Money paid to a member of the Members' household will not be reimbursed. In the case of an allowance for the care of a dependent relative, the relative must reside with the councillor, be dependent on the councillor and require constant care. Subject to the Childcare Voucher Scheme's standard terms and conditions*, any Member may, if they wish, sacrifice a portion of their Basic Allowance for Childcare Vouchers which are not subject to tax and national insurance deductions.

* For reference these terms and conditions include (but are not limited to):

- The childcare provider must be OFSTED registered.
- The children must be aged between 0 and 16.
- A sacrifice agreement would need to be signed.
- The amount that can be sacrificed varies depending on whether the applicant is a basic, higher or additional rate tax payer.

PENSIONS

Members are not eligible for admission to the superannuation scheme.

CO-OPTED MEMBERS

An allowance is payable to the Independent Person of £500 per annum plus a daily rate of £100 (pro rata for part of a day). An allowance is paid to the members of the Independent Remuneration Panel of £100 per day.

ELECTION TO FORGO ALLOWANCES

In accordance with Regulation 13 of the Local Authorities (Members' Allowances) (England) Regulations 2003, any Member may elect to forgo all or any part of their entitlement to allowances, by notice in writing to the Head of Democratic Services.

SUBMISSION OF CLAIMS

In accordance with Regulation 14 of the Local Authorities (Members' Allowances) (England) Regulations 2003, the time limit for the submission of claims relating to travel, subsistence, co-optees and dependent carers allowances is four months from the date the expense was incurred.

NO OTHER ALLOWANCES ARE PAYABLE

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By: John Simmonds, Deputy Leader and Cabinet Member for
Finance and Procurement
Andy Wood, Corporate Director of Finance & Procurement

To: County Council – 19 May 2016

Subject: Proposed changes to Financial Regulations

Classification: Unrestricted

Summary: This report asks Members to approve the updated Financial Regulations and the introduction of a Delegated Authority Matrix of Approval Limits, as an amendment to the Constitution.

1. Introduction

- 1.1 The Financial Regulations have been reviewed and updated. Whilst there has been no major re-write or change to the format of the regulations, amendments have been made to reflect changes in structures/working practices, to ensure our regulations reflect current best practice and strengthen areas where there were known gaps.
- 1.2. This review has been undertaken as part of a programme of work looking not only at the Financial Regulations but also a Delegated Authority Matrix of Approval Limits and Financial Procedures. The aim is to publish the whole suite of updated financial documentation on KNet with appropriate links between the documents as well as to other relevant procedures/publications, making it easily accessible to all staff.
- 1.3 The revised Financial Regulations and Delegated Authority Matrix of Approval Limits were agreed by the Governance & Audit Committee at their meeting on 27 April 2016 and now need to be approved by the County Council as an amendment to the Constitution.

2. Main Amendments

- 2.1 The process for conducting this review included:
 - Looking at the Constitution to ensure the regulations comply with the Constitution;
 - Addressing concerns/gaps raised by finance staff;
 - Ensuring other relevant procedures/publications are still relevant and available on KNet.
- 2.2 The main areas of change are:

- New regulation relating to the authorising technical changes to the budget approved at County Council;
- Accounts and Audit Requirements amended to reflect the 2015 regulations;
- Updating the regulation relating to external audit requirements to reflect the extended contract date;
- New regulation relating to card payment arrangements and ensuring compliance with the Payment Card Industry Data Security Standard;
- Expansion to the regulation relating to the type of debts that can be written off;
- New regulation relating to deviation from the financial limits set in the delegated authority matrix;
- Update to the delegated authority matrix setting out approval limits;

2.3 The revised Financial Regulations and Delegated Authority Matrix of Approval Limits are shown at Appendix 1 and 2 respectively.

3. **Recommendation**

Members are asked to:

3.1 Consider and approve the updated Financial Regulations and Delegated Authority Matrix of Approval Limits.

Contact details:

Emma Feakins
Chief Accountant
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03000 416082



KENT COUNTY COUNCIL

FINANCIAL REGULATIONS

Amended by the Council: 22 July 2010
23 May 2013
21 May 2015

June 2015

The Council's Financial Regulations set the control framework for five key areas of activity:

A. Financial Planning

Covers Performance Planning, Capital Strategy, Treasury Management Strategy, Pension Fund Investment and Administration Strategy, Revenue Strategy, Revenue Budgeting, Capital Programme and Budgeting, Reserves and Key Decisions.

Full Council is responsible for receiving the Medium Term Financial Plans and formally agreeing the annual budget, in line with statutory guidance.

The Corporate Directors are responsible for contributing to the development of these plans, while the Corporate Director of Finance and Procurement is responsible for preparing and presenting them to the Cabinet for consideration.

B. Financial Management

Covers Revenue budget monitoring and control, Virement, Treatment of year-end balances, Capital Budget Monitoring, Accounting Policies, Accounting records and returns, Annual Statement of Accounts, Contingent Liabilities, Financial implications of Reports.

The Corporate Director of Finance and Procurement is responsible for developing, maintaining and monitoring compliance with an effective corporate financial framework. This will encompass detailed financial regulations, professional standards, key controls and good financial information.

The Corporate Directors will operate within this framework, alerting the Corporate Director of Finance and Procurement to any risk of non-compliance.

C. Risk Management and Control of Resources

Covers Risk Management and insurance, Internal Control, Audit requirements, Preventing fraud and corruption, Assets, Treasury Management, Investments and Borrowing, Trust funds and funds held for third parties, Banking, Imprest Accounts, Staffing Costs.

Cabinet and the Governance and Audit Committee are jointly responsible for agreeing the Council's risk management strategy, policy and supporting guidance and for reviewing the effectiveness of risk management within the Council.

The Corporate Director of Finance and Procurement is responsible for monitoring systems for risk management and systems of internal control. This will be monitored through an effective internal audit function.

The Corporate Directors are responsible for establishing sound arrangements within these systems and notifying the Corporate Director ~~Business Strategy and Support~~ Strategic and Corporate Services of any suspected non-compliance.

D. Systems and Procedures

Covers general processes and procedures, Income, Ordering and Paying for Works, Goods and Services, Payments to employees and Members, Taxation, trading accounts/business units, Internal Recharges.

The Corporate Director of Finance and Procurement is responsible for the Council's accounting control systems, the financial accounts, supporting information and all financial processes or procedures.

The Corporate Directors are responsible for the proper operation of all systems, processes and procedures. All exceptions to the corporately agreed standards will be agreed with Corporate Director of Finance and Procurement..

E. External Arrangements

Covers Partnerships, External Funding, Work for third parties, Local Authority Companies.

The Corporate Director of Finance and Procurement is responsible for promoting the same high standards of conduct in the financial management of partnerships and companies as within the Council.

The Corporate Directors are responsible for ensuring that the Council's interests are protected in such arrangements and that appropriate advice is taken at all stages.

OVERALL FINANCIAL RESPONSIBILITIES

Introduction

- 2.1 Financial management covers all financial accountabilities in relation to the running of the Council including the policy framework and budget. It is not possible to draft regulations or rules that cover every eventuality or circumstance. Consequently, the principles of sound financial management, proper exercise of responsibility, and accountability, as set out in Financial Regulations, should be applied in all circumstances, even where any particular circumstance is not specifically referred to.
- 2.2 **The full Council** is responsible for:
- i. setting the policy framework;
 - ii. approving and monitoring compliance with the Council's overall framework of accountability and control as set out in the Constitution;
 - iii. directly and through the Scrutiny Committee, for monitoring compliance with agreed policy, including revenue and capital budgets;
 - iv. approving procedures for recording and reporting decisions taken. This includes key and other decisions taken or delegated by the Leader and those decisions taken by the Council and its Committees or delegated by them to officers. These delegations and details of who has responsibility for which decisions are set out in the Constitution;
 - v. agreeing the annual budget and Council Tax;
 - vi. determining and keeping under review how much money the Council can afford to borrow for capital expenditure;
 - vii. approving the annual treasury management strategy;
 - viii. setting and revising the prudential indicators for capital finance and borrowing;
 - ix. approving the policy on Minimum Revenue Provision (MRP) as set out in the annual MRP statement;
 - x. setting the limits for virement or other budget changes through the Financial Regulations and decision making procedure rules;
 - xi. setting the limits defining key financial decisions;
 - xii. determining any expenditure proposed by the Leader or the Cabinet that is outside the limits referred to in v above;
 - xiii. Approving the Contracts and Tenders Standing Orders.
- 2.3 **The Leader** is responsible for:
- i. proposing the Medium Term Financial Plan, Budget, Council Tax and prudential indicators to the Council;
 - ii. approving revenue, capital strategies;
 - iii. determining which executive functions are exercised by him/herself, the Cabinet collectively, other individual members of the Cabinet or officers;
 - iv. ensuring that all executive decisions are taken in accordance with the Council's agreed principles of decision making including due consultation and the taking of professional advice from officers.
- 2.4 **Individual Cabinet Members** are responsible, within their allocated responsibility area and approved budget for:
- i. taking decisions in accordance with the framework of responsibilities delegated to them from the Leader;
 - ii. consulting with the Leader in relation to any proposed decisions as the Leader may direct;

- iii. complying with Financial Regulations in force as agreed by or on behalf of the County Council;
- iv. taking decisions which are otherwise delegated to officers but which are:
 - (a) not in accord with the Policy Framework or budget agreed by the Council or management and business plans within their portfolio;
 - (b) withdrawn from the delegation to Corporate Directors;
- v. taking account of legal and financial liabilities when taking decisions including due consultation with and the taking of advice from officers;
- vi. processing decisions in accordance with the decision making and reporting framework set out in the Constitution.

2.5 **The Scrutiny Committee Suite** is responsible for reviewing or scrutinising decisions made, or other action taken, in connection with the discharge of any executive or non-executive functions as defined in the Terms of Reference in Appendix 2 Part 2 of the Constitution. It is also responsible for co-ordinating the Council's Select Committee programme.

2.6 **The Governance and Audit Committee** is responsible for ensuring that:

- i. Risk Management and Internal Control systems are in place that are adequate for purpose and effectively and efficiently operated.
- ii. the Council's Corporate Governance framework meets recommended practice, is embedded across the whole Council and is operating throughout the year with no significant lapses.
- iii. the Council's Internal Audit function is independent of the activities it audits, is effective, has sufficient experience and expertise and the scope of work to be carried out is appropriate.
- iv. The appointment and remuneration of External Auditors is approved in accordance with relevant legislation and guidance, and the function is independent and objective.
- v. The External Audit process is effective, taking into account relevant professional and regulatory requirements, and is undertaken in liaison with Internal Audit.
- vi. The Council's financial statements (including the Pension Fund Accounts) comply with relevant legislation and guidance and the associated financial reporting processes are effective.
- vii. Any public statements in relation to the Council's financial performance are accurate and the financial judgements contained within those statements are sound.
- viii. Accounting policies are appropriately applied across the Council.
- ix. The Council has a robust counter-fraud culture backed by well designed and implemented controls and procedures which define the roles of management and Internal Audit.
- x. The Council monitors the implementation of the Bribery Act policy to ensure that it is followed at all times.

2.7 **The Director of Governance and Law, as the Monitoring Officer**, is responsible for:

- i. after consulting with the Head of Paid Service and the Corporate Director of Finance and Procurement, reporting to the full Council (or to the Leader or Cabinet in relation to an executive function) if he/she considers that any proposal, decision or omission would give, is likely to give, or has given, rise to a contravention of any enactment or rule of law, or any maladministration or

- injustice. Such a report has the effect of stopping the proposal or decision being implemented until the report has been considered;
- ii. ensuring that records of executive decisions, including the reasons for those decisions and relevant officer reports and background papers, are made publicly available;
 - iii. advising whether decisions of the executive are in accordance with the Budget and Policy Framework. Actions that may be 'contrary to the Budget' include:
 - initiating a new policy for which no budget exists;
 - committing expenditure in future years above the approved budgeted level;
 - Effecting intra- and inter-portfolio transfers above virement limits;
 - causing the total expenditure financed from council tax, grants and corporately held reserves to increase beyond that provided for in the approved budget;
 - iv. providing advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and Budget and Policy Framework issues to all Members.

2.8 The Head of Paid Service is responsible for:

- i. overall corporate management and operational responsibility (including overall management responsibility for all staff);
- ii. the provision of professional advice to all parties in the decision making process (the executive, scrutiny, full council and other committees);
- iii. together with the Monitoring Officer, a system of record keeping for all the local authority's decisions (executive or otherwise);
- iv. reporting to the Council on the manner in which the discharge by the authority of its functions is co-ordinated;
- v. arrangements for internal control and the inclusion of the Annual Governance Statement in the annual accounts.

2.9 The Corporate Director of Finance and Procurement, as the Chief Financial Officer, has statutory duties in relation to the financial administration and stewardship of the authority. These statutory responsibilities cannot be overridden. The statutory duties arise from:

- i. Section 151 of the Local Government Act 1972
- ii. Local Government Finance Act 1988
- iii. The Local Government and Housing Act 1989
- iv. The Local Government Acts 2000 and 2003
- v. The Accounts and Audit Regulations ~~2011~~2015
- ~~vi. The Local Government Pension Scheme (Administration) Regulations 2008~~
- ~~vii-vi.~~ vii. The Local Government Pension Scheme Regulations (Management and Investment of Funds) 2009
- ~~viii.vii.~~ viii. The Local Government Pension Scheme Regulations 2013
- ~~ix.viii.~~ viii. The Local Authorities Goods and Services Acts 1970 and 1988.

2.10 The Corporate Director of Finance and Procurement is responsible for:

- i. after consulting with the Head of Paid Service and the Monitoring Officer, reporting to the full Council (or to the Leader or Cabinet in relation to an Executive function) and the Council's external auditor if he/she considers that any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause a loss or deficiency, or if the Council is about to enter an item of account unlawfully;

- ii. the proper administration of the financial affairs of the Council;
- iii. maintaining an adequate and effective system of internal audit;
- iv. contributing to the corporate management of the Council, in particular through the provision of professional financial advice;
- v. providing advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and Budget and Policy Framework issues to all Members and supporting and advising Members and officers in their respective roles;
- vi. providing financial information about the Council to Members, the media, members of the public and the community.

2.11 And in particular is responsible for:

- i. setting financial management standards, including financial procedures, and monitoring their compliance;
- ii. advising on the corporate financial position and on the key financial controls necessary to secure sound financial and risk management;
- iii. providing financial information to support the proper financial planning of the authority, to inform policy development, and to assist Members and officers in undertaking their financial responsibilities;
- iv. preparing the revenue budget, and reporting to the Council, when considering the budget and Council Tax, on the robustness of the estimates and the adequacy of reserves;
- v. monitoring income and expenditure against the budget and taking action if overspends of expenditure or shortfalls in income emerge;
- vi. preparing the capital programme and ensuring effective forward planning and sound financial management in its compilation;
- vii. producing prudential indicators, reporting them to the Leader and the Council for consideration and establishing procedures to monitor and report on performance in relation to these indicators;
- viii. treasury management, the management of the Council's banking arrangements and monitoring the Council's cashflow;
- ix. issuing advice and guidance to underpin the Financial Regulations that Members, officers and others acting on behalf of the Council are required to follow;
- x. ensuring that effective arrangements are in place for payments of creditors, income collection, administration of pensions, risk management and insurances and the production of financial management information;
- xi. ensuring that any partnership arrangements (or other innovative structures for service delivery) are underpinned by clear and well documented internal financial controls;
- xii. advising on anti-fraud and anti-corruption strategies and measures;
- xiii. contributing to cross-authority issues and to the development of the Council;
- xiv. ensuring that statutory and other accounts and associated claims and returns in respect of grants are prepared;
- xv. ensuring that due consideration is given to the Council's wellbeing, correct financial management and security of the Council's assets when establishing a company or partnership arrangement; **LINK**
- xvi. ensuring that the MRP calculation is prudent;
- xvii. taking ownership of the Council's corporate financial system;
- xviii. supporting the Superannuation Fund Committee in relation to the control and investment of the Kent Pension Fund. **LINK**

2.12 The, Corporate Director of Finance and Procurement in accordance with Section 114 of the 1988 Act will nominate a properly qualified member of staff to deputise for him / her as Chief Financial Officer should he/she be unable to personally perform the duties under Section 114.

2.13 **The Corporate Directors** are responsible for:

- i. ensuring that the Leader or relevant Cabinet Member is advised of the financial implications ~~and other significant risks~~ of all proposals for the changes in services or the development of new services and that the financial implications have been agreed by the Corporate Director of Finance and Procurement;
- ii. the signing of contracts on behalf of the Council provided that the expenditure to be incurred has the necessary budgetary approval. Further guidance regarding persons authorised to sign contracts on behalf of the Council can be found in the relevant directorate's Scheme of Financial Delegation;
- iii. promoting the financial management standards set by the Corporate Director of Finance and Procurement in their Directorates and to monitor adherence to standards and practices, liaising as necessary with the Corporate Director of Finance and Procurement;
- iv. promoting sound financial practices in relation to standards, performance and development of staff in their Directorates;
- v. consulting with the Corporate Director of Finance and Procurement and seeking his/her approval regarding any matters which are liable to affect the Council's finances materially, before any commitments are incurred;
- vi. ensuring that all staff in their Directorates are aware of the existence and content of the Council's Financial Regulations and any related procedures and other internal regulatory documents appertaining to or amplifying them and that they comply with them. They must also ensure that all of these documents are readily available for reference within their Directorates;
- vii. managing service delivery within the agreed revenue and capital budgets and other relevant strategies and plans;
- viii. developing performance, corporate and service targets and contributing to the Medium Term Financial Plan;
- ix. ensuring that budget estimates reflecting agreed service plans are prepared, and that these are prepared in line with issued guidance;
- x. ensuring that financial management arrangements and practice are agreed with the Corporate Director of Finance and Procurement, are legal and consistent with best practice and Council policy;
- xi. consulting with the Corporate Director of Finance and Procurement on the financial implications of matters relating to policy development;
- xii. putting in place a scheme of financial delegation setting out arrangements for the discharge of the Head of Paid Services and Corporate Directors responsibilities contained within Financial Regulations;
- xiii. arrangements for internal control and for inclusion in the annual accounts of the statement of internal control;
- xiv. ensuring that the Bribery Act Policy is implemented, promoted and complied with.

Personal Responsibilities

- 2.14 Any person concerned with the use or care of the County Council's resources or assets should ensure they are fully conversant with the requirements of these Financial Regulations. All staff should notify their line manager immediately of any suspected fraud, theft, irregularity or improper use of or misappropriation of the authority's property or resources. Concerns may also be raised via the Whistleblowing Procedure. **LINK**
- 2.15 The Financial Regulations are a KCC policy and failure or refusal to follow the regulations along with the procedures/protocols identified in this document can be seen as misconduct as set out in the Blue Book.

FINANCIAL REGULATION A – FINANCIAL PLANNING

Introduction

- A.1 The full Council is responsible for agreeing the Budget, which will be proposed by the Leader. In terms of financial planning, the key elements are:
- i. the Medium Term Financial Plan
 - ii. A commissioning framework for Kent County Council: Delivering better outcomes for Kent residents through improved commissioning
 - iii. Supporting Independence & Opportunity: Corporate Outcomes Framework 2015-2019
 - iv. Public Service Agreement
 - v. Annual Performance Plans
 - vi. the Revenue Strategy and Budget
 - vii. the Capital Strategy and Programme
 - viii. the Treasury Management Strategy
 - ix. the Risk Management Strategy

Medium term budget and financial strategy

- A.2 The Corporate Directors are responsible for ensuring that Revenue, Capital and Treasury strategies on a three year basis are prepared for consideration by the Cabinet and for ensuring that such strategies are consistent with other plans and strategies.
- A.3 The Leader will publish to all Council Members each year a review of the issues relating to the Medium Term Financial Plan.

Performance Planning

- A.4 The Corporate Director of Finance and Procurement is responsible for:
- i. advising and assisting Directorates in producing the financial information that needs to be included in performance plans in accordance with statutory requirements and agreed timetables;
 - ii. the production of corporate guidance on the development of unit cost indicators and cost effectiveness measures;
 - iii. contributing, in collaboration with the Corporate Directors, to the development of corporate and service targets and objectives and performance information;
 - iv. assisting in building priorities identified within performance plans into corporate and Directorate budgets to enable delivery.
- A.5 The Corporate Directors are responsible for:
- i. contributing to the development of performance plans in line with the Council's requirements;
 - ii. contributing to the development of corporate and service targets and objectives and performance information;
 - iii. ensuring that Directorate service plans are clearly aligned with budgets, to enable the delivery of service priorities;
 - iv. ensuring that targets identified within performance plans are built into local work programmes and targets for management and service delivery staff.

The Kent Pension Fund

- A.6 The Corporate Director of Finance and Procurement is responsible, in accordance with the Local Government Pension Scheme regulations, for ensuring the proper administration of the financial affairs of the Fund and:
- i. having taken appropriate professional advice, for preparing and submitting to the Superannuation Fund Committee., regular reviews of investment strategy, monitoring of investment managers, arrangements for admitted employers and reporting on the pensions administration service;
 - ii. the preparation and publication of the Pension Fund's annual report and accounts.

Revenue budgeting

Budget format

- A.7 The general format of the Budget will be proposed to the Leader by Corporate Director of Finance and Procurement. The draft Budget should include allocations to different services and projects, proposed sources of funding, proposed taxation levels and contingency funds.
- A.8 Guidelines on budget preparation are issued to Cabinet Members, Corporate Directors by the Leader on the recommendation of the Corporate Director of Finance and Procurement. The guidelines will take account of:
- i. legal requirements
 - ii. the Medium Term Financial Plan
 - iii. A commissioning framework for Kent County Council: Delivering better outcomes for Kent residents through improved commissioning
 - iv. Supporting Independence & Opportunity: Corporate Outcomes Framework 2015-2019
 - v. Public Service Agreement
 - vi. available resources
 - vii. spending pressures
 - viii. relevant Government guidelines
 - ix. other internal policy documents
 - x. cross cutting issues (where relevant).

Budget preparation

- A.9 The Leader is responsible for developing and proposing to the County Council the general content of the revenue budget in consultation with the Corporate Director of Finance and Procurement.
- A.10 Budgets will be presented in both a Service Analysis and Directorate format. The Directorate format will align with the structure of the Council.
- A.11 The Head of Paid Services and the Corporate Director of Finance and Procurement are responsible for ensuring that a revenue budget is prepared on an annual basis for consideration by the Leader and Cabinet before submission to the Full Council, in accordance with the Budget Procedure Rules, as set out in the Constitution.

- A.12 The Corporate Director of Finance and Procurement is responsible for:
- i. ensuring that a process is in place to identify potential pressures on the budget;
 - ii. reporting to the Full Council, when the Budget and Council Tax is considered, on the robustness of the estimates and the adequacy of reserves provided for.

A.13 The Corporate Director of Finance and Procurement is authorised to make any technical changes to the version of the budget approved by County Council e.g. to include the impact of late grant announcements, in consultation with the Leader and Cabinet Members providing these changes have no impact on the net budget requirement or council tax and do not materially alter the budget approved by County Council. The Corporate Director of Finance and Procurement will notify all members of any such changes included in the final published budget book.

- A.1314 The Corporate Directors are responsible for ensuring that budget estimates reflect agreed service plans, are submitted to the relevant Cabinet Member and the Leader and that these estimates are realistic and prepared in line with guidance issued by the Leader.

Resource allocation

- A.4415 The Leader in consultation with the Corporate Director of Finance and Procurement is responsible for developing and maintaining a resource allocation process that ensures due consideration of the Council's Policy Framework.

Budget Amendment

- A.4516 Approved revenue budgets may be amended during a financial year in accordance with the virement regulations in B6-B9.

- A.4617 The Corporate Directors may make changes to revenue budgets resulting from additional grant or other external income receivable during a financial year. Such changes must be notified to the Corporate Director of Finance and Procurement.

- A.4718 The Corporate Directors may make technical adjustments to revenue budgets during a financial year resulting from changes to grant rules or realignment of resources to approved business plans. Such changes must be notified to the Corporate Director of Finance and Procurement.

Capital Programme and capital budgeting

- A.4819 The Leader is responsible for developing and proposing the capital programme to the County Council in consultation with the Corporate Director of Finance and Procurement.

- A.4920 The Head of Paid Service and Corporate Director of Finance and Procurement are responsible for ensuring that a medium term capital programme and financing plan is prepared on an annual basis for consideration by the Leader before submission to the Full Council in accordance with the budget procedure rules as set out in the Constitution.

- A.2021 The Corporate Director of Finance and Procurement is responsible for advising on prudential indicators required to be set in accordance with the CIPFA Prudential

Code for Capital Finance in Local Authorities and for ensuring that all matters required to be taken into account in setting prudential indicators are reported to the Leader and the Council.

- | A.2122 The Corporate Director of Finance and Procurement is responsible for:
 - i. setting up procedures under which capital expenditure proposals are evaluated and appraised to ensure that value for money is being achieved, are consistent with service and asset management objectives and are achievable;
 - ii. setting up procedures for corporate monitoring of external sources of capital funding;
 - iii. ensuring that expenditure treated as capital expenditure by the County Council is in accordance with best accounting practice.

- | A.2223 The Corporate Directors are responsible for:
 - i. ensuring that capital proposals reflect agreed service plans, are prepared in line with guidance issued, are realistic, that necessary business case development and option appraisals have been carried out and any risks identified. Any impact of capital expenditure proposals on service running costs must be identified and included in revenue budget estimates or forecasts;
 - ii. consulting with the Corporate Director of Finance and Procurement the relevant Cabinet Member and the Deputy Leader and Cabinet Member for Finance and Procurement where it is proposed to bid for funding from external sources to support capital expenditure;
 - | iii. ensuring that the Capital Process and Procedures are followed. **LINK** This includes ensuring that projects only proceed when they have received the necessary Project Advisory Group (PAG) approval and confirmation that any external funding is secured. For schemes and headings where the total cost is estimated to be £1m or more, or the scheme is reliant on ~~level of~~ borrowing or capital receipt funding this consent must be obtained from the Leader following procedures issued by the Corporate Director of Finance and Procurement. The Leader may take the decision himself/herself or specifically delegate the decision to Cabinet or the relevant Cabinet Member. For schemes where the total cost is estimated to be less than £1m, and require no capital receipt or borrowing, consent must be obtained from the relevant Cabinet Member.
 - | iv. ensuring that any new capital expenditure proposals which would require an increment to the total three year capital programme in order to proceed, regardless of funding, are agreed with the Corporate Director of Finance and Procurement and are submitted to the Leader for consideration via the PAG process;
 - | iv. ensuring that, in addition to the PAG process, appropriate approval is sought where relevant from the Leader, the Cabinet or an authorised Cabinet Member in accordance with the Constitution.

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By way of clarification, PAG is an advisory group that oversees the capital programme and keeps track of current spending and cash flows. PAG does not replace the process for obtaining formal authority for a project and this is still needed.

*Before a project can proceed, formal authority needs to have been obtained either through an explicitly approved budget in the Budget Book or business plan or through an explicit approval obtained by following the decision making procedures set out in the Council's Constitution and the Code of Practice for Contracts and Tenders (as detailed in Spending the Council's Money). **LINK** This applies even if PAG has already approved the proposed spending on the project.*

- vi. carrying out post completion evaluation of projects as required, in order to review performance in implementation of the project against budget and project plans and to evaluate performance of the project in the delivery of expected outcomes.

Maintenance of reserves & provisions

- | **A.2324** The Corporate Director of Finance and Procurement is responsible for:
 - i. advising the Leader and the Council on prudent levels of reserves for the Authority when the annual budget is being considered having regard to assessment of the financial risks facing the Authority;
 - ii. ensuring that reserves are not only adequate but also necessary;
 - iii. ensuring that there are clear protocols for the establishment and use of each earmarked reserve. Reserves should not be held without a clear purpose or without a planned profile of spend and contributions, procedures for the reserves managements and control, and a process and timescale for review of the reserve to ensure continuing relevance and adequacy;
 - iv. ensuring that all renewals reserves are supported by a plan of budgeted contributions, based on an asset renewal plan that links to the fixed asset register;
 - v. ensuring that no money is transferred into reserves after 31st December each financial year without prior agreement.

- | **A.2424** The Corporate Director of Finance and Procurement is responsible for ensuring that provisions are set up for any liabilities of uncertain timing or amount that have been incurred and are required to be recognised when:
 - i. the Council has a present obligation (legal or constructive) as a result of a past event
 - ii. it is probable that a transfer of economic benefits will be required to settle the obligation, and
 - iii. a reliable estimate can be made of the amount of the obligation.
 - iv. If the Council does not yet have an obligation / or expects to have a future obligation as a result of something that has not yet happened, then either a reserve should be set up and the regulations in A.23 above apply or a contingent liability should be set up and the regulations in A.25 below apply.

- | **A.2526** The Corporate Director of Finance and Procurement is responsible for ensuring that contingent liabilities are noted in the accounts for probable liabilities where a reliable estimate cannot be made and are recognised when:
 - i. the Council has a present obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or

- ii. the Council has a present obligation that arises from past events but is not recognised because:
 - a. it is not probable that a transfer of economic benefits will be required to settle the obligation, or
 - b. the amount of obligation cannot be measured with sufficient reliability.
- iii. If it becomes probable that a transfer of economic benefits will be required to settle the obligation then the regulations set out in A.24 will apply.

Key decisions

- | A.2627 Cabinet Members are responsible, within their allocated responsibility area and approved budget, for taking decisions as agreed by the Leader of the County Council.
- | A.2728 All decisions must be processed in accordance with the decision making and reporting framework set out in the Constitution and in taking decisions Cabinet Members must comply with the County Council's Financial Regulations.

FINANCIAL REGULATION B - FINANCIAL MANAGEMENT

Introduction

- B.1 The Corporate Director of Finance and Procurement is responsible for:
- i. ensuring that a prudential financial framework is in place and effective systems of financial administration are operating within the Council;
 - ii. maintaining and updating financial regulations and the management of a process for monitoring compliance with them;
 - iii. ensuring proper professional practices are adhered to and acting as head of profession in relation to the standards, performance and development of finance staff throughout the Council;
 - iv. advising on the key strategic controls necessary to secure sound financial management;
 - v. ensuring that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators;
 - vi. ensuring that Internal Audit carry out the necessary probity and system checks required to verify that proper Financial Management Standards are maintained.

Revenue Budget Monitoring and Control

- B.2 The Corporate Director of Finance and Procurement is responsible for:
- i. providing appropriate financial information to enable budgets to be monitored effectively;
 - ii. monitoring and controlling overall expenditure against budget allocations and publishing a report to the Cabinet on the overall position on a regular basis, drawing attention to overspends, shortfalls in income and underspends including reference to proposed action to deal with any problems.
- B.3 It is the responsibility of the Corporate Directors to:
- i. control income and expenditure within their area and to monitor performance, taking account of financial information and activity data relating to the services they provide;
 - ii. have a robust system in place for monitoring activity levels which drive major budget headings (over £10m);
 - iii. report to the Corporate Director of Finance and Procurement and to the relevant Cabinet Member on variances within their own areas;
 - iv. ensure that spending remains within the service's overall cash limit, by monitoring the budget headings and taking appropriate corrective action where variations from the approved budget are forecast, alerting the Corporate Director of Finance and Procurement and Cabinet Member to any problems;
 - v. ensure that an accountable budget manager is identified for each item of income and expenditure under the control of the Corporate Director. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure;
 - vi. ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and is operating effectively;
 - vii. ensure prior approval by the Leader and the relevant Cabinet Member and notification to the Scrutiny Committee of new proposals, which fulfil one or more of the following criteria:

- a. create financial commitments in future years in excess of existing budgets
 - b. change existing policies, initiate new policies or cease existing policies
 - c. materially extend or reduce the Council's services
 - d. exceed the limit defined by the Council as a key financial decision
 - e. exceed any limit set by the Leader as requiring reference to him or a Cabinet Member
 - f. any such proposals under this regulation shall not have approval to proceed until necessary financial provision is available within approved budgets
- viii. ensure compliance with the scheme of virement as set out in paragraph B6 below.

Financial Implications of Reports

- B.4 The Corporate Director of Finance and Procurement is responsible for:
- i. monitoring the quality of the financial implications information included in reports by the Corporate Directors;
 - ii. providing financial implications where there are corporate implications and especially when corporate resources (revenue or capital) are required.
- B.5 The Corporate Directors are responsible for:
- i. ensuring that financial implications in either the current or future years are identified within Directorates for all relevant reports and that such financial implications are agreed by or on behalf of the nominated responsible professional finance officer (Section 151 Officer or Finance Business Partner)
 - ii. where reports impact on other Directorates or have implications for corporate resources, ensuring that the report includes the impacts or implications for all Directorates affected and that a copy of the report is submitted to the Corporate Director of Finance and Procurement or nominated representative for clearance;
 - iii. ensuring in all relevant circumstances, that financial implications referred to in reports are reflected in current budgetary provisions or the medium term financial plan.

Virement

- B.6 Transfers between revenue budget headings can take place as follows provided that they do not involve new policy or policy change and do not involve an increasing commitment in future years that cannot be contained within existing approved budget allocations. If these transfers do not change the purpose for which the funding was approved then these will be considered technical adjustments and not virements. If a change to the purpose of the funding is required so that funding will be used for a purpose different to that for which it was approved, then a virement is required. Once again this must not involve an increasing commitment in future years that cannot be contained within existing approved budgets. Virements must be approved as follows:

a. Virement within a Portfolio:

Less than £200,000	the Head of Paid Service or relevant Corporate Director in agreement with the appropriate Cabinet Member and the Corporate Director of Finance and Procurement.
From £200,000 up to (but not including) £1m	the relevant Cabinet Member in agreement with the Deputy Leader and Cabinet Member for Finance and Procurement, Corporate Director and Corporate Director of Finance and Procurement.
£1m and above	The Leader or Cabinet

b. Virement between portfolios:

Less than £200,000	the Head of Paid Service or relevant Corporate Directors in agreement with the appropriate Cabinet Members and the Corporate Director of Finance and Procurement.
From £200,000 up to (but not including) £1m	the relevant Cabinet Members in agreement with the Deputy Leader and Cabinet Member for Finance and Procurement, relevant Corporate Directors and Corporate Director of Finance and Procurement.
£1m and above	The Leader or Cabinet

B.7 Transfers involving a new policy or a change in an existing policy require prior approval by the Leader and Cabinet Member and notification to the Scrutiny Committee in accordance with regulation B3(vi) above.

B.8 For the purpose of the amounts referred to in regulation B6, where transfers are a single transaction they must be effected as such and must not be effected as two or more smaller transactions.

B.9 Virement limits are cumulative, therefore when transferring budget from a heading, all previous virements from this heading must be taken into account when deciding the level of approval required, ensuring the highest level of approval has been/ will be sought.

B.10 Where an approved budget is a lump sum budget or a contingency intended for allocation during the year, its allocation will not be treated as virement, provided that the amount has been used in accordance with the purposes for which it was established and the Corporate Director of Finance and Procurement has agreed the basis and the terms, including financial limits, on which it will be allocated.

B.11 The Corporate Director of Finance and Procurement is responsible for monitoring and recording virements agreed and reporting to the Cabinet on the impact on revenue budgets.

Treatment of year-end balances

B.12 Cabinet is responsible for agreeing the detail of any annual roll forward of under and overspending on budgets.

Capital Budget Monitoring

B.13 The Corporate Director of Finance and Procurement is responsible for preparing and submitting reports on the Council's projected capital expenditure and resources compared with the budget on a regular basis.

B.14 The Corporate Director of Finance and Procurement is responsible for establishing procedures to monitor and report on performance compared to the prudential indicators set by the Council.

B.15 The Corporate Directors are responsible for:

- i. preparing regular reports reviewing the capital programme provisions for their services;
- ii. preparing regular returns of estimated final costs of schemes in the approved capital programme for submission to the Corporate Director of Finance and Procurement for inclusion in the report to Cabinet on the overall Capital programme position;
- iii. reporting to the Corporate Director of Finance and Procurement circumstances when it is considered that additional County Council capital resources will be required to implement a project that has previously been given approval to spend, where such additional resources cannot be identified from within the Portfolio programme concerned;
- iv. reporting to the Corporate Director of Finance and Procurement on any proposed variations to the Capital Programme during a financial year;
- v. reporting to the Corporate Director of Finance and Procurement on any proposed additions to the Capital Programme resulting from the receipt of additional grant or other external funding. If this relates to an entirely new scheme then it must be considered by PAG and approved by the relevant Cabinet Member.
- vi. Reporting the completion dates on major projects, over £1m.

B.16 Resources may be vired from one capital project or heading as follows provided that such transfers do not result in an overall increased commitment of capital resources and do not involve new policy or policy changes:-

Less than £50,000	the Head of Paid Service or relevant Corporate Director(s)
From £50,000 up to (but not including) £200,000	the relevant Corporate Director(s) in agreement with the relevant Cabinet Member(s) and the Corporate Director of Finance and Procurement
£200,000 up to (but not including) £1m	the relevant Cabinet Member(s) in agreement with the Deputy Leader and Cabinet Member for Finance and Procurement, Corporate Director(s) and Corporate Director of Finance and Procurement
£1m and above	the Leader or Cabinet

Virement limits are cumulative, please refer to B9 for explanation

For the purpose of the amounts above, where transfers are a single transaction they must be effected as such and not effected as two or more smaller transactions.

Accounting policies

B.17 The Corporate Director of Finance and Procurement is responsible for selecting and notifying to the Corporate Directors accounting policies which comply with the current Accounting Code(s) of Practice, ensuring that such policies are applied consistently, and for ensuring that effective systems of internal control are in place that ensure that financial transactions are lawful.

B.18 The Corporate Directors are responsible for adhering to the accounting policies notified by the Corporate Director of Finance and Procurement.

Accounting records and returns

B.19 The Corporate Director of Finance and Procurement is responsible for:

- i. determining the accounting records for the Authority including the Kent Pension Fund, its form of accounts and supporting accounting records;
- ii. ensuring that accounting records are maintained in accordance with proper practices and legislative requirements;
- iii. establishing arrangements for the compilation of all accounts and accounting records whether within the Finance Group or within other Directorates.

B.20 The Corporate Directors are responsible for:

- i. consulting with the Corporate Director of Finance and Procurement on the accounting procedures and records to be utilised within their Directorate;
- ii. ensuring the proper retention of accounting records in accordance with the requirements established by the Corporate Director of Finance and Procurement, including the retention of prime financial documents i.e. invoices, delivery notes and purchase orders for the year they relate to plus a further 6 years. Invoices paid for by EU Grants must be identified and kept for 12 years; **LINK**
- iii. ensuring that all claims for funds including grants are made by the due date, are recorded in the central register, and in line with the 'corporate grant procedure'; **LINK**
- iv. maintaining adequate records to provide a management trail leading from the source of income/expenditure through to the accounting statements;
- v. providing information required for, or to ensure completion of, all statutory and other financial returns by the due dates;
- vi. complying with any compliance testing which the Corporate Director of Finance and Procurement requires in relation to the Directorate accounts;
- vii. operating control accounts as agreed by the Corporate Director of Finance and Procurement, ensuring that these are regularly reconciled, and cleared as part of the regular monitoring procedures.

The annual statement of accounts

B.21 The Governance and Audit Committee is responsible for approving the annual statement of accounts of the Authority and the Pension Fund on behalf of the Council.

B.22 The Corporate Director of Finance and Procurement is responsible for:

- i. ensuring that the annual statement of accounts is prepared by the required statutory date in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: Based on International Financial Reporting Standards for the relevant year and that the accounts present a true and fair view of the financial position of the Council and its expenditure and income;
- ii. liaising with External Audit on the completion of the Statement of Accounts and the arrangements for the audit of these;
- iii. ensuring that adequate documentation is available to support the Statement of Accounts. This will include copies of grant claims, reconciliations with financial ledgers and other records, and other working papers to demonstrate the derivation of data used;
- iv. the preparation of the Pension Fund's Statement of Accounts in accordance with practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom.

B.23 The Corporate Directors are responsible for:

- i. complying with accounting guidance agreed with the Corporate Director of Finance and Procurement;
- ii. supplying the Corporate Director of Finance and Procurement with information required to complete the Statement of Accounts;
- iii. producing the documentation required to support the Statement of Accounts;
- iv. ensuring that the Closedown Pack – Guidance for Managers is completed in accordance with the annual timetable agreed with the Corporate Director of Finance and Procurement.

Contingent Liabilities

B.24 The Corporate Director of Finance and Procurement is responsible for:

- i. reviewing at least annually in consultation with Corporate Directors the existing contingent liabilities for inclusion as a note in the statement of accounts, to ensure they are still contingent and to ensure that adequate reserves exist to cover the potential liability if necessary;
- ii. taking steps wherever possible, in consultation with the Corporate Directors, to minimise the risk of contingent liabilities.

B.25 The Corporate Directors are responsible for:

- i. setting up procedures and processes to minimise the risk of creating contingent liabilities;
- ii. reviewing at least annually their service areas for contingent liabilities;
- iii. informing the Corporate Director of Finance and Procurement of any new contingent liabilities and of any changes in the circumstances of existing contingent liabilities.

FINANCIAL REGULATION C – RISK MANAGEMENT AND CONTROL OF RESOURCES

Introduction

C.1 It is essential that robust systems are developed and maintained for identifying and evaluating all significant strategic, operational and financial risks to the Authority on an integrated basis. This should include the proactive participation of all those associated with planning and delivering services.

Risk management and insurance

C.2 The Cabinet and the Governance and Audit Committee are jointly responsible for approving the Council's Risk Management Strategy, Policy and guidance and for reviewing the effectiveness of risk management.

C.3 The Corporate Director Strategic and Corporate Services is responsible for preparing the Authority's Risk Management Strategy and Policy and for promoting it throughout the Council. The Corporate Director of Finance and Procurement is responsible for:

- i. advising the Leader, Deputy Leader and Cabinet Member for Finance and Procurement and Cabinet on proper insurance cover where appropriate;
- ii. effecting, in consultation with the Deputy Leader and Cabinet Member for Finance and Procurement, corporate insurance cover, through external insurance and internal funding;
- iii. establishing arrangements for the handling of all insurance claims, in consultation with other officers where necessary;
- iv. undertaking a review of requirements to support the annual renewal of insurance contracts;
- v. ensuring that internal insurance provisions are adequate to meet anticipated claims.

C.4 The Corporate Directors are responsible for:

- i. the identification and management of risk within their Directorate and for having in place monitoring processes for reviewing regularly the effectiveness of risk management arrangements.
- ii. complying with procedures agreed regarding the instigation, renewal, maintenance and amendment of the Council's insurance arrangements.

Internal control

C.5 The Corporate Director of Finance and Procurement is responsible for:

- i. monitoring the systems for risk management and systems of internal control. This will be monitored through an effective internal audit function.
- ii. reviewing systems of internal control at least annually and providing an opinion on internal control within the Council in order to advise the Head of Paid Service on an Annual Governance Statement to be included in the Statement of Accounts.

C.6 The Corporate Directors are responsible for:

- i. establishing sound arrangements for planning, appraising, authorising, monitoring and controlling their operations in order to achieve continuous

- improvement, economy, efficiency and effectiveness and for achieving their financial performance targets;
- ii. promoting compliance with Council Policy, Standing Orders, Financial Regulations, Codes of Conduct and any statutory requirements;
- iii. promoting an overall effective internal control system. Managerial Control Systems, including appropriate organisation structures, personnel arrangements and supervision, as well as Financial and Operational Control Systems and procedures, including physical safeguards of assets, segregation of duties, authorisation and approval procedures and information systems, should be documented and regularly reviewed;
- iv. providing assurances for the annual governance statement, that financial and operational control processes are in place to enable Directorates to achieve their objectives and manage significant risks.

Audit requirements

- C.7 The Accounts and Audit Regulations ~~2011–2015~~ require every local authority to maintain an adequate and effective internal audit of its accounting records and its system of internal control.
- C.8 The Local Audit and Accountability Act 2014 (the Act) abolished the Audit Commission and requires relevant authorities to appoint their own local (external) auditors on the advice of an auditor panel. As an interim measure national 5-year contracts were awarded that expire in 2016 ~~(subsequently amended to 2017)~~, the requirement to appoint will apply once those contracts end and to meet the Act's deadline local auditors will need to be appointed by 31st December ~~2016~~2017. The code of audit practice and guidance for local audit are governed by section 5 of the Act.
- C.9 The Council may, from time to time, be subject to inspection or investigation by external bodies such as H.M. Revenue and Customs who have statutory rights of access.
- C.10 The Corporate Director of Finance and Procurement is responsible for:
 - i. ensuring an effective internal audit function, through adequate resourcing and coverage properly planned and determined through assessment of risk and consultation with management;
 - ii. ensuring that effective procedures are in place to investigate promptly any fraud or irregularity;
 - iii. ensuring that external auditors are given access at all reasonable times to premises, personnel, documents and assets that the external auditors consider necessary for the purposes of their work;
 - iv. ensuring there is effective liaison between external and internal audit;
 - v. ensuring that when information is requested in connection with inspections, audits, reviews and investigations the information requested is provided as soon as reasonably practicable and in any event within fourteen days of the request being made.
- C.11 The Corporate Directors are responsible for:
 - i. notifying the Head of Internal Audit immediately of any suspected fraud, theft, irregularity or improper use of or misappropriation of the Council's property or resources. Pending investigation and reporting, all necessary steps should be

- taken to prevent further loss and to secure records and documentation against removal or alteration;
- ii. ensuring that internal and external audit are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work;
 - iii. ensuring that all records and systems are up to date and available for inspection;
 - iv. ensuring that when information is requested in connection with inspections, audits, reviews and investigations the information requested is provided as soon as reasonably practicable and in any event within fourteen days of the request being made.

Preventing fraud and corruption

C.12 The Corporate Director of Finance and Procurement is responsible for developing, reviewing and maintaining an Anti Fraud and Corruption Strategy and for advising on effective systems of internal control to prevent, detect and pursue fraud and corruption. **LINK**

C.13 The Corporate Directors are responsible for ensuring compliance with the Anti fraud and Corruption Strategy and with systems of internal control to prevent, detect and pursue fraud and corruption.

Assets

Security of Assets

C.14 The Corporate Director of Finance and Procurement is responsible for ensuring that processes are in place for maintaining asset registers in accordance with good practice for fixed assets. The function of the Asset Register is to provide the Council with information about fixed assets so that they are safeguarded, used efficiently and effectively and adequately maintained, as well as for accounting purposes.

C.15 The Corporate Directors should ensure that assets, and records relating to these, are properly maintained. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

Inventories

C.16 The Corporate Directors are responsible for maintaining and reviewing annually inventories of equipment, plant and machinery which has a value of over £200 or is portable and attractive.

Asset Disposal

C.17 The Corporate Director of Finance and Procurement in conjunction with the Head of Paid Service is responsible for issuing guidelines representing best practice for the disposal of equipment, plant and machinery.

C.18 Corporate Directors are responsible for complying with issued guidelines in respect of all asset disposals.

Stocks of goods and materials

C.19 Corporate Directors are responsible for:

- i. ensuring that stocks of goods and materials are held at a level appropriate to the business needs of the Council;
- ii. ensuring that adequate arrangements are in place for their care and custody;
- iii. writing off the value of obsolete stock in their Directorates of up to £10,000 in consultation with the Corporate Director of Finance and Procurement. All sums above £10,000 should be reported by the relevant Corporate Director to the Corporate Director of Finance and Procurement and Deputy Leader and Cabinet Member for Finance and Procurement and then to the Scrutiny Committee for write off action.

Intellectual Property

C.20 The Head of Paid Service is responsible in conjunction with the Director of Governance and Law for developing and disseminating best practice regarding the treatment of intellectual property.

C.21 The Corporate Directors are responsible for:

- i. ensuring that controls are in place to ensure that staff do not carry out private work in council time and that staff are aware that anything they create during the course of their employment, whether written or otherwise, belongs to the Council;
- ii. complying with copyright, designs and patent legislation and, in particular, to ensure that:
 - a. only software legally acquired and installed by the Council is used on its computers,
 - b. staff are aware of legislative provisions, and
 - c. in developing systems, due regard is given to the issue of intellectual property rights.

Treasury Management

C.22 The Corporate Director of Finance and Procurement is responsible for:

- i. reporting to the Deputy Leader and Cabinet Member for Finance and Procurement, in accordance with the CIPFA Code of Practice on Treasury Management in the Public Services and accordingly will create and maintain, as the cornerstones for effective treasury management:
 - a. a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities; and
 - b. suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities;

The content of the policy statement and TMPs will follow the recommendations contained in sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the Council materially deviating from the Code's key principles.

- ii. reporting to the Council on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs;
- iii. establishing procedures to monitor and report on performance in relation to Prudential Indicators set by the Council;
- iv. ensuring that all borrowing and all investments of money are made in the name of the Council or in the name of an approved nominee.

C.23 This Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet, and for the execution and administration of treasury management decisions to the Corporate Director of Finance and Procurement, who will act in accordance with the Council's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's standard of professional practice on treasury management.

C.24 This Council nominates the Treasury Management Advisory Group and Governance & Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Loans to third parties and acquisition of third party interests

C.25 The Corporate Director of Finance and Procurement is responsible for ensuring, jointly with the Corporate Directors, that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of the Full Council, the Leader, Cabinet or the Deputy Leader and Cabinet Member for Finance and Procurement. **LINK**

Trust Funds and funds held for third parties

C.26 Corporate Directors are responsible for arranging for all Trust Funds to be held, wherever possible, in the name of the Council and ensuring that Trust Funds are operated within any relevant legislation and the specific requirements for each Trust.

Banking

C.27 The Corporate Director of Finance and Procurement is responsible for:

- i. the control of all money in the hands of the Council;
- ii. operating central bank accounts as are considered necessary to the efficient operation of the Council's activities, within the terms agreed with the Council's bankers and reconciled weekly or monthly as required;
- iii. approving the opening or closing of any bank account operated by the County Council.

C.28 The Corporate Directors are responsible for operating bank accounts opened with the approval of the Corporate Director of Finance and Procurement in accordance with issued guidelines.

Imprest Accounts

C.29 The Corporate Director of Finance and Procurement is responsible for providing, in agreed circumstances and where such need is proven to be essential, cash or bank imprest accounts to meet minor or other agreed expenditure and for prescribing procedures for operating these accounts. **LINK**

C.30 The Corporate Directors are responsible for the operation of approved cash and bank imprest accounts in accordance with procedures issued by the Corporate Director of Finance and Procurement . **LINK**

Credit Cards and Purchase Cards

C.31 The Corporate Director of Finance and Procurement is responsible for:

- i. providing credit cards and purchase cards to be used for agreed purposes and to be allocated to nominated members of staff;
- ii. prescribing procedures for the use of credit cards and purchase cards and the accounting arrangements required to record and monitor expenditure incurred with such cards.

C.32 The Corporate Directors are responsible for:

- i. Operating the use of credit cards and purchase cards in accordance with the procedures issued by the Corporate Director of Finance and Procurement. **LINK**

Card Payment Arrangements

C.33 The Corporate Director of Finance and Procurement is responsible for:

- i. ensuring that card payment arrangements including chip and pin terminals and web based systems, set up for agreed purposes and assigned to nominated staff, are compliant with Payment Card Industry Data Security Standards (PCI DSS)

C.34 The Corporate Directors are responsible for:

- i. maintaining secure card payment arrangements in accordance with the procedures issued by the Corporate Director of Finance and Procurement

Staffing Costs

~~C.3335~~ The Head of Paid Service is responsible for ensuring that there is proper use of the evaluation or other agreed systems for determining the remuneration of a job.

~~C.3436~~ The Corporate Directors are responsible for:

- i. the management of total staff numbers by:
 - a. advising the Leader and the relevant Cabinet Member on the budget necessary in any given year to cover estimated staffing levels;

- b. adjusting the staffing numbers to that which can be funded within approved budget provision;
- ii. the proper use of appointment procedures;
- iii. monitoring staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff;
- iv. ensuring that the staffing budget is not exceeded unless the necessary additional ongoing funding is available and the agreement of the relevant Cabinet Member or the Leader or Cabinet is obtained as required.

Further guidance regarding authorisations to appoint members of staff is available in the relevant directorate's Scheme of Financial Delegation.

FINANCIAL REGULATION D – SYSTEMS AND PROCEDURES

Introduction

D.1 Sound systems and procedures are essential to an effective framework of accountability and control.

General

- D.2 The Corporate Director of Finance and Procurement is responsible for:
- i. determining the Council's accounting control systems, the form of accounts and the supporting financial records and for ensuring that systems determined by him/her are observed;
 - ii. approving any changes proposed by the Corporate Directors to the existing financial systems or procedures or the establishment of new systems or procedures;
 - iii. compiling, in consultation with the Corporate Directors, a Business Continuity Plan to provide for as normal a continuation of financial services as possible in the event of any incident affecting systems used to deliver those services.
- D.3 The Corporate Directors are responsible for:
- i. the proper operation of financial procedures and financial processes in their own Directorates in accordance with the systems and procedures set out by the Corporate Director of Finance and Procurement;
 - ii. obtaining the approval of the Corporate Director of Finance and Procurement for any developments of new systems and changes to existing systems, by Corporate Directors that involve a financial operation or produce output that may influence the allocation of resources;
 - iii. ensuring that their staff receive relevant financial training;
 - iv. ensuring that, where appropriate, computer and other systems are registered in accordance with Data Protection legislation. The Corporate Directors must ensure that staff are aware of their responsibilities under the Data Protection and Freedom of Information legislation;
 - v. ensuring, jointly with the Corporate Director of Finance and Procurement that there is a documented and tested Business Continuity Plan to allow information system processing to resume quickly in the event of an interruption;
 - vi. ensuring that Oracle Financials is utilised except where otherwise agreed by the Corporate Director of Finance and Procurement;
 - vii. ensuring that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements agreed with the Corporate Director of Finance and Procurement. **LINK**

Income

- D4 The Governance and Audit Committee is responsible for approving procedures for writing off debts as part of the overall framework of accountability and control.
- D.5 The Corporate Director of Finance and Procurement is responsible for:
- i. setting the debt management policy for the County Council in order to maximise the income due to the Council and its collection;
 - ii. approving the procedures, systems and documentation for the collection of income;

- iii. examining and actioning requests for write offs submitted by Corporate Directors;
- iv. maintaining a record of all sums written off and adhering to the requirements of the Accounts and Audit Regulations;
- v. ensuring that appropriate accounting adjustments are made following write off action;
- vi. ensuring, in consultation with the Corporate Directors, that adequate provision is made for potential bad debts arising from uncollected income.

D.6 The Corporate Director of Finance and Procurement is authorised to write-off the following types of debt where:

- i. the debtor has gone into liquidation or is deceased and there are no funds nor estate on which to claim for recovery of the debt;
- ii. the evidence against a debtor is inconclusive, and the Director of Governance and Law recommends write-off;
- iii. the debtor has absconded and all enquiries have failed;
- ~~iv.~~ iv. the debtor is in prison and has no means to pay;
- ~~v.~~ v. the debt is statute barred under the Limitations Act 1990 and the Care Act 2014;
- ~~iv-vi.~~ vi. the debt is remitted by a magistrate.

D.7 Other than covered in D6, all debt write offs over £10,000 should be put forward by the relevant Corporate Director to the Corporate Director of Finance and Procurement in his role of Section 151 Officer for his decision in consultation with the Deputy Leader and Cabinet Member for Finance and Procurement. The relevant Corporate Director will also submit a report for information, comment and assurance to the Governance and Audit Committee, setting out the operational reasons for the write-off.

D.8 The Corporate Directors are responsible for:

- i. compliance with the agreed debt management policy of the Council; **LINK**
- ii. the write-off of irrecoverable debts in their Directorates of up to £10,000 in consultation with the Corporate Director of Finance and Procurement;
- iii. ensuring that there is an annual review of fees and charges and that proposals for the level of fees and charges are approved by the Leader or relevant Cabinet Members;
- iv. ensuring that the agreed charging policy is implemented and consistently applied in respect of each relevant activity and service;
- v. separating, as far as is practicable, the responsibility for identifying amounts due and the responsibility for collection;
- vi. ensuring official receipts are issued and to maintain any other documentation for income collection purposes;
- vii. holding securely receipts, tickets and other records of income;
- viii. ensuring the security of cash handling.

Ordering and Paying for Works, Goods and Services

D.9 The Corporate Director of Finance and Procurement is responsible for:

- i. ensuring that all the Council's financial systems and procedures for ordering and paying for works, goods and services are sound and properly administered;
- ii. agreeing, in consultation with the Corporate Directors where appropriate, any changes to existing financial systems and to approve any new systems before they are introduced;

- iii. agreeing the form of official orders and associated terms and conditions;
- iv. making payments from the Authority's funds on the Corporate Director's authorisation that the expenditure has been duly incurred in accordance with Financial Regulations;
- v. defining the requirements for the electronic approval of order or checking and certification of invoices prior to payment to confirm that the goods have been ordered and received, the invoice is in order and is certified for payment by the nominated budget manager. The Corporate Director of Finance and Procurement will set and review a value for invoices, currently £250, below which payment will be made on certification that goods or services have been received and that the invoice is in order but will not require the additional certification of the budget manager;
- vi. making payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a Court Order;
- vii. making payments to contractors on the certificate of a Corporate Director, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.

D.10 The Corporate Directors are responsible for:

- i. ensuring that the Council's corporate financial systems are used for payment for work, goods and services except where specialist systems are used in agreement with the Corporate Director of Finance and Procurement. Staff should not use personal credit cards to pay for work, goods or services on behalf of the Council;
- ii. ensuring that i-Procurement is used for raising orders in the first instance, any verbal orders for works, goods or services are only placed exceptionally and are confirmed with an official i-Procurement order;
- iii. ensuring that orders are only used for goods and services provided to their Directorates. Individuals must not use official orders to obtain goods or services for their private use;
- iv. ensuring that only those staff authorised in the delegated authority matrix (see appendix 1) approve expenditure and sign orders or where necessary ensure they are sealed by Legal Services.
- v. ensuring that goods and services are checked on receipt to verify that they are in accordance with the order. This check should, where possible, be carried out by a different person from the person who authorised the order;
- vi. ensuring that payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment;
- vii. ensuring that payments are not made in advance of goods being supplied, work done or services rendered to the Council except with the approval of the Corporate Director of Finance and Procurement;
- viii. ensuring that invoices are approved for payment by staff authorised by the Corporate Directors and that details of such authorised staff, including specimen signatures and limits of authority, are provided to the Payments Team;
- ix. ensuring that all undisputed invoices are settled within 20 days from receipt of the invoice;

- x. ensuring that the Directorate obtains best value from purchases by contacting Strategic Sourcing and Procurement Team for any purchases over £50k, following the guidance in the Knet Procurement pages [LINK](#) and complying with the Council's Code of Practice for Tenders and Contracts 'Spending the Council's Money' which is incorporated in the KNet Procurement pages. Compliance with spend mandates, which are published in the how to buy guides accessible via the Knet Procurement page. [LINK](#)

D.11 Deviation from the delegated authority matrix is not generally expected. However, if a different financial limit is required the amendment should be requested via a business case and approved as follows:

Requester	Approver
Budget Manager	Head of Service
Head of Service	Service Director
Service Director	Corporate Director

D.4412 All transactions must fall within the powers delegated to officers or have been approved by a decision (in accordance with the Council's Constitution) of the Cabinet, the Leader, an authorised Cabinet Member, the Council or one of its committees or sub-committees.

D.4213 No contract, agreement or other document shall be signed or sealed unless it gives effect to:

- i. a decision or resolution (in accordance with the Council's Constitution) of the Leader, the Cabinet, an authorised Cabinet Member or one of its committees or sub committees or
- ii. a decision by an officer exercising delegated powers

D.4314 Budgetary provision must exist before any contract can be entered into. This provision should be explicit in a budget approved by resolution of the Council. Where budgetary approval exists for a specific item further Member approval is not generally required.

D.4415 Where there is no specific budget line, the officer with delegated authority may approve expenditure up to £100,000 provided the expenditure can be met within budget. Above £100,000 a formal decision by the Leader, the Cabinet or an authorised Cabinet Member is required in accordance with the Council's Constitution.

Contract Management

D.4516 Staff should refer to Spending the Council's Money for advice and guidance regarding contract management. [LINK](#)

Ex Gratia Payments

D.4617 The Corporate Directors are responsible for approving reasonable ex gratia payments of £6,000 or less and for ensuring that a record of such payments is maintained.

- | **D.4718** For ex gratia payments in excess of £6,000 the Corporate Directors are responsible for obtaining the approval of the relevant Cabinet Member, the Deputy Leader and Cabinet Member for Finance and Procurement and the Corporate Director of Finance and Procurement.

Payments to employees and Members

- | **D.4819** The Corporate Director of Finance and Procurement is responsible for:
- i. making arrangements for recording and for the accurate and timely payment of PAYE, Income Tax, National Insurance, and all other statutory and non-statutory payroll deductions;
 - ii. ensuring the accurate and timely production of statutory returns to H.M. Revenue and Customs, particularly in respect of the financial year-end and the declaration of employee taxable benefits;
 - iii. ensuring that there are adequate arrangements for administering pension matters on a day-to-day basis;
- | **D.4920** The Corporate Director of Human Resources is responsible for arranging and controlling secure and reliable payment, on the due date, of salaries, compensation payments or other emoluments, staff expenses and Members' expenses and allowances, and pensions in accordance with procedures prescribed by him or her.
- | **D.2021** The Corporate Directors are responsible for:
- i. ensuring that all appointments are made in accordance with the Council's regulations and approved establishments, grades and scales of pay.
 - ii. ensuring that adequate budget provision exists for:
 - (a) all employee appointments
 - (b) all permanent and temporary variations relating to employee appointments
 - (c) all engagements of self-employed persons.

Taxation

- | **D.2122** The Corporate Director of Finance and Procurement is responsible for:
- i. maintaining the Council's tax records, making tax payments, receiving tax credits and submitting tax returns by their due date as appropriate;
 - ii. advising Corporate Directors on all taxation issues that affect the Council in the light of relevant legislation as it applies and guidance issued by appropriate bodies.
- | **D.2223** Where the Corporate Directors are owners of financial systems they are responsible for maintaining the appropriate records, making tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.
- | **D.2324** The Corporate Directors are responsible for consulting with, and seeking advice from, the Corporate Director of Finance and Procurement on the potential tax implications of any new initiatives for the delivery of Council activity and Services, including those that could impact on our partial exemption.

Trading accounts

- | **D.2425** The Corporate Director of Finance and Procurement is responsible for advising on the establishment and operation of trading accounts.
- | **D.2526** The Corporate Directors are responsible for:
 - i. observing all statutory requirements in relation to trading activity, including the maintenance of a separate revenue account to which all relevant income is credited and all relevant expenditure, including overhead costs, is charged in accordance with the CIPFA Service Reporting Code of Practice;
 - ii. ensuring that the same accounting principles are applied in relation to trading accounts as for other services or business units;
 - iii. ensuring that each business unit prepares an annual business plan.

Overheads and Internal Recharges

- | **D.2627** The Corporate Director of Finance and Procurement is responsible for:
 - i. maintaining a system of delegating budgets to Directorates for support services;
 - ii. establishing a framework for the carrying out of overheads and internal recharges in accordance with laid down timetables;
 - iii. ensuring that the recipients are clear what each charge covers and provide sufficient information to enable them to challenge the approach being taken;
 - iv. arbitrating on disputed recharges where these cannot be satisfactorily resolved between Directorates;
 - v. ensuring that overheads and internal recharges for support services are in accordance with the CIPFA Service Reporting Code of Practice for both budget and final accounts purposes.
- | **D.2728** The Corporate Directors are responsible for:
 - i. ensuring that budgets for the purchase and provision of internal services are agreed between purchaser and provider and properly reflected in annual budgets and business plans and budget monitoring statements;
 - ii. raising and/or processing recharges in accordance with the timescales laid down;
 - iii. notifying and/or responding to disputed recharges in accordance with the timescales laid down;
 - iv. monitoring the processing of recharges in accordance with the timetable agreed with the Corporate Director of Finance and Procurement.

FINANCIAL REGULATION E – EXTERNAL ARRANGEMENTS

Partnerships

- E.1 The Corporate Director of Finance and Procurement is responsible for:
- i. promoting the same high standards of conduct with regard to financial administration in partnerships that apply throughout the Council
 - ii. advising on the financial implications resulting from entering into partnership agreements including tax treatment, limitation of liability, valuation of transferred assets or the grant of a right to use existing assets and any other long term issues;
 - iii. advising on the terms of any payment and performance mechanism relating to partnerships entered into by the Council.
- E.2 The Corporate Directors are responsible for:
- i. ensuring that, when entering into partnerships, the Council's financial and operational interests are protected;
 - ii. ensuring that appropriate financial and legal advice is taken before entering into partnership agreements;
 - iii. ensuring that, before entering into partnership agreements with external bodies, a risk management appraisal is carried out and an exit strategy is in place where appropriate;
 - iv. ensuring that necessary approvals are obtained before negotiations are concluded in relation to partnership agreements;
 - v. ensuring that the accounting and financial arrangements for partnerships satisfy the requirements of the Council and allow for any required audit of the partnerships affairs.

More detailed guidance can be found in 'Risk Management of Key Partnerships – A guide to good practice', the management guide to alternative service delivery models [LINK](#) and the Companies' Protocol. [LINK](#)

External funding

- E.3 The Corporate Director of Finance and Procurement is responsible for:
- i. ensuring that procedures are in place so that all the financial implications, including long term issues, resulting from entering into external funding agreements are identified;
 - ii. ensuring that all external funding agreed with external bodies is received and is properly recorded in the Council's accounts;
 - iii. maintaining a record of expected grants in liaison with the Corporate Directors;
 - iv. investigating ways of maximising grant income;
 - v. building in any agreed financial implications (e.g. matched funding) into the budget strategy;
 - vi. accounting for non-specific Government Grants received and receivable and submitting any required returns in respect of these.
- E.4 The Corporate Directors are responsible for:
- i. ensuring that external funding which is sought supports the Councils service priorities;

- ii. ensuring that any matched funding requirements relating to external funding agreements are identified and provided for in the budget prior to any external funding agreement being concluded;
- iii. ensuring that necessary approvals are obtained before external funding agreements are concluded;
- iv. ensuring that the conditions of external funding agreements and any statutory requirements are complied with;
- v. ensuring that expenditure met from external funding is properly incurred and recorded, that income is received at the appropriate time, returns are made by the specified dates, and that audit requirements of the funding body can be met;
- vi. maintaining a record of external funding agreements in place;
- vii. ensuring that any other expenditure associated with the grant (e.g. matching funding) is contained within the agreed Directorate budget;
- viii. accounting for specific Government Grants received and receivable in respect of services for which they are responsible and submitting any required returns in respect of these;
- ix. ensuring that all grants received are recorded in the central register, and in line with the 'corporate grant procedure'. **LINK**

Work for third parties

- E.5 The Corporate Director of Finance and Procurement is responsible for issuing any required guidance on the financial aspects of contracts with third parties and external bodies.
- E.6 The Corporate Directors are responsible for:
- i. ensuring that work for third parties does not impact adversely on the services of the Council and that before entering into agreements a risk management appraisal has been carried out;
 - ii. ensuring that guidance issued by the Corporate Director of Finance and Procurement is complied with and that all agreements and arrangements are properly documented.
- E.7 The Leader or relevant Cabinet Member is responsible for approving the contractual arrangements for any work for third parties or external bodies where the contract value exceeds £200,000.

Companies

- E.8 In relation to companies that the Council has an interest, it is imperative that they are set up, managed and run according to rules of good governance so that risks are mitigated. The 'Protocol relating to companies in which KCC has an interest' establishes processes and provides additional controls to ensure such rules are in place.
- E.9 Anyone within the Council intending to set up a company must first read both the 'Protocol relating to companies in which KCC has an interest' and the more detailed Local Authority Companies guidance document. Sanctions are in place for non compliance which can include disciplinary action. **LINK**

- E.10 The Corporate Director of Finance and Procurement is responsible for advising on the financial implications resulting from the creation of a company including tax treatment and accounting arrangements.
- E.11 The Director of Governance and Law is responsible for advising on the legal requirements and implications with respect to the creation and ongoing running of a company.
- E.12 The Corporate Directors are responsible for:
- i. ensuring that the 'Protocol relating to companies which KCC has an interest' and the more detailed Local Authority Companies guidance document is complied with;
 - ii. ensuring that legal and financial advice provided by the Director of Governance and Law and the Corporate Director of Finance and Procurement respectively are complied with. **LINK**

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Scheme of Delegation - Approval Limits

Finance Approval Process

Stage or Transaction Approval	Notes	Members		Officers				Strategic Sourcing & Procurement Team (SSP)				
		The Leader or Cabinet	Cabinet Member	CMT Director	Service Director	Service Head	Budget Manager	Head of Procurement	Category Manager	Procurement Manager	Procurement Officer	PS2P Buyer
Revenue Virement Limits												
Within Portfolio	1	Above £1m *	From £200k up to (but not including) £1m **	From £200k up to (but not including) £1m **								
Within Portfolio	2		Less than £200k	Less than £200k								
Between Portfolios	1	Above £1m *	From £200k up to (but not including) £1m **	From £200k up to (but not including) £1m **								
Between Portfolios	2		Less than £200k	Less than £200k								
Capital Virement Limits												
Within or across Portfolios	1	Above £1m *	From £200k up to (but not including) £1m **	From £200k up to (but not including) £1m **								
Within or across Portfolios	3		From £50k up to (but not including) £200k	From £50k up to (but not including) £200k								
Within or across Portfolios				Less than £50k								
Writing off of obsolete stock	4			Up to £10k								
Ex Gratia Payments	5		More than £6k	Up to £6k								
Writing off irrecoverable debts	6			Up to £10k								

Procurement & Invoice Approval Process

Stage or Transaction Approval	Notes	Members		Officers				Strategic Sourcing & Procurement Team (SSP)				
		The Leader or Cabinet	Cabinet Member	CMT Director	Service Director	Service Head	Budget Manager	Head of Procurement	Category Manager	Procurement Manager	Procurement Officer	PS2P Buyer
Contract Award Recommendation acceptance	7/16/17	Unlimited*	Unlimited*	Up to £1m*	Up to £500k except where Property Management Protocol expressly differs	Up to £250k	Up to £50k					
Contract/Framework Signature	8			Up to £1m and over £1m with Cabinet or Cabinet Member Decision to award and express authorisation of the Monitoring Officer to sign or seal*	Up to £500k and over £1m with Cabinet or Cabinet Member Decision to award and express authorisation of the Monitoring Officer to sign or seal*			Up to £1m and over £1m with Cabinet or Cabinet Member Decision to award and express authorisation of the Monitoring Officer to sign or seal*	Up to £250k	Up to £100k	Up to £50k	
Requisition (Budget expenditure) Approval i-Procurement	9/10/17			Unlimited where previously approved as designated signatory and where relevant authority is in place	Up to £1m*	Up to £500k	Up to £50k					
Purchase Order Approval	11							Unlimited when correct political or previously delegated authority is in place and no contract is required*	Up to £250k	Up to £100k	Up to £50k	Up to £8k
Variation Approval	14	Unlimited*	Unlimited*	Up to £1m*	Up to £500k	Up to £250k	Up to £50k					
Variation Signature				Unlimited with Cabinet or Cabinet Member Decision to award variation and express authorisation of the Monitoring Officer to sign or seal*	Unlimited with Cabinet or Cabinet Member Decision to award variation and express authorisation of the Monitoring Officer to sign or seal*							

Procurement & Invoice Approval Process

Stage or Transaction Approval	Notes	Members		Officers				Strategic Sourcing & Procurement Team (SSP)				
		The Leader or Cabinet	Cabinet Member	CMT Director	Service Director	Service Head	Budget Manager	Head of Procurement	Category Manager	Procurement Manager	Procurement Officer	PS2P Buyer
Receipt Confirmation	12			Unlimited	Unlimited	Unlimited	Unlimited					
Invoice Payment	13/17			Unlimited	Up to £1m or over £1m where previous delegation from Cabinet or Cabinet Member is in place*	Up to £500k	Up to £50k					
Contract Extension Approval		Unlimited	Unlimited	Up to £1m or over £1m with Cabinet or Cabinet Member Decision to award-extend and express authorisation of the Monitoring Officer to sign or seal*								
Contract Extension Signature	18		Unlimited where previously approved as designated signatory and where relevant authority is in place*	Unlimited with Cabinet or Cabinet Member Decision to award variation and express authorisation of the Monitoring Officer to sign or seal*	Unlimited Up to £500k and over £1m with Cabinet or Cabinet Member Decision to award variation and express authorisation of the Monitoring Officer to sign or seal*			Up to £1m or over £1m with Cabinet or Cabinet Member Decision to award-extend and express authorisation of the Monitoring Officer to sign or seal*	Up to £250k	Up to £100k	Up to £50k	Up to £8k
Procurement Plan Approval								Unlimited (Plans of >£1m or of significant risk or with political implications will be advised on by Procurement Board)	Up to £250k	Up to £100k	Up to £50k	

* These decisions/actions are subject to statutory recording and publication requirements. Seek advice from Democratic Services.

** These decisions/actions are subject to statutory recording and publication requirements when over £500k. Seek advice from Democratic Services.

Notes:

- Virement of £1m to £200k has to be signed off by Portfolio Cabinet Member, relevant Corporate Director, Deputy Leader and Cabinet Member for Finance and Procurement and Corporate Director of Finance and Procurement
Advice should be sought as to whether the Virement requires a formal Decision to be taken.
- Virement less than £200k has to be signed off by the Corporate Director of Finance and Procurement along with the relevant Cabinet Member and Corporate Director.
- Virement of £200k to 50k has to be signed off by the Corporate Director of Finance and Procurement along with the relevant Cabinet Member and Corporate Director.
- Write off of obsolete stock up to £10k is in consultation with the Corporate Director of Finance and Procurement. Above £10k to be reported to Corporate Director of Finance and Procurement and Deputy Leader and Cabinet Member for Finance and Procurement and then taken to Scrutiny Committee for write off.
- Ex gratia payments above £6k Corporate Directors are responsible for obtaining approval from relevant Cabinet Member, Deputy Leader and Cabinet Member for Finance and Procurement and Corporate Director of Finance and Procurement.
- Write off of irrecoverable debts up to £10k is in consultation with the Corporate Director of Finance and Procurement. Above £10k should be put forward by the relevant Corporate Director to the Corporate Director of Finance and Procurement in his/her role of Section 151 Officer for his decision in consultation with the Deputy Leader and Cabinet Member for Finance and Procurement. A report by the relevant Corporate Director will also be submitted to Governance and Audit Committee.
- Award recommendation prepared by Procurement lead
- Authorities only valid if Contract Award Recommendation acceptance has been approved; will also require a review schedule e.g. with Legal Services for non-standard contract use; decisions on signing under seal or under hand
- Only valid for approved budgets/expenditure within plan – values will be used within i-Procurement
- Procurement authorities relate to own budget only
- For simple contracts only, those that are required to be sealed as required in "Contracts and Tenders Standing Orders" must be dealt with by Legal Services.
- May be exercised by any member of staff who can directly confirm correct receipt of goods, services or works
- Relates to signature on invoices; post i-Procurement implementation this authority is no longer required (3-way system match provides authorisation)
- Approval of a variation against an existing contract
- Approval of an extension to an existing contract, only valid if budget expenditure has been approved by relevant Service Officer
- Cabinet Member Approval where authority has been delegated, in some instances this may require Cabinet Approval in line with the Constitution
- For areas with high expenditure e.g. Highways, Property, ICT approval level can be increased to £5m for Service Directors at Corporate Directors discretion
- Variations/extensions must be sealed if the main contract is sealed unless specifically excluded in the contract

By: Peter Sass, Head of Democratic Services

To: County Council 19 May 2016

Subject: Request for Extended Leave of Absence

1. Introduction

- (1) Under Section 85 (1) of the Local Government Act 1972, if a Member of a local authority fails throughout a period of six consecutive months from the date of his/her last attendance to attend any meeting of the Authority or as a representative of the Authority on an outside body, s/he shall unless the failure was due to some reason approved by the Authority before the expiry of that period cease to be a Member of the Authority.
- (2) This requirement can be waived and the time limit extended if any failure to attend was due to a reason approved by the Authority in advance of the six month period expiring.

2. Request for Extended Leave

- (1) Following a discussion with Mr Gordon Cowan, Ms Jane Cribbon is asking the County Council to consider a request for extended leave because of her ill health and her ongoing treatment regime which is debilitating.
- (2) Ms Cribbon has not been able to attend any Council or Committee meetings since Thursday 10 December 2015. The Council can only consider approval of any reasons for non-attendance before the relevant six month period, which will be Thursday 9 June 2016. Ms Cribbon has indicated that because of her serious illness and the treatment she is having it is unlikely that she will be well enough to attend any meeting before this date.

3. Recommendation

In accordance with Section 85 (1) of the Local Government Act 1972 the County Council is asked to consider Ms Cribbon's request for extended leave for a six month period expiring on Thursday 8 December 2016 on the grounds of serious ill health.

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