



Northumberland County Council

CONSTITUTION



Northumberland
County Council

SUBJECT TO APPROVAL BY COUNCIL. FURTHER EDITING AND FORMATTING TO BE DONE

Northumberland County Council Constitution

Content

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1. Introduction to the Constitution	Summary of the constitution, - objectives, principles and what it contains with links where to find the detail	
2. The rights of the public	General commitments on involvement and participation. In a broad sense the Constitution should set out the commitments that the Council makes to the public in respect decision-making, and their involvement in it.	
3. The rights and responsibilities of Members	Description of the roles of Members and of their office.	
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Part 1

Introduction to the Constitution

A summary of the constitution, including its objectives, principles and what it contains with links where to find the detail

Section 1

INTRODUCTION TO THE COUNTY COUNCIL AND THE COUNTY OF NORTHUMBERLAND

1. 1 Northumberland is a historic county and unitary authority area in North East England. It is the northernmost county of England and has borders with Cumbria to the west, County Durham and Tyne and Wear to the south and the Scottish Borders to the north. To the east is the North Sea coastline, with a coastal path 100 kilometres long.
1. 2 The County has a land area of 5,013 sq. kilometres, much of which is undeveloped, high moorland protected as the Northumberland National Park. Of its total land area, 97% is classed as rural.
1. 3 Half of the county's population live in 3% of urban land in the south-east. Northumberland is the least densely populated county in England, with only 63 people per square kilometre. Its population (mid-2019 estimate) is 320,274.
1. 4 Well-known landmarks in the County are the Cheviot Hills in the north west, the Whin Sill (on which Hadrian's Wall runs) and the Farne Islands.
1. 5 Northumberland's flag is a banner of the arms of Northumberland County Council, featuring the traditional 'pales' of Northumberland interlocked to represent the stones of Hadrian's Wall, which runs through the county. The arms were granted to the County Council in 1951 and were adopted as the flag of Northumberland in 1995.
1. 6 Before April 2009 Northumberland had a two-tier system of local government, with one county council and six districts, each with their own district council, responsible for different aspects of local government. The districts were abolished on 1 April 2009, when the county council became a unitary authority. The Council, based in Morpeth, is the largest English unitary in area.
1. 7 The County Council has 67 Members each representing an electoral division, except in the case of the Alnwick Division which has two Members. Each Member is elected for a four-year term of office. Members are democratically accountable to

residents in their electoral division. Members overriding duty is to the whole community of Northumberland, but they have a special duty to their constituents, including those who did not vote for them. All Members have to agree to follow a Code of Conduct to ensure high standards in the way they undertake their duties.

- 1. 8** Northumberland has four Members of Parliament representing the UK Parliamentary constituencies, Berwick-upon-Tweed, Blyth Valley, Wansbeck, and Hexham.
- 1. 9** Evidence of the County's proud history of large-scale coal mining and heavy industry can be found in the Council's Archives Service at the Museums Northumberland Woodhorn & Berwick sites.
- 1. 10** Since the mine closures and decline of heavy engineering new industries including pharmaceuticals, healthcare, biotechnology, and renewable energy have become significant in the County. Tourism is one of the key growth opportunities identified within the county's economic strategy, contributing over £1 billion to Northumberland's economy and supporting over 13,000 direct employment jobs.
- 1. 11** The Council engages in a wide range of partnerships to drive economic growth across the County, including with neighbouring authorities Newcastle City Council and North Tyneside Council. In 2018, the three authorities formed a Mayoral Combined Authority for the area - the North of Tyne Combined Authority - with the aim of driving inclusive economic growth. The Council also partners with the North East Local Enterprise Partnership (NELEP) which leads and facilitates the delivery of the regional Strategic Economic Plan (SEP) and the Local Industrial Strategy across the North East region.
- 1. 12** Council services include:
 - 1. 12.1** Adult Social Care services
 - 1. 12.2** Children's services
 - 1. 12.3** Public health
 - 1. 12.4** Regeneration and Economy
 - 1. 12.5** Planning
 - 1. 12.6** Housing
 - 1. 12.7** Local services
 - 1. 12.8** Fire & Rescue
 - 1. 12.9** Public protection.
- 1. 13** The County is also the designated Fire and Rescue Authority for the County of Northumberland with all 67 Member's of the Fire and Rescue Authority. The Cabinet Member for Community Services is the lead Member and is delegated to act as the Fire Authority Chair with responsibility for Fire and Rescue specifically within the remit of the Cabinet Portfolio. The Communities and Place Overview and Scrutiny Committee has responsibility for scrutinising the function and acting as a critical friend.

1. 14 More detail on the role and responsibilities of the Fire Authority can be found at [Article 18](#).

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Section 2

Summary of the Constitution's contents

2. 1 The Constitution is a document that sets out the arrangements for how the Council carries out its work. The Council has published the Constitution on its website – hard copies are also available for inspection at the Council's offices.
2. 2 By law, councils have to prepare a constitution which has to contain detail on a number of key aspects of how the Council will manage its business and make decisions. However, the Constitution is not the only place where information relating to the way the Council works can be found. There are a range of procedures and arrangements that are not part of the Constitution but that still have an impact on how the Council is run. As far as possible, the Constitution highlights this additional governance material and where it can be found.
2. 3 While the Constitution sets out the framework for things like decision-making and oversight at the Council, it also provides a provides a foundation for relationships between elected Member, employed council officers and Members of the public. These relationships are grounded in a consistent set of values and behaviours which have been adopted by the Council in order to drive how it works. Central to these values and behaviours, and particularly important to the way that elected Members carry out their work, are the Seven Principles of Public Life, otherwise known as the Nolan Principles. More about the standards of behaviours that the Council expects of its elected Members and officers can be found at **(to insert hyperlinks and remove reference to 'Part XX')**
2. 4 Where the Constitution permits the Council to choose between different courses of action, the Council will always choose that option which it thinks is closest to the overall purpose and objectives set out above, paying particular regard to:
 2. 4.1 The Seven Principles of Public Life;
 2. 4.2 The system of values and behaviours adopted by the Council to underpin its activities, including the Member Code of Conduct and Officer Code of Conduct;
 2. 4.3 As relevant, the principles set out in this Constitution to govern decision-making and the delegation of decision-making authority.
2. 5 **About the Council**
 2. 5.1 The Council is a democratic body made up of 67 councillors elected every four years, who between them represent the people of the district and county of Northumberland. These councillors are known as 'Members as they are Members of the corporate body of the Council as a legal entity.
 2. 5.2 Members have a range of individual roles and responsibilities which are set out in more detail in **Part 3 (to insert hyperlinks and remove reference to**

'Part 3'). In carrying out their role, Members must observe the Members Code of Conduct and the Protocol on Member/Officer Relations at **(to insert hyperlinks and remove reference to Part X)**.

- 2. 5.3** Members are entitled to allowances in accordance with the Members Allowances Scheme set out in **Part 3 (to insert hyperlinks and remove reference to 'Part 3')**. They will also receive support from the Council's officers, including training and development.
- 2. 5.4** The Council operates what are called "executive arrangements", which is one of a number of options available to councils in England for how they govern themselves. This means that while some of the most important decisions have to be taken by all Members together (at meetings called "Full Council") most decisions are made by a body made up of a senior executive Member, known as the Leader, and up to nine other executive Members appointed by the Leader to a "Cabinet".
- 2. 5.5** The Council's Cabinet is appointed by the Leader of the Council. Cabinet has to be made up of elected Members but they can all be Members of the same political party.
- 2. 5.6** The Council has a range of other committees too, which are established to oversee the work of the Cabinet, to make decisions on planning and licensing issues, and to carry out a range of other functions. The makeup of these other committees and bodies has to be politically balanced. This is explained in more detail in **(to insert hyperlinks and remove reference to 'Part XX')**
- 2. 5.7** Elected Members make a lot of the most important decisions but employed council officers "run" the Council's services day to day. The rules that govern how they do this is set out in a part of the Constitution called the scheme of delegation, which is at **(to insert hyperlinks and remove reference to 'Part XX')**
- 2. 5.8** The Council is a unitary authority, which means that it is responsible for the full range of local government services within the County. These include:
- a)** Social care services for adults;
 - b)** Services for children (which includes support for vulnerable children as well as overall responsibility for making sure children received educating);
 - c)** Public health (the council is responsible for services to help people to stay healthy – services for people who are ill are the responsibility of the NHS. The Council and the NHS work closely together);

- d) Regeneration (which includes taking forward policies and big decisions involving developing new opportunities for business, economic development and growth);
- e) Planning (setting policies for development and making decisions on individual planning applications);
- f) Housing (providing social housing for people entitled to it, and supporting other people with housing needs);
- g) Local services (like providing library services and other services in local communities, like community centres and leisure centres);
- h) Fire and rescue (the council is a Fire and Rescue Authority – more information can be found in (to insert hyperlinks and remove reference to 'Part XX'))
- i) Public protection (the council has responsibility for overall community safety, and works closely with the police and the Police and Crime Commissioner in reducing and tackling crime).

2. 5.9 The Constitution sets out the roles and responsibilities of Members and the employed officers who support the Members to carry out their work. It describes the key responsibilities of certain officers who have special duties set out in law. In particular, this includes:

- a) The Head of Paid Service. This officer is the Council's Chief Executive, and has responsibility for the running and resourcing of the Council;
- b) The Monitoring Officer. This officer is, at Northumberland, the Council's Chief Legal Officer, responsible for ensuring that the Council complies with the law;
- c) The Chief Finance Officer, or s151 officer. This officer must legally be a chartered accountant and has a duty to ensure that the Council delivers a balanced budget

2. 5.10 The rest of this summary briefly explains each Part of the constitution, and how the Parts fit together.

2. 6 The rights of the public

2. 6.1 The Council is a democratic institution. Members are elected by local people to act in the interests of Northumberland and its people. This Part of the Constitution sets out the commitments that the Council makes on the public's rights.

2. 6.2 This includes setting out arrangements for local elections. It also includes information about the public's rights to engage with the business of the Council between elections. This includes in respect of:

- a) Local Area Committees (LAC) which are committees that the Council has set up to make certain decisions on a local, rather than a county-wide, basis;
- b) Petitions. Arrangements to support the preparation of petitions by local people. Petitions are usually presented at an LAC, or at a meeting of the Petitions Committee;
- c) The rights of the public to access information. The Council is a public body and is subject to the Freedom of Information Act – the Council also makes wider commitments to carrying out its work in a transparent and accountable way, and other public rights to information also exist (the right to inspect the Council’s accounts, for example). Members of the public can also make a “subject access request” under the General Data Protection Regulations (GDPR) to find out what personal information the Council holds on them.
- d) Public rights to observe Council meetings, and to speak at certain Council meetings.

2. 6.3 This Part also sets out the broader commitments that the Council makes to involving local people in the way that certain decisions are made.

2. 7 The rights and duties of Members

2. 7.1 Members are elected to represent the interests of local people and of the county of Northumberland more generally. This means that they hold certain rights – set out in this Part of the Constitution - which are important for their ability to carry out their roles. These roles include:

- a) Decision-making, under “executive arrangements”, and on other issues like planning and licensing;
- b) Holding decision-makers to account, whether they are officers or other Members;
- c) Ensuring that the Council is well-run – for example by sitting on the Standards Committee or Audit Committee;
- d) As “corporate parents”. Members have an important legal responsibility (held collectively, and alongside a duty held by council officers and people from other organisations) to safeguard the security and wellbeing of children that the Council “looks after” in the care system;
- e) As representatives of local people. Members are not delegates of their electors, but they do have an important responsibility to understand the needs of local people and make sure that those needs are reflected in how the Council’s business is carried out;
- f) As politicians. Members are elected with political priorities – politics is the way that the Council sets its priorities and decides what policy positions to take on important local issues. Members roles as politicians interacts with the other roles described above.

- 2. 7.1** This list is not exhaustive – more information on Members roles and how the Council will support and protect Members can be found at (to insert hyperlinks and remove reference to 'Part XX')
- 2. 7.2** (to insert hyperlinks and remove reference to 'Part XX') also provides information on the particular rights that Members have to access information (Members have a greater range of rights to access information than the public do). Finally, this Part of the constitution also sets out the Council's commitments to support the development of Members skills and capabilities (through training and other forms of support), in order to ensure that they can carry out their roles effectively.

2. 8 Decision-making

- 2. 8.1** This Part sets out how the Council makes decisions – starting by laying out the principles that will underpin how decisions are made, and the roles and responsibilities of Members and officers around decision-making.
- 2. 8.2** There are several ways in which decisions can be made at the Council, and this Part of the Constitution explains those different sorts of decision in depth. Briefly, they are:
- a)** Decisions which legally have to be made by Member's collectively at a meeting of Full Council – this includes the Council's Budget, which is agreed at a special "Budget Council" meeting every New Year;
 - b)** Decisions which legally have to be made by the Cabinet (or delegated to others by Cabinet) under "executive arrangements";
 - c)** Decisions which can be made by either the Council or by the Cabinet. For these so-called "local choice" functions the Council has to record in its Constitution where the decision will be made;
 - d)** Decisions which can be made by Cabinet together, or by individual Members of Cabinet;
 - e)** Decisions which can be made by officers under powers of delegation.
- 2. 8.3** Decisions made by Cabinet are described as "executive decisions". They can be made by Cabinet, or individual Cabinet Members, or under certain circumstances they can be made by officers. A scheme of Member delegation, and a scheme of officer delegation, exists to set out those powers.
- 2. 8.4** A small category of executive decisions are "key decisions". Key decisions are ones that have a substantial financial impact and that affect two or more divisions of the Council's area.
- 2. 8.5** Key decisions need to be publicised 28 days before they are made; when made the process has to be recorded. There is an opportunity for key decisions to be "called in" before they are implemented – this means that there is a process by which one of the Council's overview and scrutiny committee can consider the decision and make recommendations on it to Cabinet, or full Council.

- 2. 8.6** This Part also explains what happens when certain decisions need to be made urgently, or under emergency arrangements. Under these circumstances – with the agreement of senior officers and Members – the arrangements set out above about publicity and call-in can be suspended. There are some stringent safeguards in place around these powers.
- 2. 8.7** For the most important decisions the Council may wish to involve a wider range of people, in order to determine the best way forward. This may involve input from the public or from overview and scrutiny committees. It may also involve the setting up of a Cabinet Working Group – this Part sets out the nature and scope of this kind of involvement.
- 2. 8.8** There are other decisions made by Members which are not made under “executive arrangements”. These include planning and licensing decisions.
- 2. 8.9** There are also certain decisions made by officers which are not made under executive arrangements. Some powers held by officers are given directly by legislation. The scheme of officer delegation identifies the “proper officer” designated to carry out those specific statutory functions.

2. 9 Scrutiny

- 2. 9.1** This Part sets out the role of the Council’s overview and scrutiny committees. These committees have a responsibility for holding the Cabinet to account for its decisions. They also have a responsibility to look at matters of importance to the area and the area’s inhabitants.
- 2. 9.2** The Council’s scrutiny committees can require the attendance of Cabinet Members and certain senior Council officers – they can also require the attendance of certain NHS staff. They can also require that certain information held by the Council is provided to them. Finally, scrutiny committees can require a response from the Cabinet and certain NHS bodies to the recommendations that it makes.
- 2. 9.3** The agendas of scrutiny committees are developed entirely independently of the Council’s Cabinet, and are based on a transparent process of prioritisation which is set out in this Part in more detail.
- 2. 9.4** At Northumberland, scrutiny committees have a particular duty to review certain decisions before they are made, to contribute to the development of important council policies, and to keep the performance of the Council under review. Scrutiny also looks at what the Council does with its external partners. Some scrutiny business is carried out in formal committees, but committees can also set up informal “task and finish” groups to investigate certain issues in more detail.
- 2. 9.5** Scrutiny meetings are held in public – the detailed rules for how these meetings are run are set out in (to insert hyperlinks and remove reference to ‘Part XX’)
- 2. 9.6** There are two Protocols which set out more detail on scrutiny’s roles:

- 1) The Executive-Scrutiny Protocol, which provides more detail around how the scrutiny function will work with Cabinet in such a way that its independence is maintained;
- 2) A Protocol on Financial Oversight, Financial Management and Scrutiny. There are duties for scrutiny committees, the Audit Committee, and other parts of the Council in ensuring that financial matters are subject to rigorous and consistent oversight. This Protocol provides detail on how that works in practice – in particular, ensuring that the duties of various Member bodies with regard to this issue do not overlap. There are also a set of Financial Procedure Rules relevant to this issue.

2. 10 Member and officer standards, and staffing arrangements

2. 10.1 This Part sets out the operation of the Council's Standards Committee. The Standards Committee has a responsibility for maintaining high standards amongst Members – with particular reference to the Council's agreed values and behaviours, and the commitments that Members have made in respect of their adherence to the Nolan Principles. The Standards Committee has a responsibility for oversight of the registration of Members interests.
2. 10.2 The Standards Committee has adopted the LGA's Model Code of Conduct, which the Council uses as a basis for its work promoting and supporting positive Member behaviour. The Committee has a role in overseeing individual complaints about Member behaviour, and this Part (and the Code of Conduct) set out in more detail how those complaints will be managed.
2. 10.3 This Part also sets out the role of the Staffing and Appointments Committee in support good officer behaviours. Members have a role in the appointment, discipline and dismissal of certain senior officers and for these purposes Member Panels can be established on an occasional basis. Work on officer values and behaviours is also supported by an Officer Code of Conduct, and a set of Employment Procedure Rules, which can also be found in this part.

2. 11 Audit

2. 11.1 This Part explains the role of the Council's Audit Committee. The Audit Committee has a range of requirements set out in Regulations and in guidance produced by the Chartered Institute of Public Finance and Accountancy. Overall, the Audit Committee has a responsibility for oversight and direction on the way that the Council manages its finances, how it manages its approach to risk, and its oversight of the "control environment" (the processes and systems through which money is spent, when and by whom).
2. 11.2 The Audit Committee has a particular role in respect of the audit and oversight of the Council's wholly owned companies. This Part sets out that role in more detail.

2. 11.3 The role of the Audit Committee is set out in more detail in the Financial Procedure Rules.

2. 12 The functions of council bodies

2. 12.1 This Part sets out the functions and terms of reference of all other formal bodies of the Council, along with the size and composition of Member committees overall.

2. 13 Joint arrangements and relationships with partners

2. 13.1 The Council works with a wide range of other organisations across the county area. This Part sets out the Council's primary relationships with those organisations, and with others beyond the area for which the Council is responsible.

2. 13.2 This Part explains about how individual elected Members may be appointed to sit on the Boards of other organisations, known as "outside bodies". This should be seen alongside the section above on standards.

2. 13.3 Finally, this Part goes into detail on the way that the Council will manage its relationship as a shareholder with its wholly-owned companies.

2. 14 Procedure rules

2. 14.1 The Constitution contains a number of sets of procedure rules, which provide technical detail on how certain functions and bodies will operate. These should be seen alongside some of the sections above where the roles and terms of reference of those bodies are set out. The main procedure rules are:

- a) Financial procedure rules;
- b) Rules of procedure for council meetings. This includes:
- c) Rules that apply to all formal Council meetings. This is where information on the broadcast and reporting of Council meetings can be found, as well as more information on public rights of access to meetings;
- d) Standing Orders for meetings of full Council. Detailed rules of debate exist for full Council meetings – these are laid out in Standing Orders. These include rules on how motions can be laid at Council for debate and voting, the making of amendments to those motions, the asking of questions by Members of Cabinet Members, and other rules relating to formal business. Standing Orders also exist to determine the management of meetings' agendas. Separate Standing Orders set out how "special" Council meetings will be carried out – in particular the Annual General Meeting of the Council and the meeting of the Council at which the Budget and Policy Framework is agreed. "Extraordinary" meetings of Council can also be convened, if it is necessary to consider business urgently, before the next scheduled ordinary meeting;

- e) Rules of procedure for Cabinet meetings. This Part sets out those rules of procedure which apply exclusively to Cabinet meetings;
- f) Rules of procedure for Scrutiny meetings;
- g) Rules of procedure for regulatory functions. “Regulatory” functions are those where the Council has a legal duty to determine applications for planning and licensing. These rules set out how Licensing and Planning Committee meetings (and planning hearings) will be managed.

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Section 3

Council and executive bodies and their functions

3.1 General responsibility for functions

- 3.1.1** The Council will exercise all its powers and duties in accordance with the law and the Constitution.
- 3.1.2** In addition to the bodies set out in this section and their roles, there are a number of other Council committees, and other bodies, with formal functions.
- 3.1.3** The full functions, powers and responsibilities of all Council bodies, including those in this section, are set out in (to insert hyperlinks and remove reference to 'Part XX')
- 3.1.4** With the exception of Cabinet, which is excluded from the requirement, all Council committees must be politically balanced. This means that their composition should reflect the wider composition of the Council as a whole. More details on the size and composition of Council bodies can be found in (to insert hyperlinks and remove reference to 'Part XX')
- 3.1.5** Formal bodies including Cabinet and Committees will meet to a timetable that will be agreed by Council annually. Circumstances in which extraordinary meetings may be scheduled, or meetings cancelled, postponed or rearranged, are set out in the procedure rules at (to insert hyperlinks and remove reference to 'Part XX')

3.2 Full Council

- 3.2.1** The 67 elected Members of the County Council meet as a body referred to as “full Council” several times a year. The role and responsibilities of the full Council are set out in more detail in the procedure rules at (to insert hyperlinks and remove reference to 'Part XX') These include:
- a) At the first Annual General Meeting following local elections every four years:
 - b) Appointment of the Leader of the County Council.
 - c) At the Annual General Meeting of the Council, every year:
 - d) Approval or amendment of the Council's Constitution (although the Constitution may be amended, and approved, at other meetings);
 - e) Appointment of the Chair and Deputy Chair of the Council;
 - f) Appointment of Chairs, Vice Chairs and Members to the Council's committees;
 - g) Conferring the title of Honorary Alderman or Freeman of the County;
 - h) At Council's annual Budget meeting:
 - i) Approval of the County Council's revenue and capital budget and the setting of Council Tax;
 - j) Approval or amendment of plans or strategies which form part of the Council's policy framework;

- k) At any ordinary meeting of full Council:
- l) Appointment of the Head of Paid Service and the designation of statutory governance chief officers, explained in more detail in (to insert hyperlinks and remove reference to 'Part XX')
- m) Adopting or amending the Code of Conduct for elected Members.

3. 2.2 A full list of functions is set out in (to insert hyperlinks and remove reference to 'Part XX')

3. 2.3 Ordinary Council meetings provide a forum for debate on matters of local concern; they provide a space at which Members of the Council may hold Portfolio holders to account, supplementing opportunities for accountability which might exist at (for example) meetings of overview and scrutiny committees.

3. 2.4 The Chair of Council is responsible for:

- a) Presiding at full Council meetings so that business can be carried out efficiently, having regard to the rights of Members and the rights and interests of the public;
- b) Carrying out a range of civic and ceremonial functions as “first citizen” of the County.

3. 2.5 The Deputy-Chair of Council can be deputised to perform any function of the Chair of Council.

3. 2.6 Meetings of Council normally take place on Wednesdays at the Council’s offices in Morpeth at 3pm, unless otherwise agreed with the Chair of Council. Information about public access to meetings of Council can be found in (to insert hyperlinks and remove reference to 'Part 6') Information about how Council meetings are carried out can be found in the procedure rules at (to insert hyperlinks and remove reference to 'Part XX')

3. 3 The Leader

3. 3.1 The Council operates a “Leader and Cabinet” system of governance. The Council has determined that, after every ordinary local election (every four years), the Council will elect the Leader for a four year term of office. The Leader will then hold office until the Annual General Meeting of the Council following the next date of ordinary elections, unless:

- a) They resign from the office of Leader;
- b) They are removed from office by resolution of the Council in accordance with the provisions of the Local Government Act 2000, or
- c) They are no longer a Member (other than during the period between an ordinary election and the Annual General Meeting of the Council immediately following that election).

3. 3.2 Where the Council decides (by a simple majority of those present) to remove the Leader from office a new Leader will either be elected at the meeting which takes that decision, or at the next ordinary meeting of full Council.

3. 4 Cabinet

3. 4.1 The Leader may appoint between one and nine other elected Members to form a Cabinet.

3. 4.2 The Cabinet is responsible for the “executive” decision-making functions of Northumberland County Council. It operates within the budget and policy framework agreed by the whole Council at its annual Budget meeting. Rules setting out decision-making at the authority are set out in (to insert hyperlinks and remove reference to ‘Part 4?’) Rules setting out how Cabinet meetings operate can be found in (to insert hyperlinks and remove reference to ‘Part XX’)

3. 4.3 The Cabinet will carry out those functions reserved to it under the system of “executive arrangements” set out in law, as well as those functions which the Council decides, as a matter of local choice, should be carried out by the Cabinet. The full list of these local choice functions can be found in (to insert hyperlinks and remove reference to ‘Part XX’)

3. 4.4 Cabinet makes decisions collectively. There are some small exceptions to this rule which are set out in (to insert hyperlinks and remove reference to ‘Part 4’).

3. 4.5 Members of Cabinet hold office until:

- a) They resign from office;
- b) They are no longer Members;
- c) They are removed from office, either individually or collectively, by the Leader of the Council.

3. 4.6 The Leader may also appoint Cabinet assistants from among the Members of the Council. Cabinet assistants will not be Members of Cabinet and will hold no delegated power to make executive decisions. They will act in a supportive capacity to the work of one or more Cabinet Members.

3. 5 Deputy Leader

3. 5.1 The Leader will annually appoint one Member of the Cabinet to be Deputy Leader. This person will exercise the functions of the Leader, if the Leader is absent or otherwise unable to carry out their functions. The Deputy Leader will hold office until:

- a) They resign from office;
- b) They are no longer Members;
- c) They are removed from office by the Leader of the Council.

3. 6 Overview and scrutiny committees

- 3. 6.1** The Council has appointed the overview and scrutiny committees set out in (to insert hyperlinks and remove reference to 'Part 5') of the constitution to carry out the functions set out in section 9F (and following sections) of the Local Government Act 2000, as well as functions relating to health scrutiny and scrutiny of community safety set out in the National Health Service Act 2006 and the Police and Justice Act 2006 respectively.
- 3. 6.2** The powers and functions of these committees are set out in more detail in (to insert hyperlinks and remove reference to 'Part 5'), and detailed procedure rules for the operation of committee meetings can be found in (to insert hyperlinks and remove reference to 'Part XX')
- 3. 6.3** Any Member of Council not a Member of the Council's Cabinet may be appointed by Council to sit on one or more overview and scrutiny committee. Cabinet assistants may be appointed to sit on overview and scrutiny committees, but only those whose terms of reference and work programmes do not intersect with their Cabinet-facing responsibilities.
- 3. 6.4** Any Member of the Council may request that an item be referred to an overview and scrutiny committee to be considered. This may be placed on a future meeting's agenda or, if this may not be the case, written reasons will be provided.

Section 4

Introduction to the roles of Members and officers in decision-making

- 4. 1** Members are elected by the public; where one party holds a majority of seats on the Council (or where an agreement between two or more parties leads to those parties collectively holding a majority), they have the right to form the administration. This happens by a majority of Members electing the Council Leader, who goes on to appoint their Cabinet.
- 4. 2** The Leader and Cabinet, appointed in this way, have a responsibility for setting the direction and priorities for the authority. Full Council signs this direction off through its annual debate and agreement of the Budget and Policy Framework, which is explained in (to insert hyperlinks and remove reference to 'Part XX'). Through a Corporate Plan, the Cabinet's overall priorities are translated into a series of decisions which are made by Cabinet throughout the year. The detail of this decision-making process is set out in (to insert hyperlinks and remove reference to 'Part 4').
- 4. 3** Members from all parties have a responsibility to oversee and scrutinise the way in which decisions are made, and their outcomes. Members sit on overview and scrutiny committees, which between them have an important role in contributing to the development of policy, and scrutinising the way that services are delivered to local people.
- 4. 4** Members also sit on the Audit Committee, which has a particular responsibility for ensuring that public money is spent well by the Council.
- 4. 5** Council officers – or employees – are responsible for implementing decisions agreed by Members, as well as advising Members on those decisions. The Council employs a large number of people who are professional experts in the areas for which it holds responsibility. It is officers who carry out the detailed work to ensure that services are delivered day-to-day – but the final accountability and responsibility always sits with Members.
- 4. 6** For the Council to work effectively requires that Members and officers understand their respective roles, and that they are able to work well together. There is, by definition, some crossover between the roles of Members and those of officers. The important thing is to ensure that in respect of those matters, and others, a framework is in place that means that relationships, duties and responsibilities can be managed properly, and transparently. This is central to the political accountability held by Members, and the professional accountability held by officers.
- 4. 7** In order to make sure this happens the Council has put in place arrangements such as:

- a) A Member-Officer Protocol (set out in (to insert hyperlinks and remove reference to 'Part XX'))
 - b) A scheme of officer delegation, which sets out the circumstances in which certain Cabinet / executive decisions which could be taken by Members can be taken by officers (set out in (to insert hyperlinks and remove reference to 'Part XX'))
 - c) Codes of Conduct for both officers and Members
- 4. 8** The Council's commitments on value and behaviours (which are explained more fully in (to insert hyperlinks and remove reference to 'Part XX')) also set out detail on how relationships should be managed.

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Section 5

Principal statutory officer functions

5. 1 The Council will engage people for the posts designated a “Chief Officer” (definition of which may be found in the Glossary).
5. 2 The people appointed to these posts will have responsibility for a range of matters relating to the corporate and strategic development of the Council, and its smooth running. Further information, including key responsibilities of Chief Officers, can be found at (to insert hyperlinks and remove reference to ‘Part XX’) of this Constitution.

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Section 6

Arrangements for review, amendment, interpretation and suspension of the Constitution

6.1 Review and amendment

6. 1.1 The Monitoring Officer will monitor and review the operation of the Constitution on an ongoing basis, as well as more formally as part of the review that underpins the preparation of the Annual Governance Statement (see below).
6. 1.2 This work will be overseen by Council and/or whichever body Council may appoint to provide more direct oversight.
6. 1.3 The Monitoring Officer may make minor and consequential amendments to the Constitution at any time. A “minor or consequential” amendment is one that makes no material change to the operation of any element of the Constitution (for example it may be the correction of a typographical error), a change in structure or is as a result of the updating of the Constitution to reflect a change in the law or some other decision of a body of the Council.
6. 1.4 More major changes to the Constitution may only be made with the approval of full Council, after considering a written report from the Monitoring Officer.

6.2 Interpretation

6. 2.1 The correct interpretation of any part of the Constitution will be reflective of the legal advice provided by the Monitoring Officer. In meetings, the meeting’s Chair will – subject to the advice of the Monitoring Officer or other governance officer present – use their own judgement on the interpretation of the procedure rules.

6.3 Suspension

6. 3.1 Only certain procedure rules present in the Constitution may from time to time be suspended, and then only further to the advice of the Monitoring Officer and subject to the agreement of the committee or body concerned, and then only for the duration of the item or meeting in question. The procedure rules in (to insert hyperlinks and remove reference to ‘Part XX’) cover this in more detail.

Section 7

The Annual Governance Statement

- 7. 1** The Annual Governance Statement is a statutory document, which explains the processes and procedures in place to enable the council to carry out its functions effectively. The statement is produced following a review of the council's governance arrangements and includes an action plan to address any significant governance issues identified.
- 7. 2** The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It needs to ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. To achieve this the Council has to ensure that they have a governance framework that supports a culture of transparent decision making.
- 7. 3** The Accounts and Audit Regulations (2015), as amended by the Accounts and Audit (Amendment) Regulations 2021, require the council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review with the Statement of Accounts.
- 7. 4** Behind this sits the Council's Code of Corporate Governance, based upon the CIPFA/SOLACE Delivering Good Governance publication (2016) that helps define the various principles of good governance in the public sector, and other key documents as set out in (to insert hyperlinks and remove reference to 'Part XX') (Governance and Culture).

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Part 2

Contents

The rights of the public

A summary of the Council's commitments on involvement and participation, including steps that the Council makes to the public in respect decision-making and their involvement in it.

Section 1: General commitments on involvement and participation

The Council is a democratic institution. As well as being represented by people elected as Members every four years, the Council commits to engage, and seek participation from, Members of the public between elections. This includes through formal consultation on major service changes, and through participation in investigations carried out by overview and scrutiny committees.

The Council, and Cabinet, may choose to adopt specific commitments and policies on public involvement, which may be included in a future version of the Constitution.

Members of the public have the right to:

- Attend meetings of the Council, and its committees, and of Cabinet (other than where exempt, and/or confidential, information is being discussed or decided, as set out in (to insert hyperlinks and remove reference to 'Part XX') The Council will have regard to its obligations under equality law, which includes responding positively to requests to make reasonable adjustments to the organisation of meetings (within the law) to facilitate attendance and participation, as well as proactively keeping under review systems and processes for formal meetings so as to remove barriers to participation and involvement;
- When attending such meetings, ask questions in accordance with the procedure rules;
- Access the Forward Plan, which sets out what "key decisions" will be taken by Cabinet and when. More about the Forward Plan and "key decisions" can be found in (to insert hyperlinks and remove reference to 'Part XX')
- Access reports and background papers, and records of decisions made by the Council, Cabinet, Committees (and under delegated power by officers), so long as they are not exempt from publication;
- Inspect the Council's accounts. This is a right set out in law, explained in more detail in the National Audit Office publication, "Local authority accounts: a guide to your rights" (2021), to which the Council will have regard in considering requests;
- Contact their local Member about any matters of concern to them. The Council does reserve the right, where the conduct of a specific member of the public reasonably causes a specific Member fear or alarm, and/or where evidence of harassment

exists, to restrict or block access of a specific member of the public to a specific Member;

- Obtain information held by the Council using the Freedom of Information Act 2000, and the Environmental Information Regulations 2004. Detailed arrangements for requests for information here can be found in (to insert hyperlinks and remove reference to 'Part XX')
- Obtain any personal information held by the Council which relates to them, in accordance to data protection legislation;
- Record and film public meetings of the Council, Cabinet or a committee meeting, subject to the terms set out in the procedure rules at (to insert hyperlinks and remove reference to 'Part XX')

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Section 2: Elections and electoral arrangements

The regular election of Members is held on the first Thursday in May every four years. The terms of office of Members will start on the fourth day after being elected and will finish on the fourth day after the date of the next regular election.

The Council appoints a Returning Officer and an Electoral Registration Officer to undertake responsibility for electoral matters.

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Section 3: Local Area Committees

The Council recognises the importance of a sense of connection and accountability between itself and the local community. This recognition underpins this Constitution; it has also informed the Council's decision to appoint a set of Local Area Committees (LAC).

An area committee is a committee of council that the law permits to undertake responsibility for functions, given to it by the Cabinet or Council, provided that it is made up of the entirety of Members for the electoral divisions within its area.

The terms of reference and make-up of each LAC is set out in **part 4 XXX**
(to insert hyperlinks and remove reference to 'Part XX')

Section 4: Petitions and the Petitions Committee

Petitions generally

Petitions are a way for Members of the public to get their voice heard on issues of local interest and contention. People who live, work and study in the area may start, and sign, petitions to ask the Council to adopt new policies on given topics, or to otherwise take action to effect change.

The Council wants to take account of the public's views and welcomes petitions as a way to gauge the public's appetite for changes to policy and practice. Petitions form part of a wider range of evidence available to the Council, that it uses to take decisions. More information on decision-making and policy formulation can be found in (to insert hyperlinks and remove reference to 'Part XX')

There is a Petitions Protocol which sets out in more detail how petitions from the public will be dealt with by the Council. This can be found at an Appendix to this Part. (to insert hyperlinks and remove reference to 'Part XX')

Petitions Committee

The Council has in place a Petitions Committee, tasked to consider those petitions of a corporate or county wide nature which do not fall within the remit of Local Area Committees, planning, licensing or other regulatory committees.

Petitions for changes to council governance will also be beyond the remit of the Petitions Committee.

Petitions for changes to council governance

Local residents on the electoral roll for the area have the right to vote and to sign a petition to request a referendum for a different form of governance for the authority than the Leader and Cabinet model.

For a referendum to be triggered a petition presented for these purposes must have been signed by at least 5% of the registered electors for Northumberland County Council. On an annual basis the Council will publish on its website the number of electors to form this percentage (the "validation number").

Section 5: Public rights to access information

These rules apply to all meetings of the Council, Overview and Scrutiny Committees, Local Area Committees, the Standards Committee and regulatory committees and formal meetings of the Cabinet (together called meetings). They may also apply to the meetings of other bodies (including informal task groups) if the Council decides.

The public's rights to access information include:

- The right for a member of the public to access personal information that the Council holds about them, by making a "subject access request";
- The right to make a request to the Council to provide information under the Freedom of Information Act;
- The right to access certain papers relating to the Council's formal business, which the Council is obliged to produce and publish.

This part of the Constitution forms the summary of the public's rights to attend meetings, and to inspect and copy documents, which the Council is obliged to make available to the public.

The different between "documents" and "information"

Information is contained in documents. In respect of certain matters the Council is obliged to produce information (for example, in response to valid requests under the Freedom of Information Act); in other circumstances the law requires that the Council follow rules around the publication of documents.

If a document contains exempt or confidential information (as described **(to insert hyperlinks and remove reference to 'Part XX')** that does mean that all the information contained in that document is exempt or confidential. Officers will therefore draft documents in such a way that minimises the risk that non-exempt or non-confidential material is so classified, to ensure proper transparency and also to ensure that the Council is fulfilling its duties under the Freedom of Information Act 2000.

Subject access requests

Where necessary, the Council will hold personal information, which will include information about individual Members of the public. The Council's responsibilities in respect of this information are governed and protected by the General Data Protection Regulation 2018 (GDPR).

"Personal information" is any data that can be used to identify a living person, either on its own or when referenced with data held by an organisation. Under GDPR this includes "special category" data, which includes information about someone's ethnic origin,

religious belief, political beliefs, their health data and their gender and sexuality. This information is subject to additional rules and safeguards.

The Council will also keep such information where it is necessary to do so, and will do so safely and securely. Information is retained in line with the Council's retention schedule – where it is no longer required it will be destroyed.

This information is described as being “processed” when it is collected, stored, accessed, changed or destroyed. Information may be processed either by Council officers or by elected Members – but only for the purposes for which it is required. Information cannot be passed to third parties without the person involved being aware (unless there is a legal reason not to do so).

The GDPR provides the following rights for individuals:

- The right of access. This is the right for an individual to know whether personal data about them is being processed, and if so, access to that information;
- The right to rectification. This means that where personal data is accurate, a person has the right to have that information corrected;
- The right to erasure. This is the right to have personal data erased – the “right to be forgotten”. This is not an absolute right – for example it does not apply if personal data is needed for the Council to carry out something it has to do by law;
- The right to restrict processing. This is the right to limit the way that Council uses data. Like the right to erasure, it is not absolute;
- The right to be informed. This is the right to be informed about the collection and use of personal data. This includes information about why information is being processed, how long that information will be retained, and who it will be shared with;
- The right to data portability. This is the right for an individual to obtain and reuse their personal data for their own purposes across different services;
- The right to object. Under certain circumstances, an individual can object to the processing of personal data.

A person can request to access their information at any time by completing a Subject Access Request form **(to insert hyperlinks and remove reference to 'Part XX')**

A person making such a request will need to provide proof of their identity and any other information to assist the data controller to locate their personal data.

More information about this process, and about data protection and information governance, can be found at

<https://www.northumberland.gov.uk/About/Contact/Information.aspx>

Freedom of Information requests

The Freedom of Information Act 2000 gives people the right to access a range of information held by the Council. (to insert hyperlinks and remove reference to 'Fol Act 2000')

There is certain information which the Council makes available of its own volition, and information which the Council is obliged to publish because of other laws. For example, information about the formal business of the Council (agendas, minutes, reports, and so on) must be published, unless exempt – this is explained in more detail in (to insert hyperlinks and remove reference to 'Part XX'). Certain information on the environment is required to be published under the Environmental Information Regulations (EIR); information on what the Council spends its money on over the value of £500 is required to be published, and the Council's full accounts are required to be open to inspection at certain times as well.

All of this information is set out in the Council's "publication scheme", a document which dictates the information that the Council, as a public body, will routinely make available. The Council has committed to:

- proactively publishing, or otherwise making available, information, including environmental information, as well as information routinely made available so that it can be easily accessed by Members of the public
- specifying the information which falls into the classes below
- reviewing and updating information on a regular basis
- making the scheme available to the public

Information on the publication scheme should be readily and easily accessible through the Council's website. Where a person wants to access other information, which they think the Council holds, they can make a request to the Council to have it provided.

Freedom of Information requests made in this way need to be in writing, but they do not need to be made on a special form or in a particular way. The law requires the Council to produce information, not documents – this means that the Council may, following a request, need to either redact certain parts of a document or redraft that document in order to publish it, but that the Council may not refuse to publish certain information just because it happens to be in a document which contains other data which is exempt or confidential.

There are a number of exemptions to the rules around freedom of information – reasons why the Council can refuse to make information available. Some of these exemptions are "absolute" – which means that information does not have to be released. Some exemptions are "qualified" – which means that the Council is obliged to weigh the public

interests in maintaining the exemption against the public interest in disclosure. The public interest here means the “public good”.

When the Council receives a request it has 20 working days to respond. Where a person is unhappy about the response they receive they can request that the Council carries out an internal review of the decision. There is then an opportunity to appeal to the Information Commissioner’s Office.

More information is provided on the ICO’s website at <https://ico.org.uk/for-the-public/official-information/>

More information about the Council’s own arrangements can be found at <https://www.northumberland.gov.uk/About/Contact/Information.aspx>

Accessing information relating to the Council’s formal business

When the Council organises meetings of committees and other bodies on which Members sit, it has to meet certain requirements around the publication of information relating to those meetings. The person responsible for this is the Monitoring Officer.

This includes the duty to:

- (a) Publish notices of meetings. The Council will give at least five clear days’ notice of any meeting by posting details of the meeting on its website and at County Hall, Morpeth. The only exception is where meetings are lawfully called with less than five clear days’ notice. In order for this to happen certain rules have to be satisfied around the calling of urgent meetings;
- (b) Publish the agenda and reports in advance of the meeting. The Council will make copies of the agenda available for inspection, along with those reports which are required to be published (insert link), at County Hall, Morpeth, at least five clear days before the meeting. Identical information will be published on the Council’s website. If an item is added to the agenda later, meaning that a report on that item can only be prepared after the summons has been sent out, the Monitoring Officer shall make each such report available to the public as soon as the report is completed and sent to Members. Such late reports will be open to inspection from the time the item was added to the agenda;
- (c) Publish other information relating to meetings. The Council will make available, for a minimum of six years following the date of a meeting, copies of:
- (d) The minutes of the meeting or records of decisions taken, together with reasons, for all meetings of Cabinet, excluding any part of the minutes of proceedings when the meeting was not open to the public or which disclose exempt or confidential information;
- (e) A summary of any proceedings not open to the public where the minutes open to inspection would not provide a reasonably fair and coherent record;
- (f) The agenda and reports for the meeting, published in line with the rules above.
- (g) Publish a record of executive decisions made at meetings. As soon as practicable after any meeting of a decision-making body at which an executive decision is made, the Monitoring Officer (or the person presiding, if the Monitoring Officer was

not present) must produce a written statement for every executive decision made which includes:

- (h) A record of the decision, including the date it was made;
- (i) A record of the reasons for the decision;
- (j) Details of any alternative options considered and rejected by the decision-making body at the meeting in question;
- (k) A record of any conflict of interest relating to the matter decided which is declared by a decision-maker;
- (l) In respect of any declared conflict of interest, a note of dispensation granted by the Head of Paid Service.
- (m) Publish background papers relating to decisions. There are certain documents, in relation to reports submitted to Cabinet, Council or committees of the Council, which may:
- (n) Disclose any facts or matters on which a report, or an important part of a report, is based;
- (o) Have been relied on to a material extent in preparing the report.

Documents meeting these criteria are “background papers”. In preparing every report, the Monitoring Officer will set out a list of these documents, and make available for public inspection for four years after the date of the meeting one copy of each document. An exception will apply in the case of documents which contain exempt or confidential information.

Further duties relating to executive decisions and “key decisions”

More detail about notice and publication requirements in relation to Key Decisions, and the transaction of Cabinet meetings (where rights of access may be slightly different to access to ordinary Council meetings), can be found in (to insert hyperlinks and remove reference to 'Part XX')

Exceptions to the duties described above

On occasion, there may be exceptions to the Council’s obligation to publish information under this Part. There are three main reasons for this.

- 1) Because a decision is proposed to be made where the Chair of the meeting has determined (with the agreement of others, where required) that reasons of urgency require notice provisions to be curtailed. There are three sets of circumstances – the “general exception”, special urgency, and emergency – to which this decision might apply. More detail is provided in (to insert hyperlinks and remove reference to 'Part XX')
- 2) Because the information is confidential. Confidential information means information given to the Council by a Government department on terms which forbid its public disclosure, or information which cannot be publicly disclosed by Court Order.

- 3) Because the information is 'exempt' from access to information by the public or press. There are a number of categories of "exempt information". This is set out in more detail in the Access to Information Rules (to insert hyperlinks and remove reference to Schedule 12A)

When a committee whose meeting is otherwise held in public is to consider information that is either confidential or exempt, the Members of that committee:

- Must resolve to exclude the public from the meeting where the information in question is confidential, and where it is likely in view of the nature of the business to be transacted or the nature of the proceedings that the information will be disclosed;
- May resolve to exclude the public from the meeting where the information in question is exempt, and where it is likely in view of the nature of the business to be transacted or the nature of the proceedings that the information will be disclosed. Any resolution to exclude the public due to the disclosure of exempt information must identify the part of the proceedings to which it applies and the description of the exempt information to be used.

Where a meeting will involve a committee acting as a tribunal to determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the European Convention of Human Rights (incorporated into UK law by the Human Rights Act 1998) establishes a presumption that the meeting will be held in public, unless any of the exceptions in Article 6 apply, or the relevant party's rights under Article 8 ("right to respect for private and family life") or Article 13 ("right to an effective remedy") otherwise require that the meeting be held in private.

Section 6: Introduction to public access and speaking rights in meetings

Access

The public have the right to access formal meetings of the Council unless those meetings are considering matters that are exempt or confidential.

Summonses for meetings (which are the formal documents produced alongside the meeting's agendas and reports) are issued five clear working days before the meeting is held and contain information as to the physical location at which the meeting is held.

All venues used by the Council for formal meetings will be accessible for those with physical disabilities. Reasonable adjustments will be made for those attending or wishing to attend whose circumstances make that attendance difficult; for the most part this is provided for by meetings being webcast.

As far as possible the Council will think proactively about the need to accommodate and support people who want to attend meetings especially where items on the agenda might attract interest from large numbers of people.

The public may be excluded from meetings where exempt information is due to be considered and must be excluded where confidential information is due to be considered. The Chair will make a ruling on exclusion on the advice of officers. There is no opportunity for the public to make representations.

Asking questions

Formal meetings of the Council (and meetings of Cabinet) are meetings held in public, not public meetings. This means that the primary purpose of meetings is for Members of Council committees and other bodies to discuss, debate and decide.

However, the Council recognises the need for public accountability and scrutiny as a core element of formal meetings and recognises that the public need to be seen as active participants in business being carried out on their behalf.

To this end the Council has put into place arrangements to provide for public questions to be posed to committees as a part of those committees' agendas. The full details of these rights can be found in the procedure rules in (to insert hyperlinks and remove reference to 'Part XX') In general:

- For certain meetings (Council, for example) Members of the public wishing to ask questions must give notice. This is to ensure that a meaningful answer can be provided at the meeting by a relevant person;
- The rights to ask questions are, by necessity, limited to one per person per meeting, both to allow other questions to be asked and to ensure that bodies' business can be effectively carried out. Public questions are not an invitation for lengthy debate on the topic in question;

- Members of the public are likely to find the posing of questions more effective when they relate directly to an item already on the committee's agenda. The forward plan of agendas (and work programmes) of committees are published by the Council on its website.
- In all cases, the determination of the Chair as to whether questions are or are not in order, supported by advice from officers, will be final.

Speaking more generally

From time to time committees may decide to organise their business in such a way as to allow a freer contribution from Members of the public, building in the time and opportunity for the public to be actively engaged in debate. This may particularly be the case for scrutiny meetings. Where committees determine to do this, it will be seen as a derogation from procedure rules as set out in section above on "suspension of rules in the constitution". The derogation will apply for only the part of the meeting where Members determine it should; it should not be seen as open-ended or applying to other meetings.

Section 7: Complaints

Members of the public have the right to complain to:

- ❑ The Council, under the complaints procedure (which can be found at (to insert hyperlinks and remove reference to 'Part XX')
- ❑ The Local Government and Social Care Ombudsman, after using the Council's own complaints scheme;
- ❑ The Council's Monitoring Officer about a breach of the Member Code of Conduct.

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Part 3

The rights and responsibilities of Members

A summary and description of the roles of Members as the Members of the Council, including how the governance framework is designed and maintained and how Members are trained, developed and supported in fulfilling their elected roles.

Section 1: Summary of Member roles

Members have a variety of roles, on the Council and in the community. Consideration of the support that Members require (and information to which they may be entitled) will need to be based on an understanding of these roles. They include, but are not limited to:

- Being the ultimate policy-makers for the Council, through agreement annually of the budget and policy framework (rules relating to which can be found in (to insert hyperlinks and remove reference to 'Part XX')
- Representing their communities and bringing their views into the Council's decision-making process;
- Dealing with individual casework, and where appropriate acting as advocates for constituents in resolving particular concerns or grievances;
- Balancing different interests identified within their electoral division, and representing the electoral division as a whole;
- Being involved in decision-making. This may be as Members of Cabinet, as decision-makers for regulatory functions such as licensing and planning, or so-called "quasi-judicial" functions (for example, where a parent can appeal to the Council against a decision by a maintained school to exclude their child, and a panel of Members is convened to consider that appeal);
- Being involved in holding decision-makers to account. This may happen at Council meetings, at meetings of overview and scrutiny committee meetings, and elsewhere;
- Being the "corporate parent" for children in care, as part of a shared responsibility held by Members, the Council as a body, council officers and partner agencies;
- Supporting the delivery of the work of the Council within the framework set by law and guidance. This is a particular obligation for Members sitting on the Audit Committee or the Standards Committee, but is also a responsibility held collectively by all Members;

Section 2: Members general rights to access information

Members should be provided with adequate information about services or functions upon which they may be called upon to make or scrutinise decisions, or which affect their constituents. In the normal course of events, this information will be made routinely available by officers in the form of reports, departmental plans, updates etc. Members are encouraged to make use of existing sources of information wherever possible.

The rights of Members can be summarised as follows:

- Members generally enjoy the same access rights as members of the public in respect of public papers;
- Members of the appropriate Cabinet, Committee or Sub-Committees will have a good reason for access to all exempt information on the Cabinet, Committee, Sub-Committee agenda under the common law “Need to Know” principles (see below);
- Members of the Overview and Scrutiny Committee will have a prima facie “Need to Know” where the Committee requires access to exempt Cabinet agenda items as part of their scrutiny function provided the subject matter relates to an action or decision that the Member is reviewing or scrutinising as part of the agreed scrutiny work programme;
- All other Members who require access to confidential/exempt Cabinet, Committee or Sub-Committee documentation will need to request disclosure under the Freedom of Information Act 2000 or demonstrate a “Need to Know”.

It is important to note that these rights only apply where Members are clearly carrying out their role as elected representatives. Where any Member has a disclosable pecuniary interest or a personal and prejudicial interest in a matter the Member will only be entitled to the same access as would be the case for a private individual, i.e. to inspect the reports, minutes and background papers relating to the public part of the Cabinet, Committee or Sub-Committee Agenda. In these circumstances, the Member must make it clear that s/he is acting in his/her private capacity and not as a Member of the Council.

Sources of information rights

Members have a range of rights to access information. These rights can be summarised as follows:

- The rights held by ordinary members of the public. These are set out in the Part above that relates to public rights to access information. They include the right to make “subject access requests” for personal information, to submit Freedom of Information Act requests, and to access agendas, reports and minutes of Council meetings;
- Additional rights held by all Members. This includes:
- Where the Member in question can demonstrate a “need to know” certain information in order to carry out their duties and responsibilities;
- Where legislation, or rules in this constitution, confer additional rights on all Members;

- Further additional rights held by the Members of overview and scrutiny committees.

Rights held by all Members

Members do not need to make reference to specific rules / sections of legislation in order to make a valid request for information. It is also not necessary for a Member to make a request for a specific document (especially if they would not otherwise know of a specific document's existence).

Where possible, requests by Members for access to information, or documents, held by the Council should be supported by officers. Conversation about need should understand the objective of Members in seeking information out. This is not to say that certain information should only be provided if the objective of use of that information is considered "valid" – more that, having a sense of Members objectives, officers are more likely to be able to assist in providing them with information that meets their needs.

Rights held by Members in addition to public rights

Members have a statutory right to inspect any Council document which contains material relating to any business which is to be transacted at a Council, committee or sub-committee meeting, or at a Cabinet meeting.

In respect of Cabinet business, Members have the right to inspect any document which:

- Is in the possession or under the control of the Cabinet;
- Contains material relating to any business to be transacted at a public meeting.

Where documents might otherwise be exempt because they relate to:

- The financial or business affairs of any particular person, including the council – except in relation to terms proposed or to be proposed by or to the council in the course of negotiations for a contract (paragraph 3 of Schedule 12A), or
- information which reveals that the authority proposes to give under any enactment a notice under or by virtue of which requirements are imposed on a person, or to make an order or direction under any enactment (paragraph 6 of Schedule 12A)

Members may still inspect those documents under this rule. However, there is not an automatic right to inspect any other exempt information, and confidential documents may still not be inspected.

Rights set out here apply irrespective of whether the Member is a Member of the Committee or Sub-Committee concerned and extends not only to reports which are to be submitted to the meeting, but also to any relevant background papers.

This right does not, however, apply to documents relating to certain items which may appear in Part II (exempt) of the Agenda for meetings. Examples are documents that

contain exempt information relating to employees, occupiers of Council property, applicants for grants and other services, contract and industrial relations negotiations, advice from Counsel and criminal investigations.

The “need to know”

If a Member wishes to access “a Council document”, and where there is nothing expressly in legislation which provides for that information to be made available to them, it may still be made available to them if they have a demonstrable need to know.

This right, which was arisen through definition by the courts, is not a right to roam or an ability to go on a “fishing expedition”. The rules applying to the exercise of the right are that:

- The Member making the request must themselves demonstrate this need. Mere curiosity is not sufficient;
- The validity of the request should be determined by the relevant officer (on the advice of the Monitoring Officer);
- The validity of the request will hinge on whether access to relevant documents might reasonably be necessary to enable a Member to properly perform their duties;
- The meaning of “Council document” is broad, and includes at least any document produced with Council resources, although would exclude any document which forms part of the internal workings of another political Group;
- Officers will adopt a permissive approach to the provision of this information on the understanding that the Member role is a broad one.

Further rights held by Members of overview and scrutiny committees

Members who sit on overview and scrutiny committees have further, additional rights of access to information.

Such Members are entitled to a copy of documents which the Cabinet possess, and which contains material relating to executive business (which includes executive decisions made by a Cabinet Member or by an officer under delegated powers).

This is a broad power, which entitles Members to access exempt and confidential information. The only condition is that, in order to be entitled to exempt or confidential information, the Member making that request must be able to demonstrate that the request relates to a decision that the Member is scrutinising or that it relates to an item on the current scrutiny work programme.

Cabinet is obliged to provide a copy of the document no later than 10 clear days after the request is received. If Cabinet determines that the Member is not entitled to a copy of the document (or a part of the document) a written statement will be provided setting out the reasons.

Obligations held by Members in respect of confidential or exempt information, or information otherwise not intended for publication

Any information, or document, provided to a Member orally, in writing or in any other way, must only be used by the Member for the purpose for which it was provided, ie in connection with the proper performance of the Members duties as a Member of the Council.

Confidential or exempt information provided to Members should not be discussed with, or released to, any other persons. This includes other Members, or any person who the Member in question considers may, in good faith, be entitled to access the information in question. This rule continues to apply even if the Member considers that the information is already partly or entirely in the public domain.

Where a Member considers that confidential or exempt information, or such other information that has otherwise been provided to them in confidence, should be disclosed to another person, because they believe it is reasonable and in the public interest to do so, then they should always consult the Monitoring Officer first and (as set out in the Members Code of Conduct) shall not disclose the information without having regard to any advice given by the Monitoring Officer or an appointed Member of their staff.

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DRAFT CONSTITUTION

Part 4
Articles

These are the basic rules governing the Council's business

1. The Constitution
2. Members of the Council
3. Local Residents and the Public
4. The Full Council
5. Chairing the Council
6. The Leader and Cabinet (the executive)
7. Overview & Scrutiny Committee's
8. Regulatory and other Committee's (which includes Standards and Audit matters)
9. Statutory Committee's
10. Local Area Committee's
11. Joint Arrangements
12. Officers
13. Decision Making
14. Finance, Contracts and Legal Matters
15. Review and Revision of the Constitution
16. The Constitution
17. Members of the Council
18. Local Residents and the Public

Article 1

The Constitution

The Council will exercise all its powers and duties in accordance with the law and this Constitution.

1.01 The Constitution

This Constitution, and all its appendices, is the Constitution of Northumberland County Council.

1.02 Purpose of the Constitution

The purpose of the Constitution is to:

- (1) enable the Council to provide clear leadership to the community in partnership with citizens, businesses, and other organisations
- (2) support the active involvement of citizens in the process of local council decision-making
- (3) help Members represent their constituents more effectively
- (4) enable decisions to be taken efficiently and effectively
- (5) create a powerful and effective means of holding decision-makers to public account
- (6) ensure that no one will review or scrutinise a decision in which they were directly involved
- (7) ensure that those responsible for decision making are clearly identifiable to local people and that they explain the reasons for decisions, and
- (8) provide a means of improving the delivery of services to the community.

1.04 Interpretation and Review of the Constitution

Where the Constitution permits the Council to choose between different courses of action, the Council will always choose that option which it thinks is closest to the purposes stated above.

The Council will monitor and evaluate the operation of the Constitution as set out in **(to insert hyperlinks and remove reference to 'Article 15)**

Article 2

Members of the Council

Composition

The Council will comprise 67 Members, otherwise called Members. One Member will be elected by the voters of each Electoral Division in accordance with a scheme drawn up by the Boundary Commission except in the case of the Alnwick Division, which has two Members.

Eligibility

Only registered voters of the county or those living or working there will be eligible to hold the office of Member.

2.01 Election and terms of Members

The regular election of Members will be held on the first Thursday in May every four years. The terms of office of Members will start on the fourth day after being elected and will finish on the fourth day after the date of the next regular election.

2.02 Roles and functions of all Members

(1) Key roles

All Members will:

- (a) collectively be the ultimate policy-makers and carry out a number of strategic and corporate functions
- (b) represent their communities and bring their views into the Council's decision-making process, i.e. become the advocate of and for their communities
- (c) deal with individual casework and act as an advocate for constituents in resolving particular concerns or grievances
- (d) balance different interests identified within the Electoral Division and represent the Electoral Division as a whole
- (e) be involved in decision-making
- (f) be available to represent the Council on other bodies, and
- (g) maintain the highest standards of conduct and ethics.

(2) Rights and duties:

- (a) Members will only have such rights of access to such documents, information, land, and buildings of the Council as are necessary for the proper discharge of their functions and in accordance with the law.
- (b) Members will not make public information which is confidential or exempt without the consent of the Council, or divulge information given in confidence to anyone other than a Member or officer entitled to know it. Failure to do so may be construed as a breach of the [Code of Conduct](#).
- (c) For these purposes, "confidential" and "exempt" information are defined in [Access to Information Procedure Rules](#) in **(to insert hyperlinks and remove reference to 'Part 5')** of this Constitution.

2.03 Conduct

Members will at all times observe the [Members Code of Conduct](#) and the [Protocol on Member/Officer Relations](#) set out in [\(to insert hyperlinks and remove reference to 'Part 6'\)](#) of this Constitution.

2.04 Allowances

Members will be entitled to receive allowances in accordance with the [Members Allowances Scheme](#) set out [\(to insert hyperlinks and remove reference to 'Part 7'\)](#) of this Constitution.

2.05 Member Details

Details of all elected Members of Northumberland County Council are available on the council's website at www.northumberland.gov.uk

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Article 3

Local Residents and the Public

3.01 Local Residents and the Public - Rights under the Constitution

Members of the public, particularly those who live or work in the area, have the following rights:

(NB their rights to information and to participate are explained in more detail in the [Access to Information Procedure Rules](#) in (to insert hyperlinks and remove reference to 'Part 5') of this Constitution):

(1) Voting and petitions

Local residents on the electoral roll for the area have the right to vote and sign a petition to request a referendum for an elected mayor form of Constitution.

(2) Information

The right to:

- (a) attend meetings of the [Council](#) and its [committees](#), with reasonable adjustments being made to allow participation, except those parts of meetings where confidential or exempt information is likely to be disclosed, and that part of the meeting is therefore held in private
- (b) attend meetings of the [Cabinet](#) when key decisions are being considered
- (c) find out from the **forward plan** what **key decisions** will be taken by the Cabinet and when
- (d) see reports and background papers, and any records of decisions made by the Council, Cabinet and Committees provided that they have not been classed as exempt under the [Access to Information Procedure Rules](#)
- (e) inspect the Council's accounts and make their views known to the external auditor
- (f) contact their **local** councillor about any matters of concern to them
- (g) obtain information held by the Council using the provisions of the Freedom of Information Act 2000 and the Environmental Information Regulations 2004
- (h) obtain any personal information held about them by the Council, in accordance with relevant data protection legislation
- (i) record and film public meetings of the Council, cabinet or committees provided this is not undertaken in a disruptive manner ([Council Procedure Rules](#))

(3) Participation

The right to:

- (a) contribute to investigations by [Overview and Scrutiny Committees](#) (in accordance with the procedures agreed by the Council or the Committees – see [Overview & Scrutiny Procedure Rules](#))
- (b) Ask Questions in accordance with the [Council Procedure Rules](#)

(4) Complaints

The right to complain to:

- (a) the Council under the complaints procedure about the standard of service, action, or lack of action

- (b) the Ombudsman after using the Council's own complaints scheme
- (c) the Council's [Standards Committee](#) about a breach of the [Code of Conduct for Elected Members](#).

(5) Petitions

The right to petition the Council in accordance with the [Petition Protocol procedure](#).

3.02 Responsibilities

Members of the public must not be violent, abusive, or threatening to Members or officers and must not wilfully harm things owned by the Council, Members, or officers. Where appropriate the Council has the right to refuse to engage with offending individuals.

Article 4

The Full Council

Introduction

Meetings of the full Council involve all 67 Members and take place in accordance with the dates and frequency set out in the diary of meetings as agreed by full Council. An annual meeting will be held in May each year when the election of the Chair of the County Council and the appointments of the Deputy Chair of the County Council and Members to the various committees of the Council are made.

While the majority of the work of the Council is delegated to the Cabinet and these committees and also to officers, full Council remains directly responsible for the functions listed at 4.02 below.

4.01 Meanings

Budget and Policy Framework

(1) Policy Framework

The plans or strategies forming the Council's Policy Framework are set out as matters reserved to full Council at (to insert hyperlinks and remove reference to 'Part XX') of this Constitution

The plans or strategies forming the Council's Policy Framework are those that:

- (a) are referred to in Regulation 4 or Schedule 3 Local Authorities (Functions and Responsibilities) (England) Regulations 2000; or
- (b) that the authority has determined that the decision whether the plan or strategy should be adopted or approved should be taken by them,

which are listed in (to insert hyperlinks and remove reference to 'Part XX'), Section 1 of this Constitution (Matters reserved to full Council)

(2) Budget

The budget includes the allocation of financial resources to different services and projects, proposed contingency funds, the council tax base, setting the council tax and decisions relating to the control of the Council's borrowing requirement, the control of its capital expenditure, the policy on fees and charges, investments and the setting of virement limits.

4.02 Functions of the Full Council

Only the Council will exercise the following functions:

- (1) adopting and changing the Constitution;
- (2) approving or adopting the policy framework and the budget;
- (3) subject to the urgency procedure contained in the [Access to Information Procedure Rules](#) in (to insert hyperlinks and remove reference to 'Part X') to this

Constitution, making decisions about any matter in the discharge of an executive function which is covered by the policy framework or the budget where the decision maker is minded to make it in a manner which would be contrary to the policy framework or contrary to/or not wholly in accordance with the budget.

(4) electing the Leader;

(5) agreeing and/or amending the terms of reference for committees, deciding on their composition, and making appointments to them; appointing the Chair and Vice Chair of all committees of council.

(6) appointing representatives to outside bodies unless the appointment is an executive function, has been delegated by the Council or otherwise.

(7) adopting a [Members Allowances scheme](#)

(8) confirming the appointment of the head of paid service and designation of the monitoring officer and s.151 officer;

(9) changing the name of the area, conferring the title of honorary alderman or alderwoman;

(10) all local choice functions set out in [\(to insert hyperlinks and remove reference to 'Part 5'\)](#) of this Constitution which the Council decides should not be undertaken by the Cabinet

(11) all other matters which, by law, must be reserved to Council

4.03 Council meetings

There are three types of Council meeting:

(1) the annual meeting

(2) ordinary meetings

(3) extraordinary meetings

and they will be conducted in accordance with the [Council Procedure Rules](#) in [\(to insert hyperlinks and remove reference to 'Part 5'\)](#) of this Constitution.

Article 5

Chairing the Council

5.01 Role and function of the Chair

The Chair of the Council will be elected, and the Deputy-Chair will be appointed, by the Council annually. The Chair and in their absence the Deputy-Chair, will have the following responsibilities:

- 1) to uphold and promote the purposes of the Constitution, and to interpret the Constitution when necessary;
- 2) to preside over meetings of the Council so that its business can be carried out efficiently and with regard to the rights of Members and the interests of the community;
- 3) to ensure that the Council meeting is a forum for the debate of matters of concern to the local community and the place at which Members who are not on the Executive are able to hold the Executive to account;
- 4) to promote public involvement in the Council's activities;
- 5) to be the conscience of the Council;
- 6) to attend or be represented at such civic and ceremonial functions as the Council and they determine appropriate; and
- 7) to determine any matter referred under the urgency provisions of the Access to Information Procedure Rules or the Budget and Policy Framework Procedure Rules and to be consulted on any matter in relation to which consultation with the Chair of the Council is considered required under this Constitution.

5.02 Prohibition on membership of the Cabinet

Neither the Chair nor the Deputy- Chair may be a Member of the [Cabinet](#)

Article 6

The Cabinet

Role

- 1.1 The Cabinet will exercise all of the Council's functions which are not the responsibility of any other part of the Council, by law or under this Constitution, and subject (in the case of executive functions only) to the Leader determining to make the decision personally or that it should be undertaken by an individual Cabinet Member, by an officer, by a committee of cabinet or under joint arrangements.
- 1.2 Executive decision making (aside from those executive functions delegated to Officers and Committees of the Cabinet) shall be exercised by the Cabinet as a whole. No executive functions are currently delegated by the Leader to individual Executive Members.

Form

- 1.3 The Cabinet will consist of the Leader together with at least two but not more than nine Members appointed to the Cabinet by the Leader.
- 1.4 No substitution arrangements will apply to the Cabinet, and neither the Chair nor Deputy Chair of the Council may be appointed to the Cabinet.

Leader

- 1.5 The Council has decided that the Leader will be a Member elected to the position of Leader by the Council until the following the four-yearly elections. The Leader will remain in position until the Annual Council meeting following the next four yearly elections, or until:
 - 1.5.1 they resign from office;
 - 1.5.2 they become ineligible to be a Member of the Council, either for a specific period or indefinitely;
 - 1.5.3 they cease to be a councillor;
 - 1.5.4 they are removed from office by a resolution of the Council requiring a simple majority, in respect of which the motion has been fully set out in the agenda for the meeting.(N.B. if the Leader is not elected or does not stand for re-election, they will remain in office during the period between the election and the Annual Council meeting when a new Leader will be elected.)
- 1.6 In the event of there being a vacancy in the office of Leader:

- 1.6.1** If this is in consequence of being removed by resolution of Council, a new Leader may be elected at the same meeting; or
- 1.6.2** Council shall elect a new Leader at its next ordinary meeting, or at an extraordinary meeting called for the purpose of electing a new Leader

Other Cabinet Members

- 1.6.3** Other Cabinet Members will be Members appointed to the position by the Leader from time to time. They shall hold office until any of the events listed in 1.5.1 – 1.5.3 above apply to them or to the Leader, or until the Leader brings their term of office to an end.

Deputy Leader

- 1.6.4** The Leader shall appoint one Member of the Cabinet to be Deputy Leader who shall exercise the functions of the Leader in their absence. If the Deputy Leader is unable to act or the office is vacant, then the Cabinet must act in the Leader's place or must arrange for a Member of the Cabinet to act in their place, until a decision is made by the Council to appoint a new Leader.
- 1.6.5** The Deputy Leader shall hold office until such time as the term of office of the Leader who appointed them comes to an end, or until:
- (a) They resign from the office;
 - (b) They cease to be a Cabinet Member
 - (c) They are removed from office by the Leader.

Article 7

Overview and Scrutiny Committees

7.01 Terms of Reference

The Council will appoint one or more Overview and Scrutiny Committees to discharge the functions conferred by the Local Government Act 2000

NB Full Terms of Reference for each Overview and Scrutiny Committee are set out in (to insert hyperlinks and remove reference to 'Part 3') of
In considering membership of such committees, due regard should be paid to the potential contribution of community stakeholders outside the Council.

The Committees shall be entitled to co-opt non-members as non-voting co-optees as necessary for a particular matter that is subject to scrutiny.

7.02 General

Within their terms of reference, the Overview and Scrutiny Committees, and their sub-committees, will:

- (1) Review and/or scrutinise decisions made (and proposed), or actions taken in connection with the discharge of any of the Council's functions;
- (2) Make reports and/or recommendations to the full Council and/or the Cabinet and/or any policy, joint or Local Area Committee in connection with the discharge of any functions;
- (3) Consider any matter affecting the area or its inhabitants; and
- (4) Exercise the right to call-in, for reconsideration, (through the Chair's Group) decisions made but not yet implemented by the Cabinet and/or any policy or Local Area Committee.

7.03 Specific functions

Within their terms of reference, Overview and Scrutiny Committees, and their sub-committees, may:

- (1) Assist the Council and the Cabinet in the development of the Council's [Budget and Policy Framework](#)
- (2) Review and scrutinise the decisions made by and performance of the [Cabinet](#) and/or Local Area Committee and Council officers both in relation to individual decisions and over time
- (3) Review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas
- (4) Question Members of the Cabinet and/or committees and chief officers about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives, or projects
- (5) Make recommendations to the Cabinet and/or appropriate committee and/or Council arising from the outcome of the scrutiny process
- (6) Review and scrutinise the performance of other public bodies in the area and invite reports from them by requesting them to address the overview and scrutiny committee and local people about their activities and performance

- (7) Report and make recommendations to the Council or Cabinet on matters which affect the Council's area or the inhabitants of the area, and
- (8) Question and gather evidence from any person (with their consent).

7.04 Overview and Scrutiny Budget

Overview and Scrutiny Committees have overall responsibility for spending the budget made available to them.

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7.05 Annual Report

Overview and Scrutiny Committees must report annually to the Council on their workings and make recommendations for future work programmes and amended working methods if appropriate.

7.06 Proceedings

Overview and Scrutiny Committees will conduct their proceedings in accordance with the [Overview and Scrutiny Rules](#) as set out in [Part X](#) of this Constitution.

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Article 8

Regulatory and other committees

8.01 The Council will appoint those committees set out in (to insert hyperlinks and remove reference to 'Part 3') to discharge its regulatory and other functions. Members should normally only participate in the decision making processes of such committees after receiving appropriate training in the functions of that committee.

8.02 These committees are known as ordinary committees of the Council. They are subject to the requirement for political proportionality of political groups across all of their seats and, subject to the requirement for their to be a majority within the committee if there is a majority political group on the Council, proportionality so far as is practicable within the committee.

8.03 These committees are responsible for the exercise of those functions reserved to the Council as non-executive functions under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, as amended, and that the Council has delegated to these committees. Council or a committee may further delegate these responsibilities to a sub-committee or an officer.

8.04 The committees will include those responsible for:

- 8.03.1 standards matters concerning the Authority's arrangements in respect of an allegation that a Member has failed to comply with the Code of Conduct and other duties under the Localism Act 2011;
- 8.03.2 audit matters on behalf of the Authority;
- 8.03.3 planning (development control) matters; and
- 8.03.4 regulatory (non-Licensing Act 2003) matters

Article 9

Statutory Committees

9.01 The Council is required to establish committees and bodies other than ordinary committees of the Council. These committees and bodies have a particular purpose established in legislation and do not necessarily operate according to the normal standing orders and rules that other bodies of the Council must adhere to.

9.02 Licensing Committee

The Licensing Committee is established as the administrative committee acting under statutory delegation pursuant to the Licensing Act 2003. It is responsible for making policy and individual decisions as licensing authority under the Licensing Act 2003 and Gambling Act 2005. The Committee is required to establish Licensing Panels to make individual determinations in accordance with the procedures laid down in Regulations.

9.02 Health & Wellbeing Board

A Health and Well Being Board is required to be established as an ordinary committee of the Council but amended, pursuant to 194 of the Health and Social Care Act 2012 (Establishment of Health and Wellbeing Boards) and The Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013.

As a result, the voting members of the Board must as a minimum consist of:

- (a) at least one councillor of the local authority;
- (b) the director of adult social services for the local authority;
- (c) the director of children's services for the local authority;
- (d) the director of public health for the local authority;
- (e) a representative of the Local Healthwatch organisation for the area of the local authority;
- (f) a representative of each relevant clinical commissioning group; and
- (g) such other persons, or representatives of such other persons, as the local authority thinks appropriate.

The political requirements set out in sections 15, 16 and Schedule 1 of the Local Government and Housing Act 1989 do not apply to the membership of the Board.

The Council may choose to remove the voting rights of officers of the Council on the Board.

Guidance has been provided to assist the Council further. It is normally the case that the Board will be chaired by a councillor and that would be a Member with a relevant executive portfolio.

Article 10

Area Committees

10.01 Local Area Committees

The Council may appoint Local Area Committee as it sees fit, if it is satisfied that to do so will ensure improved service delivery in the context of best value and more efficient, transparent, and accountable decision making.

The Council will consult with relevant parish/ town councils, the chairs of relevant parish meetings and other relevant persons/organisations when considering whether and how to establish local area committee.

10.02 Form, composition, and function

(1) The Council will appoint the five Local Area Committee's. They are North Northumberland, Tynedale, Castle Morpeth, Ashington and Blyth, and Cramlington, Bedlington and Seaton Valley. Their terms of reference are set out in [Finance and Contract Rules](#) at (to insert hyperlinks and remove reference to 'Part 3') of the Constitution and their membership consists of all Members whose divisions lie in each area.

(2) Delegations. The Council and the Cabinet will include details of any delegations to Local Area Committee's in [Finance and Contract Rules](#) at (to insert hyperlinks and remove reference to 'Part 3') of this Constitution, including the functions delegated, showing which are the responsibility of the Cabinet and which are not, the composition and membership of the committees, budgets and any limitations on delegation.

(3) Local Area Committee's may appoint sub-committees or working groups which will be provided with administrative support at the discretion of the Head of Paid Service.

10.03 Conflicts of interest – membership of Local Area Committee's and Overview and Scrutiny Committees

(1) Conflict of interest

If an [Overview and Scrutiny Committee](#) is scrutinising specific decisions or proposals in relation to the business of the Local Area Committee of which the Member concerned is a Member, then the Member may not speak or vote at the Overview and Scrutiny Committee meeting unless a dispensation to do so is given by the [Standards Committee](#).

(2) General policy reviews

Where the [Overview and Scrutiny Committee](#) is reviewing policy generally, the Member must declare their interest before the relevant agenda item is reached, but need not withdraw.

10.04 Local Area Committee's – access to information

Local Area Committee's will comply with the Access to Information Rules in [Finance and Contract Rules](#) at (to insert hyperlinks and remove reference to 'Part 5') of this Constitution. Agendas and notices for meetings which deal with both functions of the

Cabinet and functions which are not the responsibility of the Cabinet, will state clearly which items are which.

10.05 Cabinet Members on Local Area Committee's

A Member of the Cabinet may serve on a Local Area Committee if otherwise eligible to do so as a Member.

The relevant Cabinet Member may be invited to attend a meeting of a Local Area Committee depending upon the subject matter in question.

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Article 11

Joint Arrangements

11.01 Arrangements to promote well being

The Council or the Cabinet in order to promote the economic, social, or environmental well-being of its area, may:

- (1) enter into arrangements or agreements with any person or body;
- (2) co-operate with, or facilitate or co-ordinate the activities of, any person or body; and
- (3) exercise on behalf of that person or body any functions of that person or body.

11.02 Joint arrangements

- (1) The **Council** may establish joint arrangements with one or more local authorities and/or their Executives to exercise functions which are not executive functions in any of the participating authorities, or advise the Council. Such arrangements may involve the appointment of a joint committee with these other local authorities.
- (2) The **Cabinet** may establish joint arrangements with one or more local authorities to exercise functions which are executive functions. Such arrangements may involve the appointment of joint committees with these other local authorities.
- (3) Except as set out below, the Cabinet may only appoint Cabinet Members to a joint committee and those Members need not reflect the political composition of the Council as a whole.
- (4) The Cabinet may appoint Members to a joint committee from outside the Cabinet in the following circumstances:
 - (a) the joint committee has functions for only part of the area of the Council, and that area is smaller than two-fifths of the council by area or population. In such cases, the Cabinet may appoint to the joint committee any Member who is a Member for an electoral division which is wholly or partly contained within the area.The political balance requirements do not apply to such appointments.
- (5) Details of any joint arrangements including any delegations to joint committees will be found in the Council's scheme of **delegations** in **(to insert hyperlinks and remove reference to 'Part 5')** of this Constitution.

11.03 Delegation to and from other local authorities

- (1) The Council may delegate non-executive functions to another council or, in certain circumstances, the Executive of another local council.
- (2) The Cabinet may delegate executive functions to another council or the Executive of another council in certain circumstances.
- (3) The decision whether or not to accept such a delegation from another local council shall be reserved to the Council meeting.

Article 12

Officers

12.01 Structure

(1) General

The Council may engage such employees as it considers necessary to carry out its functions.

(2) Chief Officers

Chief Officers are the Council's most senior staff, to whom responsibility for functions are delegated and includes certain statutory functions. This is defined by section 43(2) of the Localism Act 2011, as meaning:

(a) the statutory chief officers, being:

- (i)** the head of its paid service designated under section 4(1) of the Local Government and Housing Act 1989;
 - (ii)** the monitoring officer designated under section 5(1) of the Local Government and Housing Act 1989;
 - (iii)** the officer (also known as the chief finance officer) having responsibility, for the purposes of section 151 of the Local Government Act 1972, for the administration of the authority's financial affairs;
 - (iv)** the director of children's services appointed under section 18 of the Children Act 2004;
 - (v)** the director of adult social services appointed under section 6(A1) of the Local Authority Social Services Act 1970; and
 - (vi)** the director of public health appointed under section 73A(1) of the National Health Service Act 2006;
 - (vii)** the chief fire officer in respect of the Fire and Rescue Services Act 2004;
- (b)** a non-statutory chief officer mentioned in section 2(7) of the 1989 Act; and
- (c)** a deputy chief officer mentioned in section 2(8) of the 1989 Act.

(3) The Head of Paid Service, monitoring officer and section 151 (chief financial).

The Council will designate the following posts as shown:

<i>Chief Executive -</i>	<i>Head of Paid Service</i>
<i>Director of Law and Governance -</i>	<i>Monitoring Officer</i>
<i>Executive Director of Transformation and Resources -</i>	<i>S.151 Officer</i>

(4) Structure

The Head of Paid Service will publicise a description of the overall departmental structure of the Council showing the management structure and deployment of officers. This can be found at the Council's website [INSERT LINK].

12.02 Functions of the Head of Paid Service

- (1) The head of paid service will report to full Council on the manner in which the discharge of the Council's functions is co-ordinated, the number and grade of officers required for the discharge of functions and the organisation of officers.
- (2) The head of paid service may not be the Monitoring Officer but may hold the post of chief finance officer if a qualified accountant.

12.03 Functions of the Monitoring Officer

- (1) Maintaining the Constitution - The Monitoring Officer will maintain an up to-date version of the Constitution and will ensure that it is widely available for inspection by Members, officers and the public.
- (2) Ensuring lawfulness and fairness of decision making - After consulting with the Head of Paid Service and Chief Finance Officer, the Monitoring Officer will report to the Full Council, or to any relevant committee, if he or 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. Such a report has the effect of stopping the proposal or decision being implemented until the report has been considered.
- (3) Supporting the authority's duty to promote and maintain high standards of conduct - The Monitoring Officer will contribute to the promotion and maintenance of high standards of conduct through provision of support to the Committee with responsibility for standards. The Monitoring Officer will establish and maintain the Register of Members Interests and ensure it is kept up to date and made publicly available.
- (4) Receiving reports – The Monitoring Officer will receive and act on reports made by the Local Government and Social Care Ombudsman
- (5) Conducting Investigations - The Monitoring Officer will conduct, or arrange to have conducted, investigations in relation to allegations that Member or co-opted Member of the authority has failed to comply with the Members Code of Conduct

and in relation to public interest disclosures (whistleblowing) complaints in accordance with the authority's adopted procedures, policies and protocols.

(6) Proper Officer for Access to Information - The Monitoring Officer will ensure that the decisions of Council and its committees, together with the reasons for those decisions and relevant officer reports and background papers are made publicly available as soon as possible.

(7) Contributing to corporate management - The Monitoring Officer will contribute to the corporate management of the Council, in particular through the provision of professional administrative and legal advice.

(8) Providing advice - The Monitoring Officer will provide advice on issues concerning the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and whether decisions made under delegated authority are in accordance with the terms of delegation established by the Council (the Budget and Policy Framework) to all Members and will support and advise Members and officers in their respective roles.

(9) Personal duty - The duties of the Monitoring Officer under Section 5 of the Local Government and Housing Act 1989 shall be performed by them personally or, where they are unable to act owing to absence or illness, personally by such Member of his or her staff as have for the time being been nominated by the monitoring officer as his or her deputy for the purposes of this legislation.

(10) Restrictions on functions - The Monitoring Officer may not hold the post of Head of Paid Service nor the post of section 151 (chief financial) Officer.

(11) Monitoring Officer Protocol - Set out at **Part X** of this Constitution is a protocol which explains the role and function of the Monitoring Officer and the arrangements established for ensuring the role is effectively carried out.

12.04 Functions of the Section 151 Officer

(1) Ensuring lawfulness and financial prudence of decision making. After consulting with the head of paid service and the monitoring officer, the chief finance officer will report to the full Council or to the Cabinet in relation to an executive function and the Council's external auditor if they consider 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.

(2) Administration of financial affairs. The chief finance officer will have responsibility for the proper administration of the financial affairs of the Council in accordance with the Finance and Contract Rules.

(3) Contributing to corporate management. The chief finance officer will contribute to the corporate management of the Council, in particular through the provision of professional financial advice.

(4) Providing advice. The chief finance officer jointly with the monitoring officer will provide advice on the scope of powers of Council to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to all Members, and will support and advise Members and officers in their respective roles.

(5) Give financial information. The chief finance officer will provide appropriate financial information to the media, members of the public and the community.

12.05 Duty to provide sufficient resources to the monitoring officer and section 151 (chief finance) officer

The Council will provide the monitoring officer and section 151 officer with such officers, accommodation and other resources as are, in that officer's opinion, sufficient to allow their duties to be performed.

12.06 Conduct

Officers will comply with the [Officers' Code of Conduct](#) and the [Protocol on Member/Officer Relations](#) set out in (to insert hyperlinks and remove reference to 'Part 6') of this Constitution.

12.07 Employment

The recruitment, selection and dismissal of officers will comply with the [Officer Employment Rules](#) set out in (to insert hyperlinks and remove reference to 'Part 4') of this Constitution.

Article 13

Decision Making

13.01 Responsibility for decision making

The Council will issue and keep up to date a record of what part of the Council or individual has responsibility for particular types of decisions.

13.02 Principles of decision making

All decisions of the Council will be made in accordance with the following principles:

- (1) proportionality (i.e. the action must be proportionate to the desired outcome)
- (2) due and appropriate consultation and the taking of professional advice from officers
- (3) respect for human rights
- (4) a presumption in favour of openness
- (5) clarity of aims and desired outcomes.

13.03 Types of decision

- (1) Decisions reserved to [full Council](#)

Decisions relating to the functions listed in [Finance and Contract Rules](#) at (to insert hyperlinks and remove reference to 'Part 3') will be made by the full Council and not delegated.

- (2) Key decisions

(a) A key decision means an executive decision which is likely:

- ☐ to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
- ☐ to be significant in terms of effects on communities living or working in an area comprising two or more electoral divisions within the area of the Council.

(b) A decision taker may only make a key decision in accordance with the requirements of the [Cabinet Procedure Rules](#) and [Access to Information Procedure Rules](#) set out in [Finance and Contract Rules](#) at (to insert hyperlinks and remove reference to 'Part 5') of this Constitution.

- (3) Criteria for local key decisions

- (a) 'milestone' decisions, the timing of which will be known well in advance of the decision being taken. Examples include plans and strategies outside the Budget and Policy Framework, value for money and Auditors' reviews.
- (b) substantive commitments within the Corporate Plan and Service Plans which involve a material change in policy and/or significant service development.
- (c) In such cases a key decision involving a capital budget will be defined as a significant amount if it equates £500,000 revenue or £2 million capital or more.

(d) where the meaning of 'significant' is subject to any guidance to be issued by the Secretary of State and, in the absence of any such guidance, is to be interpreted as a decision which, in the view of the Leader, will have a significant effect on a significant number of people.

(e) operational decisions within the financial limits of the delegation scheme but which in the view of the relevant Cabinet Member may involve a material change of policy, are politically sensitive or may have a significant impact on a local community or reputation of the Council

13.04 Decision making by the Full Council

Subject to 13.08 below, the Council meeting will follow the [Council Procedure Rules](#) set out in [at \(to insert hyperlinks and remove reference to 'Part 5'\)](#) of this Constitution when considering any matter.

13.05 Decision making by the Cabinet

Subject to 13.08 below, the Cabinet will follow the [Cabinet Procedure Rules](#) set out in [at \(to insert hyperlinks and remove reference to 'Part 5'\)](#) of this Constitution when considering any matter.

13.06 Decision making by Overview and Scrutiny Committees

Overview and Scrutiny Committees will follow the [Overview and Scrutiny Procedure Rules](#) set out in [at \(to insert hyperlinks and remove reference to 'Part 5'\)](#) of this Constitution when considering any matter.

13.07 Decision making by other committees and sub-committees established by the Council

Subject to 13.08 below, other Council committees and sub-committees will follow those parts of the [Council Procedures Rules](#) set out in [\(to insert hyperlinks and remove reference to 'Part 5'\)](#) of this Constitution as apply to them.

13.08 Decision making by Council bodies acting as tribunals

The Council, a Member or an officer acting as a tribunal or in a quasi-judicial manner or determining/considering (other than for the purposes of giving advice) the civil rights and obligations or the criminal responsibility of any person will follow a proper procedure which accords with the requirements of natural justice and the right to a fair trial contained in [Article 6 of the European Convention on Human Rights](#) at [\(to insert hyperlinks and remove reference to 'Part 8'\)](#)

All Members and Officers will comply with the legislative requirements on access to information, decision making and recording having due regard to the criminal penalties for failure in certain circumstances.

Article 14

Finance, Contracts and Legal Matters

14.01 Financial management

The management of the Council's financial affairs will be conducted in accordance with the [Finance and Contract Rules](#) at [\(to insert hyperlinks and remove reference to 'Part 9'\)](#) and any guidance made under those Rules.

14.02 Contracts

Every contract made by the Council will comply with the [Finance and Contract Rules](#) at [\(to insert hyperlinks and remove reference to 'Part 9'\)](#) and any guidance made under those Rules.

14.03 Legal proceedings

The Director of Law and Governance or equivalent is authorised to institute, defend or participate in any administrative action and/or legal proceedings and to sign any document in any case where such action will facilitate the carrying out of decisions of the Council, or in any case where the Director of Law and Governance or equivalent considers that such action is necessary to protect the Council's interests, or to further or achieve the objectives of the Council, and such powers may be exercised by any officer authorised by the Director of Law and Governance or equivalent under their own name. For the sake of clarity, the Director of Law and Governance or equivalent may settle or otherwise compromise any such administrative action or legal proceedings if they have been commenced or there are reasonable grounds for believing such actions or proceedings may be contemplated.

14.04 Common Seal of the Council

The Common Seal of the Council will be kept in a safe place in the custody of the Director of Law and Governance or equivalent. A decision of the Council, or of any part of it, will be sufficient authority for sealing any document necessary to give effect to the decision. The Common Seal may be affixed either physically or by electronic means. The affixing of an electronic seal shall be of the same legal effect as affixing the Common Seal of the Council physically. The Common Seal will be affixed to those documents which in the opinion of the Director of Law and Governance or equivalent should be sealed. The affixing of the Common Seal will be attested by the Director of Law and Governance or equivalent or some other officer authorised by the Director of Law and Governance and will be entered into a book provided for the purpose and signed by the person who attested the seal.

Article 15

Review and Revision of the Constitution

15.01 Duty to monitor and review the constitution

The Monitoring Officer will monitor and review the operation of the Constitution annually to ensure that the aims and principles of the Constitution are given full effect.

15.02 Protocol for monitoring and review of constitution by monitoring officer

A key role for the Monitoring Officer is to be aware of the strengths and weaknesses of the Constitution adopted by the Council, and to make recommendations for ways in which it could be amended in order to better achieve the purposes set out in Article 1. In undertaking this task the monitoring officer or an officer nominated by the monitoring officer may:

- (1) observe meetings of different parts of the Member and officer structure
- (2) undertake an audit trail of a sample of decisions
- (3) record and analyse issues raised by Members, officers, the public and other relevant stakeholders, and
- (4) compare practices in this Council with those in other comparable authorities, or national examples of best practice.

15.03 Changes to the Constitution

Changes to the constitution will only be approved by the full Council after consideration of a written report from the Monitoring Officer in consultation with the Head of the Paid Service, the Section 151 Officer

Article 16

Suspension, Interpretation and Publication of the Constitution

16.01 Suspension of the Constitution

(1) Limit to suspension

The Sections of this Constitution may not be suspended. The Rules specified below may be suspended by the full Council to the extent permitted within those Rules and the law.

(2) Procedure to suspend

A motion to suspend any rules will not be moved without notice unless at least one half of the whole number of Members is present. The extent and duration of suspension will be proportionate to the result to be achieved, taking account of the purposes of the Constitution set out in (to insert hyperlinks and remove reference to 'Article 1')

The Council Procedure Rules at (to insert hyperlinks and remove reference to 'Part X') deal with the suspension of the rules relating to Council and Committee meetings.

16.02 Interpretation

The ruling of the Chair as to the construction or application of this Constitution or as to any proceedings of the Council shall not be challenged at any meeting of the Council. Such interpretation will have regard to the purposes of this Constitution contained in (to insert hyperlinks and remove reference to 'Article 1') .

16.03 Publication

(1) The Head of Paid Service will send an electronic link of this Constitution to each Member of the Council upon delivery of that individual's declaration of acceptance of office on the Member first being elected to the Council. A printed copy can be made available to those Members who require it.

(2) The Head of Paid Service will ensure that the Constitution is available online and copies are available for inspection at council offices, libraries, and other appropriate locations, and can be purchased by the public on payment of a reasonable fee.

(3) The Head of Paid Service will ensure that the summary of the Constitution is available online and is updated as necessary.

Article 17

The Declaration of Human Rights

Northumberland County Council has decided that the [Universal Declaration of Human Rights](#) should be adopted by the Council and included within its constitution.

The Universal Declaration of Human Rights adopted and proclaimed by the United Nations General Assembly on 10 December 1948 is set out in [\(to insert hyperlinks and remove reference to 'Part X'\)](#)

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Article 18

Northumberland County Fire and Rescue Authority

18.01 Fire and Rescue Authority

The County Council is the designated Fire and Rescue Authority for the County of Northumberland with the primary responsibility to make Northumberland a safer place to live and work through Prevention, Protection and Response.

All 67 Members are Members of the Fire and Rescue Authority with overall responsibility for the resilience of the service, including the setting of the annual budget within the Council's Medium Term Financial Plan and approving the Community Risk Management Plan (CRMP) 2022-2026 (which is the Council's Integrated Risk Management Plan) as part of [the Council's Policy Framework](#) (see [\(to insert hyperlinks and remove reference to 'Article 4'\)](#))

18.02 Cabinet Member for Community Services

The Cabinet Member for Community Services is the lead Member and is delegated to act as the Fire Authority Chair with specific responsibility for Fire and Rescue within the remit of their Cabinet portfolio.

The Cabinet Members responsibilities include:

- To provide assurance on behalf of the Fire Authority on the performance of Northumberland Fire and Rescue Service
- To receive reports from the Chief Fire Officer on the development and delivery of NFRS strategy, budgets, and policy
- To develop expertise and knowledge in their portfolio area
- To be the Council's lead spokesperson for their portfolio
- To attend the Communities and Place Overview and Scrutiny Committee as requested, to discuss decisions taken and to assist the scrutiny and policy development process
- To respond to questions relating to their portfolio arising at Council, Cabinet and Committee meetings

18.03 Communities and Place Overview and Scrutiny Committee

The Communities and Place Overview and Scrutiny Committee has responsibility for scrutinising the Fire and Rescue function and acting as a critical friend.

The Chief Fire Officer reports into the Committee providing key performance information to ensure Members can hold the Portfolio holder to account and ensuring all statutory responsibilities placed on the service are discharged and performance against agreed targets and objectives are met.

18.04 The Statutory Framework

The Fire and Rescue Services Act 2004 sets out those core functions which all Fire Authorities must make provision for, including:

- Promoting Fire safety

- Extinguishing fires and protecting life and property when fires do occur including:
 - the provision of resources necessary to meet normal requirements
 - appropriate training for firefighters
 - ensuring 999 calls for assistance can be dealt with effectively
 - minimising damage to property arising from firefighting operations
- Rescuing people involved in road traffic collisions
- Rescuing and protecting people in the event of other emergencies

The 2004 Act also introduced the Fire and Rescue National Framework which Fire Authorities must have regard to when carrying out their functions.

The five national priorities set out in the Framework require Fire Authorities to:

- Make appropriate provision for fire prevention and protection activities
- Identify and assess the foreseeable range of fire and rescue related risks which their areas face
- Collaborate with emergency services and other local and national partners to increase efficiency and effectiveness
- Be accountable to communities for their service
- Develop and maintain a workforce which is professional, resilient, skilled flexible and diverse

These national priorities are addressed through three main mechanisms:

- Integrated Risk Management Planning (currently the Community Risk Management Plan (CRMP) 2022-2026)
- An Annual Statement of Assurance
- Effective Financial Planning

Under the Crime and Disorder Act 1998 Fire Authorities are required to collaborate with other responsible authorities (police, probation, clinical commissioning groups and local authorities) to reduce crime and disorder in their area and are designated as Category 1 responders under the Civil Contingencies Act 2004 with a duty to work with other organisations to plan for major emergencies.

A list of other relevant legislation is available in the Community Risk Management Plan (CRMP) 2022-2026

18.05 The Chief Fire Officer and Operational Arrangements

The Chief Officer is the Fire Authority's principal adviser on the discharge of the Northumberland's Fire and Rescue Services (NFRS) functions and is accountable to the Fire Authority. The Chief Fire Officer's role is to provide operational leadership to NFRS, and ensure that the strategic aims and objectives of the fire authority are met, its functions are delivered and performance targets met through effective and properly controlled executive action.

The Chief Fire Officer's role and responsibilities are set out in (to insert hyperlinks and remove reference to 'Part X') under the [Delegation Scheme to Officers](#).

18.06 Firefighters' Pension Scheme for Northumberland Fire and Rescue Service Local Pension Board

In accordance with section 5 of the Public Service Pensions Act 2013, a local Pension Board assists the County Council in its capacity as the Fire and Rescue Authority in the governance and administration of the Firefighters Pension Scheme (FPS). Under regulation 4A (1) of the Firefighters Pension Scheme (England) Regulations 2014 the role of the Board is to assist the County Council as Scheme Manager:

- To secure compliance with the Regulations and any other legislation relating to the governance and administration of the Scheme, and requirements imposed in relation to the FPS by the Pensions Regulator
- To ensure the effective and efficient governance and administration of the FPS

The Membership of the Board is constituted as follows:

- Two elected Members as employer representatives
- Two scheme Member representatives
- An Independent Member (optional appointment)

The FPS Scheme Manager function, as set out and defined in the Public Service Pensions Act 2013, is the responsibility of the FRA, namely the County Council. The Council has delegated to the section 151 Officer the exercise of the Scheme Manager function for the Firefighters' Pension Scheme in consultation with the Chief Fire Officer.

NB. The FPS Local Pension Board is not a local authority committee. Detailed guidance on recruitment, terms of office and working arrangements are set out in the FPS Local Pension Board Terms of Reference (held separately from this Constitution)

18.07 Disputes Panel

Disputes Panel (Fire and Rescue Service)

The Panel hears and determines disputes in accordance with provisions in the Scheme of Conditions of Service of Local Authority Fire Brigades ((to insert hyperlinks and remove reference to 'Part X)

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DRAFT CONSTITUTION

Part 5

Responsibility for Functions **(Decision-making)**

This Part sets out who makes the decisions within the Council

1. Principles for decision-making and delegation
2. Key roles and responsibilities: overview
3. Responsibilities of Council <ul style="list-style-type: none"> a) Meetings of Council b) Functions of Council: general c) The Budget and Policy Framework
4. Responsibilities of Cabinet <ul style="list-style-type: none"> a) The Leader b) Cabinet's responsibilities c) How Cabinet will deliver its responsibilities d) How executive decisions are made e) Responsibilities of committees of Cabinet f) Responsibilities of individual Cabinet Members g) Scope of delegation for individual Cabinet Member decision-making
5. Local choice functions
6. All matters reserved committees (terms of reference of Committees)
7. Responsibilities of officers (the officer scheme of delegation)
8. Arrangements for policy development
9. Making and keeping records of decisions <ul style="list-style-type: none"> a) Records of decisions: general b) Records relating to executive decisions
10. APPENDIX A: CABINET MEMBER PORTFOLIOS AND PORTFOLIO OF THE LEADER (INSERT LINK)

This part of the Constitution sets out how Members and officers make decisions. It sets out:

- a)** Principles which will govern decision-making, including principles which will govern the delegation of decision-making;
- b)** Those decisions which must, by law, be made by the full Council;
- c)** Those decisions which will be made by Cabinet collectively, and by individual Cabinet Members;
- d)** Who will make decisions which may, by law, be made either by full Council or by the Cabinet. These are often described as “local choice” functions;
- e)** Where certain decisions can be made by officers under delegated powers, and how those delegated powers will be exercised and overseen.

DRAFT CONSTITUTION

Section 1: Principles for decision-making and delegation

Decision-making, by Members and officers, must happen within a framework which is compliant with law. As a democratic institution, the Council recognises that it is also obliged to demonstrate consistently to local people that decisions are made in a way that reflects their interests, including the prudent use of public funds.

The Council also has a framework of values and behaviours, which set out how Members and officers should work to ensure that Council business is carried out properly. The principles, and how they are interpreted, closely reflect these values and behaviours.

The Council recognises that setting principles to underpin decision-making arrangements has several benefits:

- a) It aids in the certainty and consistency of decision-making by limiting the risk that irrelevant considerations will be taken into account in the decision-making process;
- b) It provides confidence that decision-making will be legal, procedurally proper, reasonable and proportionate, because the principles provide a framework that assures this;
- c) It ensures that the right people are involved in decision-making, in the right way, at the right time.
- d) The principles underpinning decision-making and delegation are ones that apply to every stage of decision-making and to every person involved in that process. Adherence to these principles is not a “tick-box exercise”. Adherence to the principles has practical, real-world implications.

The following principles will underpin the Council’s approach to decision-making.

- a) Proportionality. Actions must be proportionate to the desired outcomes. A sense of proportionality will be informed by a proper understanding of both need and risk. This connects closely to the Council’s obligation to deliver Best Value.
- b) Reasonableness. Decisions should be reasonable, in the sense that the word is used in administrative law. An “unreasonable” decision is described as one so unreasonable that no reasonable person, acting reasonably, could have taken it. This is a very high bar, but still requires that decision-makers consider the logic, evidence and assumptions underpinning proposed decisions from this perspective.
- c) Due consultation. This includes paying proper regard to the needs of local people, as they express them, as well as taking professional advice from officers.
- d) Respect for equality, diversity and inclusion, and for human rights. As well as being legal requirements, demonstrating a commitment to equality and human rights is about embedding an understanding of their importance throughout the decision-making process;
- e) A presumption in favour of openness. There will always be public policy reasons for not releasing information held by the Council – including reasons of commercial sensitivity. However, local democracy demands the approach that openness will be the default option unless clear, justified and legal reasons to the contrary are asserted;

- f) Clarity of aims and desired outcomes. Decision-making has to reflect a clear sense of what the Council is trying to achieve on behalf of local people. Usually this will derive from the Corporate Plan and similar documents. It will always demonstrate the delivery of outcomes within the context of the Council's obligation to deliver Best Value.

The following principles are additionally relevant to the delegation of decision-making.

Delegation should be exercised:

- a) In a clear, consistent and legal way (including within spending limits);
- b) In a way that conforms with the Council's corporate priorities, and the best interests of residents, and reflects the budget and policy framework set out by Members;
- c) In a way that reflects the need for those to whom decisions are delegated to exercise their discretion within the limits of those delegated powers;
- d) With regard to the presence of conflicts of interest.
- e) These principles should all be seen in the context of the Council's specific and general legal obligations – in particular, the obligation of the Council to deliver a balanced budget and the connected obligation to ensure that decisions and services are delivered in a way that reflects Best Value.

Examples of matters that should normally be referred to Cabinet rather than be taken as a delegated decision are those that fall into one or more of the following categories:

- (a) the matter under consideration is a high profile matter;
- (b) the decision has a significant budgetary impact;
- (c) there is a need or it is considered prudent to engage the public and/or raise public awareness; and/or
- (d) the function/matter provides important performance management information.

Section 2: Key roles and responsibilities: [Link to Articles](#)

The Council operates the form of governance known as “executive arrangements”. This means that responsibility for the majority of decisions sits with the council’s Cabinet. The Cabinet is a body comprised of Members appointed by the Leader.

A number of different bodies hold decision-making responsibility at the Council. A summary of these responsibilities, and where they sit, are set out in the table below.

This section sets out how Council, Cabinet and other bodies will transact their responsibilities.

DRAFT CONSTITUTION

Section 3: Responsibilities of Council

Meetings of Council

There are three different types of Council meeting:

- 1.1.1 Ordinary Council meetings (ones which form part of the regular Council and committee calendar)
- 1.1.2 Extraordinary Council meetings (which may be called at short notice for a particular purpose)
- 1.1.3 The Annual General Meeting of Council.
 - (a) Rules for the operation of each of these can be found in the Council Procedure Rules. Special rules also apply to the meeting of Council where the Budget and Policy Framework is agreed.
 - (b) Functions of Council: general
 - (c) Only the Council will exercise the following functions:
 - 1.1.4 Electing the Chair and appointing the Deputy Chair;
 - 1.1.5 Electing and removing the Leader of the Council;
 - 1.1.6 Appointing to such other offices and/or positions as may be required under this Constitution or by law;
 - 1.1.7 Agreeing and/or amending the terms of reference for committees, deciding on their composition, allocating the chair and vice-chair for each Council committee (and, where required, their political balance);
 - 1.1.8 Agreeing the basis on which appointments to outside bodies should be made and appointing to outside bodies except where appointment to those bodies is an **executive function** or has been otherwise delegated;
 - 1.1.9 Adopting the Constitution and making significant changes to the Constitution, including agreeing and/or amending the Officer Scheme of Delegation with respect to **non-executive functions** except where specifically delegated to the Monitoring Officer;
 - 1.1.10 Approving and adopting the Budget and Policy Framework;
 - 1.1.11 Approving the Council's Budget and levying Council Tax;
 - 1.1.12 Determining the borrowing limits for the authority for each financial year and the proportions of borrowing that are to be set at variable rates within the Treasury Management Strategy Statement;
 - 1.1.13 Making or revising a Council Tax Reduction Scheme;
 - 1.1.14 Approval of the Community Infrastructure Levy Charging Schedule;
 - 1.1.15 Making decisions about any matter in the discharge of an **executive function** where the **Cabinet** is minded to make the decision contrary to the Policy Framework or not wholly in accordance with the Budget (subject to urgency

procedures contained in the Budget and Policy Framework Procedure Rules in
(to insert hyperlinks and remove reference to 'Part XX')

- 1.1.16 Considering any matter which has been referred or submitted to it by the Cabinet for information, views or debate (but recognising that an Executive matter remains the sole responsibility of the **Cabinet** and the Council cannot make a decision in relation to it);
- 1.1.17 Determining any matter which is properly referred to it for determination by a committee or sub-committee in relation to **non-executive functions**;
- 1.1.18 Adopting and/or amending a Members Allowances Scheme following a report from the Independent Remuneration Panel;
- 1.1.19 Changing the name of the area, and conferring the title of Honorary Alderman or Honorary Freeman;
- 1.1.20 Approving the Annual Pay Policy Statement;
- 1.1.21 Making payments or providing other benefits in cases of maladministration under Section 92 of the Local Government Act 2000;
- 1.1.22 Appointing the **Head of Paid Service, Monitoring Officer and Chief Finance Officer (Section 151 Officer)** and dismissing the Head of Paid Service, Monitoring Officer or Chief Finance Officer (Section 151 Officer);
- 1.1.23 Appointing the Electoral Registration Officer and Returning Officer;
- 1.1.24 Approving the Council's response to any issues or proposals in relation to local government boundaries including Electoral Wards, the conduct of elections and the discharge of Council functions;
- 1.1.25 Designating streets for street trading under the Local Government (Miscellaneous Provisions) Act 1982;
- 1.1.26 Determining whether functions which are classified as "Local Choice" functions should be reserved to the **Council** or exercised by **Cabinet**;
- 1.1.27 Adopting the Council's Code of Conduct for Members, Code of Conduct for Officers and the Member Officer Protocol;
- 1.1.28 Adopting (or otherwise) Motions submitted in accordance with the Council Procedure Rules except those that relate solely to an **executive function**;
- 1.1.29 Making, amending, revoking, re-enacting or adopting byelaws and promoting or opposing the making of local legislation or personal Bills;
- 1.1.30 Approving **Development Plan Documents (DPDs)** prior to submission to the Secretary of State;
- 1.1.31 Approving any application to the Secretary of State in respect of any Housing Land Transfer pursuant to the Housing Act 1985;
- 1.1.32 Opting into arrangements for an appointing person or appointing an Auditor Panel pursuant to the Local Audit and Accountability Act 2014 to select an external auditor, manage the relationship and provide advice and recommendations to the Audit Committee;
- 1.1.30 Discharging all licensing functions and such other matters which must be reserved to the Council as specified in the Licensing Act 2003 or any

Regulations published in relation to that Act or any other legislation or any statute or regulations amending, consolidating or replacing them including approving, reviewing and revising any Statement of Licensing Policy;

1.1.31 Discharging all functions which must be reserved to Council as specified in the Gambling Act 2005, or any other ancillary regulations or legislative provisions amending, consolidating or replacing the same, including:

approving and revising any Statement of Gambling Policy;

resolving not to issue any casino premises licences in the next three years; and

1.1.32 All other matters which, by law, are reserved to the Council.

Non-executive functions may still be exercised by the Council even where delegated to a committee, sub-committee, body or officer elsewhere in this Constitution, subject to specific exceptions (for example Licensing Sub-Committee).

The Budget and Policy Framework

The Council will be responsible for the adoption of the budget and policy framework. The framework provides Cabinet with the finances with which to deliver the policies, plans and strategies on which the Council has agreed.

The Policy Framework comprises those plans or strategies that must be adopted by a meeting of the full Council. Once agreed, the framework sets the parameters within which an executive decision may be made without either referral back to Council for consent or following urgency procedures.

The process for formulating or preparing, for the adoption or approval of a plan or strategy within the Policy Framework, and the process to be followed where a decision maker is minded to determine a matter in terms contrary to the plan or, as the case may be, the strategy adopted or approved by the Authority, is set out in the Budget and Policy Framework Procedure Rules at (to insert hyperlinks and remove reference to 'Part XX') of this Constitution.

The Budget Framework is set out in the following:

- (a) Medium Term Financial Strategy;
- (b) Treasury Management Framework (including relevant policies and strategies); and
- (c) Capital and Investment Strategies.

The Budget and Policy Framework will comprise the following elements:

1.1.33 The Budget

- (a) The allocation of financial resources to different services and projects both revenue and the capital programme;
- (b) Proposed contingency funds;
- (c) Setting the Council Tax;
- (d) The Council's borrowing requirement;
- (e) The Council's capital expenditure;
- (f) The setting of virement limits.

1.1.34 The Policy Framework

- (a) Those plans and strategies required by the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended) to be approved or adopted by the Council:
- (i) Annual Library Plan;
 - (ii) Children and Young People's Plan
 - (iii) Crime and Disorder Reduction Strategy;
 - (iv) Development plan documents, including
 - Local Plan;
 - Core Strategy and Development Plan; and
 - Minerals and Waste Local Plan
 - (v) Local Transport Plan;
 - (vi) Licensing Authority Policy Statement ;
 - (vii) Gambling Authority Policy Statement;
 - (viii) Youth Justice Plan;
 - (ix) Pay Policy Statement; and
 - (x) any plan or strategy for the control of the authority's borrowing, investments or capital expenditure.

There are also other plans or strategies which Council has determined that the decision should be taken by them as to whether that plan or strategy should be adopted or approved (including those subject to a recommendation in Government Guidance that should be adopted by the Council as part of the Policy Framework):

- (a) Council Corporate Plan;
- (b) Housing Strategy and Investment Plan;
- (c) Northumberland Skills Strategy; and
- (d) such other plans and strategies to be submitted to full Council by the Executive as Council may from time to time determine.

Section 4: Responsibilities of Cabinet

All the functions of the Authority are executive functions, exercisable by Cabinet, except for those which are specifically the responsibility of the Council or those “local choice” which the Council has determined it, rather than Cabinet, will carry out.

Cabinet is not a “committee of the council”. It is not required to be politically proportionate. It takes its powers directly from legislation, and as such ordinary Cabinet responsibilities cannot be carried out by Council.

The Leader

The Leader of the Council has overall responsibility for the executive functions of the Council.

In accordance with (to insert hyperlinks and remove reference to 'Part XX') of the Constitution, to deliver those executive functions, the Leader has:

- a) appointed a Cabinet comprising up to nine further elected Members of the Council and has determined which executive functions, if any, shall be reserved to it as being the responsibility of the collective Cabinet meetings;
- b) appointed one of those Members as Deputy Leader of the Council to act in the absence of the Leader;
- c) allocated a Portfolio of responsibility to each of the Cabinet Members, including a Portfolio of matters to be retained as being responsibility of the Leader, and has determined a Scheme of Delegation to Individual Cabinet Members that sets out the decisions that each Cabinet Member may take;
- d) established and appointed to a Cabinet Committee and to a Joint Committee (if any);
- e) determined which delegated executive functions shall be the responsibility of an officer of the Council and has determined a Scheme of Delegation to officers that sets out the **Executive Decisions** that an officer may take;
 - confirmed the responsibility of the Head of Paid Service and chief officers for the general management of the authority and for day to day operations for functions and services of the Council; and
 - determined the process and circumstances in which those decisions must be made.

This Leader will be invited before each Annual Meeting of the Council to consider at that stage whether they wish to make any amendments to arrangements for the exercise of executive functions by Cabinet Members, committees of the Cabinet, an officer or under joint arrangements. Any such arrangements will be reported to Council for information.

The Leader may also make amendments during the course of the Council year which may not take effect until reported to the Monitoring Officer. Any such shall also be reported to Council for information.

Cabinet's responsibilities

Cabinet has a particular responsibility for:

- Providing strategic leadership and direction for the Council;
- Determine policies and objectives for services delivered by the Council;
- Making decisions on any matter not reserved to Full Council, or regulatory or quasi-judicial functions by law carried out by another body, provided that the matter is not one which the Cabinet is by law precluded from dealing with. This will include;
 - a) Submitting to Council recommendations on the Council's governance, in consultation with the Audit Committee;
 - b) Reporting to Council on matters relating to ss 85 and 86 of the Local Government Act 1972 (failure to attend meetings and vacation of office), in consultation with the Standards Committee;
 - c) Advising the Council on all matters relating to Standing Orders, and Finance and Contracts' Code of Practice, in consultation with the Audit Committee;
 - d) Making appointments to outside bodies, where those powers are not reserved to Council or another committee;
 - e) Exercising powers relating to emergencies and civil contingencies;
 - f) Preparing, monitoring and reviewing the North Norfolk Local Development Framework, and following consultation with Members and the public, recommending the adoption or modification of the Framework to Council;
 - g) Make agreements with other local authorities for placing staff at the disposal of those other local authorities.
 - h) Any other "local choice" function that the Council has determined shall be carried out by Cabinet. The functions that the Council has determined, as a matter of local choice, shall be carried out by Cabinet are set out in (to insert hyperlinks and remove reference to 'Part XX')
- In respect of the Policy Framework:
 - a) Keeping the policies and objectives of the Council, which form part of the Budget and Policy Framework, under review;
 - b) Developing new policy proposals in relation to the Council's responsibilities and functions, taking into account where applicable the views of the Overview and Scrutiny Committee, and the advice of the Chief Executive and other chief officers;
- In respect of the Council's financial arrangements:
 - a) Considering and recommending to the Council the amount of Council Tax to be levied and level of rents to be charged, and to set the Council Tax base;
 - b) Recommending a capital programme to the Council, and keeping the delivery of that programme under review;
 - c) Considering and deciding on any request for a supplementary estimate from any Chief Officer, and on the advice of the Chief Finance Officer specifying how such requests, once approved, should be funded;

- d) Having regard, in carrying out the above roles, of the roles of the Audit Committee and Overview and Scrutiny Committee;
- Considering any review or alteration of Parliamentary or local government boundaries within the District, including the renaming of areas and the number of Members, with any final expression of views or decision on such matters being reserved to Council.

How Cabinet will deliver its responsibilities

In carrying out the responsibilities above Cabinet will:

- ensure the effective and efficient discharge of the functions delegated to them;
- ensure that any Council services within their remit are appropriate for and responsive to the needs and views of the public, and are delivered effectively and efficiently;
- ensure that good external relationships and effective local liaison are promoted in relation to Council services within their remit;
- monitor the functions of the Council within their remit and have regard to the service and financial performance of such functions, and any associated risks. This will be done in consultation with the Overview and Scrutiny Committee and the Audit Committee;
- determine the Council's views on matters specific to their areas of responsibility and related external matters;
- ensuring the effective and efficient management of any services and resources within their remit and, where appropriate, the effective and efficient discharge of the responsibilities of any subordinate bodies or person.

How executive decisions are made

Decisions which are the responsibility of Cabinet are known as “executive decisions”.

These can be made in one of four ways:

- 1) By Cabinet together. Decisions are placed on the agenda of a formal Cabinet meeting, for those decisions to be discussed and agreed.
- 2) By a committee of Cabinet, under certain circumstances.
- 3) By individual Members of Cabinet. The law provides that certain Cabinet functions can be delegated to individual Cabinet Members, to exercise within their portfolio.
- 4) By certain senior officers. An officer can make certain executive decisions under powers given in the scheme of officer delegation. Depending on the issue, these decisions need to be consulted upon with the relevant Cabinet Member before being made.

There is a subset of executive decisions, termed “key decisions”, which are particularly important and which, by law, have to be made a certain way.

A **Key Decision** differs from other kinds of decisions because, where a decision maker intends to make a key decision, they must first publish a document containing publicity requirements about the decision and (subject to certain exception and urgency provisions) they cannot make the decision until at least 28 clear days the document, known as the 'Forward Plan, has been made available for inspection by the public. Further information on this can be found in the Access to Information Rules of Procedure at **(to insert hyperlinks and remove reference to 'Part XX')** the Council's Constitution.

A decision requiring publication (executive or non-executive) is –

- a) A decision that directly relates to the development of the Budget and Policy Framework, comprising:
 - (i) decisions to approve a draft document or proposal and to commence formal consultation on that document or proposal; or
 - (ii) decisions to recommend to Council the adoption of the Budget or a policy within the Policy Framework following consideration of the outcome of the formal consultation;
- b) any decision taken by the Cabinet, a committee of Cabinet or by the Leader or another individual Cabinet Member;
- c) decisions taken by an officer in specific consultation with the Cabinet, a Cabinet Committee or an individual Cabinet Member; and
- d) a decision taken by an officer that would otherwise be taken by the Cabinet, a Cabinet Committee or an individual Cabinet Member but has been made under delegated powers from one of those decision-making bodies:
 - (i) under a specific express authorisation; or
 - (ii) under a general authorisation to officers to take such decisions and the effect of the decision is to—
 - grant a permission or licence;
 - affect the rights of an individual; or
 - award a contract or incur expenditure which, in either case, materially affects the Council's financial position, for which purposes is taken to be a financial saving or expenditure of more than £100,000 (subject to the paragraph below)

Many administrative and operational decisions to be taken by officers relate to their general management role in conducting the Council's business and how they deal with their day to day work. This may amount to sums greater than that referred to above, particularly in relation to decisions taken on expenditure on individual children's or adult social care packages.

These decisions are not to be regarded as executive decisions and, as such, they will not need to be recorded and published in the way described here.

All Key Decisions and those non-key decisions to be taken by Cabinet, a Cabinet Committee or an individual Cabinet Member are subject to the Council's call-in process [1] of the Council's Constitution.

There are certain decisions, which are exercised in relation to what are usually called "local choice" functions, which can be taken either by Council or by Cabinet. The Constitution has to specify which body will carry out these functions, and full detail is provided in (to insert hyperlinks and remove reference to 'Part XX')

Responsibilities of committees of Cabinet

The Leader or the Cabinet may delegate any of its functions to a committee of the Cabinet. Committees of the Cabinet shall report to the Cabinet. If the Committee is to have decision-making powers then the Committee may only include Cabinet Members.

The Leader or the Cabinet may also establish advisory committees, the membership of which need not be limited to Cabinet Members. The Leader or the Cabinet may change them, abolish them, or create further ones, at its own discretion.

On being established, committees of Cabinet come into existence immediately (ie, they do not require ratification or any other confirmation by another body, such as Council). Decision-making committees will continue in operation until expressly abolished by the Leader or Cabinet. Advisory committees will continue in operation only until the first meeting of the Cabinet in the next civic year following their establishment when they must be expressly renewed or the cease to exist.

All functions that have been delegated to a committee established by the Leader or the Cabinet can still be taken by the Cabinet as the parent body (where the Cabinet has delegated that function), or by whichever person or body would otherwise hold authority to make that decision. However, those by whom power is delegated and to whom power is delegated will have regard to the operation of those delegations to reduce the risk of duplication.

The establishment, abolition or cessation of committees and the amendment of their terms of reference will be reported to Council in due course for noting in the Council's Constitution.

Where executive decisions are delegated to a Committee of the Cabinet the Procedures relating to Cabinet meetings and consideration of business apply also to Cabinet Committee meetings, subject to any Member of the Cabinet being read as any Member of the Committee.

Where the Leader has established and appointed to a Committee of Cabinet, the composition and terms of reference of which will be set out at and appended to this Scheme at (to insert hyperlinks and remove reference to 'Appendix XX')

Responsibilities of individual Cabinet Members

The following are the general responsibilities which apply to all Cabinet Members.

There are occasions when matters affect more than one portfolio of responsibility. On such occasions, the Cabinet Member with the primary responsibility shall take the lead, but in consultation with all Cabinet Members with an interest.

Each Cabinet Member is the spokesperson or “**Portfolio Holder**” for the policy area or 'portfolio' they are responsible for. They also:

- lead on developing Council policy and make recommendations to the Cabinet;
- provide guidance to the Cabinet on delivering services within their portfolio area;
- give guidance to the Cabinet on budget priorities;
- monitor performance and make sure policy is delivered;
- lead on improving Council services;
- ensure that activities meet the Council's overall vision, core values and guiding principles;
- represent the Council at a national and local level;
- contribute to debate and decision-making;
- work with all Members and officers to make sure that the overview and scrutiny process works correctly including appearing before relevant Overview and Scrutiny meetings and responding to Overview and Scrutiny Committee reports; and
- ensure appropriate consultation and liaison with partners and the community on matters within the scope of their portfolio.

Scope of delegation for individual Cabinet Member decision-making

The Leader of the Council has allocated a Portfolio of responsibility to each Cabinet Member, which is set out as (to insert hyperlinks and remove reference to 'Appendix XX') The Leader or an individual Cabinet Member may take executive decisions within the scope of their portfolio subject to the conditions set out in this Scheme of Delegation and related procedures as detailed below.

A Cabinet Member may then take a decision only:

- where the Leader or Cabinet Member consider the matter is urgent, in that it is the opinion of the Leader or Cabinet Member that it would not serve the best interests of the Council or the public or a section of the public within the Council's area if the item of business were to wait until it could be considered at a meeting of the Cabinet or Cabinet Committee;
- where it is considered on the basis of a written report prepared in accordance with paragraphs 3.6 above;
- at a time and place that will be agreed with the relevant Director (or nominee) and the relevant Director (or nominee) is in attendance when the decision is taken; and

- the decision is reported to the next meeting of Cabinet.

The Cabinet Member shall ensure that a 'Cabinet Member Decision Notice' is prepared as a written record of their decision and that it contains:

- a) a record of the names and titles of the decision taker and, where appropriate, the officer(s) in attendance;
- b) a record of the decision;
- c) the date the decision was taken;
- d) a statement of the reasons for the decision;
- e) details of any alternative options considered and rejected by the Cabinet Member when making the decision;
- f) a record of any declaration of interest and, in respect of decision making by elected Members, a note of any dispensation granted;
- g) where appropriate, a statement of urgency and that the decision is exempted from call-in and is counter-signed by the relevant Director (or nominee).

The Cabinet Member Decision Notice shall be delivered to the Monitoring Officer (via the [*Committee Services Team*]) who shall publish the Decision Notice and accompanying report in accordance with the Constitution.

The decisions taken by a Cabinet Member are subject to the Council's procedures for delayed implementation and call-in (set out (to insert hyperlinks and remove reference to 'Part XX')

Cabinet Member decisions will be reported to the next meeting of the Cabinet.

Section 5: Local choice functions

The law says that there are certain decisions that can be made by either Council or Cabinet, and that Councils have to specify which of the two bodies will make these decisions. The table below reflects the position that the Council has adopted on these “local choice” functions.

Information on “further delegation” is provided for information. A full list of delegations to and from Council committees, Cabinet and senior officers is provided in the schemes of officer and Member delegation.

Decision Maker	Further Delegation	
1. Any function under a Local Act not specified or referred to in regulation 2 or Schedule 1 of the Functions Regulations or other licensing, consent, permission or registration function (including development control functions)	<i>Cabinet</i>	Relevant Executive Director
2. Any function under a Local Act in respect of a licensing, consent, permission or registration function including development control functions	<i>Regulatory Committee or (in respect of any development control functions) Planning Committee</i>	Relevant Executive Director
3. The determination of any appeal against any decision made by or on behalf of the Council	<i>Council</i>	<i>Employment (Appeals) Committee</i>
4. The making of arrangements in relation to appeals against the exclusion of pupils from maintained schools.	<i>Cabinet</i>	Relevant Executive Director
5. The making of arrangements pursuant to sections 94(1), (1A) and (4) of the School Standards and Framework Act 1998 (admissions appeals).	<i>Cabinet</i>	Relevant Executive Director
6. The making of arrangements pursuant to section 95(2) of the 1998 Act (children to whom	<i>Cabinet</i>	Relevant Executive Director

section 87 applies: appeals by governing bodies).		
7. The making of appointments of Members under the Police Reform and Social Responsibility Act 2011.	<i>Council</i>	
8. Any function relating to contaminated land Except where this is a function involving the determination of an application for a licence, approval, consent, permission or registration or the direct regulation of a person or the enforcement of any of the above, in which case:	<i>Cabinet And Regulatory Committee – depending on function</i>	Relevant Executive Director
9. The discharge of any function relating to the control of pollution or the management of air quality Except where this is a function involving the determination of an application for a licence, approval, consent, permission or registration or the direct regulation of any person or the enforcement of any of the above, in which case:	<i>Cabinet And Regulatory Committee depending on function</i>	Relevant Executive Director
10. The service of an abatement notice in respect of a statutory nuisance.	<i>Regulatory Committee</i>	Relevant Executive Director
11. The passing of a resolution that Schedule 2 to the Noise and Statutory Nuisance Act 1993 should apply in the authority's area.	<i>Cabinet</i>	
12. The inspection of the authority's area to detect any statutory nuisance and the investigation of any complaint as to the existence of a statutory nuisance 13. Except where this involves the determination of an application for a licence, approval, consent, permission or registration or the	<i>Cabinet And Regulatory Committee depending on function</i>	Relevant Executive Director

direct regulation of any person or the enforcement of any of the above, in which case		
14. The obtaining of information under section 330 of the Town and Country Planning Act 1990 as to interests in land.	<i>Planning Committee</i> and (in respect of actions which are preliminary to the exercise of powers to make compulsory purchase orders only) <i>Executive</i>	Relevant Executive Director
15. The obtaining of particulars of persons interested in land under section 16 of the Local Government (Miscellaneous Provisions) Act 1976.	<i>Cabinet</i> (in respect of actions which are preliminary to the exercise of powers to make compulsory purchase orders only) and <i>Planning Committee</i> and <i>Regulatory Committee</i> (in connection with each of their respective functions)	Relevant Executive Director
16. The making of agreements for the execution of highways works.	<i>Cabinet</i>	Relevant Executive Director
17. The appointment of any individual— (a) to any office other than an office in which he is employed by the authority; (b) to any body other than— (i) the authority; (ii) a joint committee of two or more authorities; or	<i>Council</i> except where the function to which the appointment relates is an executive function, in which case <i>Cabinet</i>	

<p>(c) to any committee or sub-committee of such a body,</p> <p>and the revocation of any such appointment.</p>		
<p>18. The making of agreements with other local authorities for the placing of staff at the disposal of those other authorities.</p>	<p><i>Staffing Committee</i></p> <p>Except where the arrangement relates to the discharge of an executive function, in which case <i>Executive</i></p>	<p><i>Head of Paid Service</i></p>
<p>19. Any function of a local authority in their capacity as a harbour authority (to the extent that the function does not fall within row 1 of this table.</p>	<p><i>Executive Cabinet</i></p>	<p>Relevant Executive Director.</p>
<p>20. Functions under sections 106, 110, 111 and 113 of the Local Government and Public Involvement in Health Act 2007 relating to local area agreements.</p>		

Section 7: Scheme of officer delegation

This part of the Constitution sets out the ways in which the officers of the Council can make decisions and which decisions they have power to make.

It is separated into four parts:

Part 1 – Introduction

Part 2 – General Delegations (executive and non-executive)

Part 3 – Delegations to Chief Executive and Chief Officers

Part 4 – Statutory Officer and Proper Officer Appointments

DRAFT CONSTITUTION

1. **INTRODUCTION TO DELEGATION**

- (a) “**Officers**” is the term used to refer to the people employed, retained or appointed by the Council to advise and support Members and implement their decisions. The term “officers” in this Constitution includes all the people who operate in this capacity including contractors, consultants and agency staff.
- (b) The Council operates a “cascade” principle of delegation to ensure that decisions are taken at the most appropriate level closest to those who will be affected. This means that the vast majority of the Council's decisions and actions will fall into the category of operational day to day decisions taken by its officers.
- (c) In order to ensure the smooth functioning of the Council and the efficient delivery of services, Council and the Cabinet have delegated to officers all of the powers that they need to perform their roles.
- (d) Certain officers have specific legal duties to ensure that the Council acts within the law, uses its resources wisely and exercises its powers properly. These officers are known as “Statutory” or “Proper” Officers and some have specific legal titles in addition to their job titles.
- (e) The way the Council structures its services and its officer arrangements changes from time to time to reflect changes in service delivery and best practice. The current arrangements include a Chief Executive/Head of Paid Service (as the most senior officer of the Council) supported by a number of Chief Officers.
- (f) See the current organisational structure of the Council, showing more detail about the roles and responsibilities of the Chief Officers and the officers supporting them to deliver all the Council's services.

General Principles Relating to Officer Delegation

- (b) For the purposes of officer delegated powers, both within this part and any other part of the Constitution, the term “Chief Officer” is as defined by Part 1, section 43(2) of the Localism Act 2011 and includes the following officers:

The Chief Executive (Head of Paid Service)

The Executive Director of Transformation and Resources (Chief Finance/ s.151 Officer)

The Director of Law and Governance (Monitoring Officer)

The Executive Director of Public Health, Stronger Communities and Inequalities (Director of Public Health)

The Executive Director of Children, Young People and Education (DCS)

The Executive Director of Adults, Ageing and Wellbeing (DASS)

The Executive Director of Place and Regeneration

The Chief Fire Officer

A Deputy Chief Officer may act where delegated to do so by their Chief Officer

- (a)** This scheme gives the power for the Chief Officers to take decisions in relation to all the functions in their areas of responsibility except where:
- (b)** a matter is prohibited by law from being delegated to an officer, or
- (c)** a matter has been specifically excluded from delegation by this scheme, by a decision of the Council, a Committee or Sub-Committee.
- (d)** Chief Officers may not take decisions unless specifically provided for within the constitution or specifically delegated by Council, Cabinet, a Committee or Sub-Committee.
- (e)** The cascade principle under which this scheme operates means that any officer given powers under this scheme can further delegate those powers to other officers through a Local Scheme of Delegation (which sets out all the standing delegations given to specific officers in defined areas of the Council's service areas). A full list of the Local Schemes of Delegation is available on the Council's website and you can look at any of the schemes in detail.
- (f)** All Local Schemes of Delegation (and any changes to them) must be agreed by the relevant Chief Officer and the [Monitoring Officer](#).
- (g)** Where a function has been delegated to an officer (including where sub-delegated through the cascade principle), the person or body making the delegation may at any time take back responsibility for the function and may therefore exercise the function (make the decision) despite the delegation.
- (h)** In some circumstances the [officer](#) to whom a power has been delegated may consider a matter to be of such importance or sensitivity that their delegated authority should not be exercised. In these circumstances he or she may refer the matter back to the delegator for determination.
- (i)** Any power delegated or cascaded under this Scheme can be exercised by the relevant Chief Officer and in all cases by the Chief Executive personally, with the exception of those statutory functions delegated exclusively to the Council's Director of Transformation and Resources ([Chief Finance](#) / [section 151 Officer](#)) or the [Monitoring Officer](#).
- (j)** powers of this Scheme are delegated to the officers referred to by title within this Scheme of Delegation. So the delegations apply to whoever holds that post title at any time – not to the individual person. The powers are automatically transferred to any successor officer, to whom the functions are allocated following any reorganisation of the Council's management arrangements, irrespective of a change in the title/name of the officer post. Nominated Deputies are able to exercise all functions of the person delegating the functions.

- (k)** Delegations relate to all provisions for the time being in force under any applicable legislation and cover functions of the Council and all powers and duties incidental to that legislation.
- (l)** Any delegation must be exercised:
- (i)** In compliance with the [Budget and Policy Framework](#), all the Council's Procedure Rules, the Pay Policy Statement approved annually and the Officer Code of Conduct
 - (ii)** In accordance with the decision-making requirements set out in the Constitution, including requirements for decision-records and access to information
 - (iii)** Having identified and managed appropriate strategic and operational risks within the officer's area of responsibility
 - (iv)** Within the approved [Budget and Policy Framework](#) by the Council (or separate approval must be sought)
 - (v)** Following any appropriate legislative, regulatory, consultation, equalities or procedural requirements that may be required.
- (m)** Officer decisions must be evidenced in writing using the agreed standard form, dated and signed by the officer exercising the delegated authority.
- (n)** An [officer](#), in exercising delegated powers may consult the relevant Committee Chair or Cabinet Member if they considers it appropriate to do so and shall consult other appropriate officers for professional advice including legal, financial and technical officers and shall have regard to any views and advice received.
- (o)** Whenever legislation is amended or replaced by new provisions, then the relevant delegated authority in this scheme applies to those new provisions. Whenever new legislation relevant or related to the functions exercised by the Chief Officer is introduced, that officer will have the delegated authority to exercise powers or otherwise take action under that legislation until such time as the Council, the executive, a Committee or the [Chief Executive](#) decides to whom to allocate responsibility for the new legislation.
- (p)** Chief Officers may appoint another officer as their deputy and such deputy shall have all the powers of the Chief Officer as set out in this Constitution. A deputy may be appointed in relation to all the areas of service delegated to the Chief Officer under this Constitution or in relation to a particular area of service only. A deputy may be appointed for a specific period of time (for example to cover the absence of a Chief Officer) or without time limitation. The appointment of a deputy shall not prevent the exercise by the Chief Officer of any delegation set out in this Constitution.
- (q)** If there is any dispute or lack of clarity as to which Chief Officer has power to make decisions on specific areas of service, the [Chief Executive](#) shall have power to determine where the delegation should be exercised.

2. GENERAL DELEGATIONS

(c) The following delegations shall apply to all Chief Officers (and to any appointed deputies).

Urgent action

(d) To act on behalf of the Council in cases of urgency in the discharge of any function of the Council for which their Directorate or Service has responsibility, other than those functions which by law can be discharged only by the Council, the executive, or a specific Committee. A decision will be urgent where any delay would seriously prejudice the legal or financial position of the Council or the interests of the members of the Public of the Council's area. This delegation is subject to the conditions that any urgent action:

shall be reported to the appropriate Committee

shall take account of advice of the [Monitoring Officer](#) and the Director of Transformation and Resources ([Chief Finance Officer](#) / [s151 Officer](#))

shall be exercised in consultation with the Leader (in relation to executive functions), the Chair (in relation to Council functions), or the Chair of the appropriate Committee.

Implementation of decisions

(e) To take all necessary actions (including the letting of contracts, undertaking statutory processes and incurring expenditure) to implement decisions of Council, the Cabinet, a Committee or Sub-Committee, or an Officer.

General operational

(f) To have overall responsibility for the operational management of the relevant area of service and for bringing forward such strategic plans and policies, and implementing all decisions, including the allocation of resources within approved estimates, as are necessary to exercise the functions for which the service is responsible.

(g) Any Chief Officer may be appointed by the Chief Executive to deputise in their absence and when so appointed is authorised to exercise all the powers of the Chief Executive (including those of the Head of Paid Service).

Consultation

(h) To undertake and consider the outcome of statutory and non-statutory consultations on service provision.

(i) To respond to Government Consultations and consultations from other bodies, in consultation with the Leader or the relevant Committee Chair.

(j) To undertake all steps required to complete Government Statistical Returns.

Finance

- (k) To manage the finance of their departments to ensure value for money and the development of budget policy options with a detailed assessment of financial implications.
- (l) To enter into contracts and incur expenditure in relation to their functional area and in accordance with the approved budget, with the exception (unless otherwise provided in this Scheme of Delegation) of certificates under the Local Government Contracts Act 1997, the Council's Accounts and Contracts and Deeds where specific provisions are made in the [Council's Contracts Procedure Rules](#).
- (m) To determine a Pricing Strategy that articulates the level of fees or charges payable in respect of any goods or services supplied, work undertaken or the loan or use of plant, equipment or machinery.
- (n) To submit applications for grant funding that align with the Council [Budget and Policy Framework](#), in accordance with the approvals required under the Financial Procedure Rules.

Staffing

- (o) To deal with the full range of employment and staff management issues, below Chief Officer level including but not limited to appointments, terms and conditions (other than those negotiated nationally) training, discipline, dismissal, performance, progression, promotion, shifts and working hours, grievance, grading, emoluments, expenses, allowances, sick pay, leave, equal opportunities and health and safety in accordance with approved policies and the [Employment Procedure Rules](#).
- (p) To enter into reciprocal arrangements for the authorisation and appointment of officers to facilitate cross-border co-operation in the discharge of delegated functions with any other public sector organisation.

Land and assets

- (q) To manage land, premises, vehicles, plant, equipment, machinery, stock, stores, supplies, materials, furniture appliances and uniforms necessary for the provision of services.
- (r) To administer the supply of goods and services to other public authorities and bodies under the Local Authorities (Goods and Services) Act 1970 and all other enabling legislation.
- (s) To make application for planning permission and any other necessary applications for other consents required for the development of land.

Legal authorisation and enforcement

(t) To act as “duly authorised officers” (for the purposes of all relevant legislation) and to enforce/administer the requirements of all relevant regulatory legislation which shall (for the avoidance of doubt) include (but not be limited to) taking the following action (and all actions reasonably necessary, expedient or ancillary in order to facilitate or enable the same):

2. Applying for warrants, carrying out investigations, inspections or surveys, entering land and premises, taking samples and seizing property

issuing (or declining to issue) licences, certificates or certified copies of documents, approvals, permissions, consents, notices, orders, directions or requisitions for information

(u) Only with the approval of the [Monitoring Officer](#), to authorise the institution, defence, settlement of or participation in civil and criminal proceedings and quasi-proceedings (which for the avoidance of doubt shall include but not be limited to all court hearings, tribunal, inquiry and appeal processes), administer cautions and/or take any other action considered necessary to protect the interests of the Council. Only the Monitoring Officer, however, may seek, instruct or authorise the obtaining of any legal advice or representation by external solicitors, counsel or other legal bodies.

(v) Where authorised in the Constitution or applicable policy, to exercise the role of authorising officer and designated person under the Regulation of Investigatory Powers Act 2000. (The [Monitoring Officer](#) is excluded from this provision as they have the formal ‘reviewer’ role.)

Safeguarding children and vulnerable adults

(w) To ensure that arrangements are in place to discharge the responsibilities of the Council within their functional responsibilities in respect of the need to safeguard and promote the welfare of children and of vulnerable adults.

3. DELEGATIONS TO CHIEF EXECUTIVE AND CHIEF OFFICERS

The Chief Executive/Head of Paid Service

(x) The [Chief Executive](#) is the most senior officer in the Council. It is their role to support the Members and to provide leadership for the Council.

(y) The Chief Executive is empowered to operate all the services of the Council and, except where powers, duties and functions are reserved, to exercise all powers, duties and functions of the Council, including those delegated to other officers with the exception of those statutory functions delegated exclusively to the Council’s Director of Transformation and Resources ([Chief Finance](#) / [s151 Officer](#)) or the Monitoring Officer.

(z) Every Council must, by law, appoint one of its officers as the [Head of Paid Service](#). The Chief Executive is also the Council’s Head of Paid

Service. Their responsibility in this role is to make proposals to the Council about the manner in which the discharge of the Council's functions is co-ordinated and the numbers, grades and organisation of staff required and the proper management of those staff. The Chief Executive has power to exercise any function of the Head of Paid Service contained in any legislation and in any other Part of this Constitution.

- (aa) The Chief Executive is given delegated power to undertake the following roles and responsibilities and to take the following decisions subject to the terms of this Constitution:

To be the Council's principal officer representative and to promote its good image and reputation

To lead and direct the strategic management of the Council

To appoint other officers as [Proper Officers](#) for the purposes of any specific Council service area or function and to maintain an up to date record showing who is appointed to act as the Proper Officer for all Council service areas and functions

Unless another officer is appointed as Proper Officer, to act as Proper Officer for the Council for the purposes of all Council service areas and functions

To discharge emergency planning and civil protection functions;

To take such steps (including the incurring of expenditure where necessary) as may be required in the event of any national or local emergency requiring immediate action by the Council

To undertake the communications, marketing and media functions of the Council with regard to policy and strategic direction.

To exercise any function of the Council which is not specified in the Constitution or in law as a function that must be exercised by Members, except the statutory functions of the Monitoring Officer.

To take any decision where any delay incurred in taking the decision would seriously prejudice the Council's or the public interest to the extent that it is appropriate to exercise emergency powers. This may include waiving the Council's Contracts Procedure Rules to the extent that this complies with domestic laws. In exercising this power, the Chief Executive must consult with the [Leader](#) of the Council, the [Monitoring Officer](#) and the Director of Transformation and Resources ([Chief Finance Officer](#) / [s151 Officer](#)) or in their absence, their nominated deputies, unless the delay caused by doing so would itself be likely to result in danger to life or property. The Chief Executive will report any such decision to the next meeting of Council;

To allocate or re-allocate responsibility for functions in the Scheme of Delegation to Officers provided that any changes applicable for a period of more than six months must be reported to Council as a change to the Scheme of Delegation.

Delegations to the Monitoring Officer

(bb) The [Monitoring Officer](#) is appointed in accordance with Section 5 of the Local Government and Housing Act 1989 and has all the powers and duties of the Monitoring Officer and is responsible for supporting and advising the Council in relation to:

the lawfulness and fairness of the decision making of the Council;

the Council's compliance with its legal responsibilities and requirements, and

matters relating to the conduct of Members (including town and parish councillors).

(cc) The Monitoring Officer will provide advice to ensure that decisions are taken on proper authority, by due process, and in accordance with the Budget and Policy Framework.

(dd) The Monitoring Officer shall, where necessary, and in consultation with the [Head of Paid Service](#) and the Director of Transformation and Resources ([Chief Finance](#) / [s151 Officer](#)) report any proposal, decision or omission considered to be unlawful or that amounts to maladministration to the Council as appropriate in accordance with Section 5 of the Local Government and Housing Act 1989.

(ee) The Monitoring Officer may appoint one or more deputy Monitoring Officers, each of whom has power to exercise all the powers and duties of the Monitoring Officer during their absence, incapacity or conflict from acting or during vacancy of the role.

(ff) The Monitoring Officer has power to exercise any function of the Monitoring Officer contained in any other Part of this Constitution.

(gg) The Monitoring Officer shall have the following delegated powers and responsibilities:

To authorise the settlement of actual or potential claims, borehole claims or Local Government and Social Care Ombudsman cases across all functions of the Council.

To prosecute, defend, settle, make application, serve any notice or appear on behalf of the Council in any Court, Tribunal or hearing on any criminal, civil or other matter (including appeals).

To institute legal proceedings for any offences within the Council's area.

To lodge objections to any proposal affecting the Council's interests.

To determine applications for the display of the crest or logo of the Council.

To approve the Council's response to any investigation carried out by the Local Government Ombudsman.

To approve the Council's response to any request for information under the Freedom of Information Act 2000 or the Environmental Information Regulations 2003.

To take all action including the completion of agreements, the service of notices, giving of directions, obtaining or issuing orders, authorising the execution of powers of entry, and the institution and defence of legal proceedings necessary or desirable to protect and advance the interests of or discharge the roles, functions and responsibilities of the Authority.

To make discretionary payments under Land Compensation Act 1973 on the recommendation of the District Valuer.

In accordance with the Council's approved policy, to monitor the integrity of the operation of the Regulation of Investigatory Powers Act 2000 by:

Ensuring compliance with all relevant legislation and with the Codes of Practice.

Engagement with the Inspectors from the Investigatory Powers Commissioner's Office when they conduct their inspections, and, where necessary, oversight of the implementation of post-inspection action plans approved by the relevant oversight Commissioner.

Monitoring authorisations and conducting a quarterly review of applications, authorisations and refusals, and reviewing renewals and cancellations.

To make Orders for the Temporary Closure of Highways and Regulation of Traffic.

To attest the affixing of the Council's seal to all documents approved for sealing.

To authorise appropriate Officers to administer formal cautions in respect of criminal offences.

To determine whether a particular claim for payment under the Members Allowances Scheme is appropriate.

To authorise appropriately qualified employees or persons acting on behalf of the Council to appear in, and conduct legal proceedings in, any Court or Tribunal on behalf of the Authority.

To prove debts owed to the Authority in bankruptcy and liquidation proceedings.

To deal with the initial stages of the disciplinary procedure for the statutory officers (Chief Executive and Chief Finance Officer), in conjunction with the appointed Chair of the Staffing and Appointments Committee;

To deal with the initial stages of allegations under the grievance procedure against the Chief Executive or Chief Finance Officer;

To deal with the initial stages of allegations under the Bullying and Harassment Procedure against the Chief Executive or Chief Finance Officer.

To make such changes to the Council's Constitution as they deem to be necessary and which are in the Council's interests and which do not materially change any principles previously approved by the Council including, but not limited to, changes:

- amounting to routine revisions
- to provide appropriate clarity
- to correct typographical and other drafting errors
- to reflect new legislation
- to correct inconsistencies in drafting
- to reflect new officer structures and job titles, properly approved through Council processes.
- To grant dispensations to Members or Co-opted Members under Section 33 of the Localism Act 2011, to allow them, where they have a disclosable pecuniary interest in a matter to be considered at a meeting of the Council, or any of its committees or sub-committees, or the Cabinet or any committee or sub-committee of the Cabinet to participate in any discussion of the matter in which they have the disclosable pecuniary interest at the meeting or to participate in any vote, or further vote, taken on the matter at the meeting; in any of the following circumstances:
 - if it is considered that without the dispensation the number of persons prohibited from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business;
 - if it is considered that without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business;
 - if it is considered that granting the dispensation is in the interests of persons living in the authority's area; or
 - if it is considered that it is otherwise appropriate to grant a dispensation.

The Monitoring Officer has the full range of powers necessary to discharge the Council's functions, including taking decisions which are not specified in the Constitution or in law as having to be taken by Members, implementing decisions and undertaking efficient management of the services, contracts and staff for which they are responsible in the following functional areas:

- Legal and Democratic Services including Member Development
- Election Services;
- Information Governance & Records Management
- Any other services allocated or re-allocated to the Monitoring Officer by the Chief Executive

The Director of Transformation and Resources (Chief Finance Officer / s.151 Officer)

The Director of Transformation and Resources is appointed in accordance with section 151 of the Local Government Act 1972 as:

- The financial adviser to the Council, Committees and Officers
- The Authority's 'responsible financial officer', and
- Responsible for the proper administration of the Council's financial affairs as specified in, and undertakes the duties required by, section 151 of the Local Government Act 1972, Section 114 of the Local Government Finance Act 1988, the Local Government and Housing Act 1989, the Local Government Act 2003, and all other relevant legislation.
- "Proper Administration" is not defined but shall also include responsibilities for compliance with the statutory requirements for accounting and internal audit.

The Director of Transformation and Resources/Section 151 officer shall have the following delegated powers and responsibilities:

- To carry out the functions and responsibilities which are detailed in the Finance Procedure Rules.
- To secure effective treasury management, including taking all action necessary in relation to all debts, payment of accounts, loans (including guarantees and indemnities), grants, advances, investments, financing and banking generally.
- To take all action necessary to ensure the safeguarding of assets by maintaining and administering appropriate insurance and approving requests to post-pone legal charges.
- To take all action necessary to facilitate debt recovery and enforcement action including instituting prosecutions, making applications to courts and tribunals and authorising officer to appear on behalf of the Council.
- To take all necessary action in respect of the Council's role in relation to the administration and operation of the Tyne and Wear Pension Fund unless specified in the Constitution or in law as having to be taken by elected Members or another officer.
- To act as the Council's shareholder representative in respect of the Council's holding of interests in a company or group of companies.
- To make recommendations to the Council on Council Tax requirements, to determine the Council tax base and to administer and manage generally all matters relating to Council Tax, Non Domestic Rates and General Rates including the awarding of discounts, relief, and exemptions and the levying, collection, recovery, and disbursement of all sums due to the Council in respect of the same in accordance with all governing Regulations.
- To have the full range of powers necessary to discharge the Council's functions, including taking decisions which are not specified in the Constitution or in law as

having to be taken by elected Members, implementing decisions and undertaking efficient management of the services, contracts and staff for which he/she is responsible in the following functional and operational areas:

...

The Executive Director of Public Health, Inequalities and Stronger Communities

The Executive Director of Public Health, Inequalities and Stronger Communities holds the statutory role for the council as the person appointed as the Director of Public Health (required by section 73A of the National Health Service Act 2006).

The Director of Public Health has the full range of powers necessary to discharge the Council's functions, including taking decisions which are not specified in the Constitution or in law as having to be taken by elected Members and undertaking efficient management of the services, contracts and staff for which he/she is responsible in the following functional and operational areas:

- Public health intelligence
- Health improvement
- Public health protection and the Wider Determinants of Health
- Communities and Public Health commissioning, contract management and quality assurance
- The statutory functions of the Director of Public Health;
- Any other services allocated or reallocated to the Director of Public Health by the Chief Executive

The Director of Children, Young People and Education

The Director of Children, Young People and Education holds the statutory role for the Council of the Director of Children's Services (required by Section 18 of the Children Act 2004) and is the designated person for the purposes of Section 22 of the Children Act 1989.

The Director of Children's Services has the full range of powers necessary to discharge the Council's functions, including taking decisions which are not specified in the Constitution or in law as having to be taken by Members, implementing decisions, and undertaking efficient management of the services, contracts and staff for which they are responsible in the following functional and operational areas:

...

The Executive Director of Adults, Ageing and Wellbeing

The Director holds the statutory role for the Council of the Director of Adult Social Services (required by Section 6 of the Local Authority Social Services Act 1970).

The Executive Director of Adults, Ageing and Wellbeing has the full range of powers necessary to discharge the Council's functions, including taking decisions which are not specified in the Constitution or in law as having to be taken by elected Members, implementing decisions and undertaking efficient management of the services, contracts and staff for which he/she is responsible in the following functional and operational areas:

The Executive Director of Place and Regeneration

The Executive Director of Place and Regeneration has the full range of powers necessary to discharge the Council's functions, including taking decisions which are not specified in the Constitution or in law as having to be taken by elected Members, implementing decisions and undertaking efficient management of the services, contracts and staff for which he/she is responsible in the following functional and operational areas: ...

The Chief Fire Officer

The Chief Fire Officer has the full range of powers necessary to discharge the Council's functions, including taking decisions which are not specified in the Constitution or in law as having to be taken by elected Members, implementing decisions and undertaking efficient management of the services, contracts and staff for which he/she is responsible in the following functional and operational areas.

4. STATUTORY OFFICER AND PROPER OFFICER APPOINTMENTS

This section sets out those Officers who have been designated by the authority to discharge specified statutory functions

Legislation	Function	Proper Officer
Section 4 Local Government and Housing Act 1989	Head of Paid Service	Chief Executive
Sections 5 and 5A Local Government and Housing Act 1989	Monitoring Officer	Director of Law and Governance
Section 151 LGA 1972	Chief Finance Officer	Executive Director of Transformation and Resources
Section 35 Representation of the People Act 1983	Returning Officer	Chief Executive
Section 8 Representation of the People Act 1983	Electoral Registration Officer	Chief Executive
Section 6(A1) Local Authority Social Services Act 1970	Director of Adult Social Services	Executive Director of Adults, Ageing and Wellbeing

Legislation	Function	Proper Officer
Section 18 Children Act 2004	Director of Children's Services	Executive Director of Children, Young People and Education
Section 72(1)(a) Weights and Measures Act 1985	Chief Inspector of Weights and Measures	Business Compliance and Public Safety Manager
Sch 1 - Civil Contingencies Act 2004	Category 1 Responder	Civil Contingencies Manager
S 21 Fire and Rescue Act 2004 & Fire & Rescue National Framework	Chief Fire Officer	Chief Fire Officer
s73A NHS Act 2006 and s30 Health & Social Care Act 2012	Director of Public Health	Director of Public Health, Inequalities and Stronger Communities
Data Protection Legislation	Senior Information Risk Officer (SIRO)	Director of Law and Governance
S 69 Data Protection Act 2018 & Article 37 General Data Protection Regulations 2018 (GDPR)	Data Protection Officer (DPO)	Information Governance Manager
Local Authority Circular LAC 2002/2	Caldicott Guardian	Director of Public Health, Inequalities and Stronger Communities
Regulation of Investigatory Powers Act 2000	Senior Responsible Officer	Head of Public Protection

The Council employs the following Proper or appropriate Officers:

Legislation	Function	Proper Officer
Local Government Act 1972		
Section 83(1) to (4)	Witness and receipt of Declaration of Acceptance of Office	Head of Paid Service
Section 84(1)	Receipt of notice of resignation of elected Member	Head of Paid Service
Section 88(2)	Convening a meeting of Council to fill a casual vacancy in the office of Chair	Head of Paid Service
Section 89(1)	Notice of casual vacancy	Chief Executive
Section 100A – 100H (except 100(D))	Admission of public (including press) to meetings	Head of Paid Service
Section 100(D)	Compile list of background papers for reports and make copies available for public inspection	Head of Paid Service
Section 115(2)	Receipt of money due from officers	Head of Paid Service

Legislation	Function	Proper Officer
Section 146(1)(a)&(b)	Declarations and certificates with regard to transfer of securities	Section 151 Officer
Section 191	Officer to whom an application under S.1 of the Ordnance Survey Act 1841 will be sent	Head of Paid Service
Section 225	Deposit of documents	Head of Paid Service
Section 228(3)	Accounts for inspection by any Member of the Council	Section 151 Officer
Section 229(5)	Certification of photographic copies of documents	Director of Law and Governance
Section 234	Authentication of documents	Director of Law and Governance
Section 238	Certification of byelaws	Director of Law and Governance
Section 248	Officer who will keep the Roll of Freemen	Head of Paid Service
Schedule 12		
Para 4(2)(b)	Signing of summons to Council meeting	Head of Paid Service
Para 4(3)	Receipt of notice about address to which summons to meeting is to be sent	Head of Paid Service
Schedule 14		
Para 25	Certification of resolution concerning the Public Health Acts 1875 to 1925	Officer nominated under Section 73B National Health Service Act
Local Government Act 1974		
Section 30(5)	To give notice that copies of an Ombudsman's report are available	Head of Paid Service
Local Government (Miscellaneous Provisions) Act 1976		
Section 41(1)	The officer who will certify copies of evidence of resolutions and minutes of proceedings	Head of Paid Service
Local Authorities Cemeteries Order 1977		
Regulation 10	To sign exclusive rights of burial	Executive Director of Place and Regeneration
Representation of the People Act 1983		
Sections 82 and 89	Receipt of election expense declarations and returns and the holding of those documents for public inspection	Chief Executive
Local Elections (Principal Areas) (England) Rules 2006		
Schedule 2, Rule 53	Retention and public inspection of documents after an election	Chief Executive
Local Government and Housing Act 1989		
Section 2(4)	Recipient of the list of politically restricted posts	Director of Law and Governance
Local Government (Committees and Political Groups) Regulations 1990		

Legislation	Function	Proper Officer
Regulation 8	For the purposes of the composition of committees and nominations to political Groups	Director of Law and Governance
Local Authorities (Members Interests) Regulations 1992		
Regulations 3,4,5 and 6	Functions relating to keeping a record of Members interests	Director of Law and Governance
Local Authorities (Standing Orders)(England) Regulations 2001		
Schedule 1 Part 2	Notification of appointment or dismissal of officers	Head of Paid Service
The Local Authorities (Executive Arrangements) Meetings & Access to Information (England) Regulations 2012		
Regulations 7, 10, 12-16	Arrangements for Cabinet Meetings including attendance, recording decisions & inspection of documents	Head of Paid Service
Building Act 1984		
Section 93	Authentication of documents	Head of Public Protection
Food Safety Act 1990		
Section 49(3)(a)	Authentication of documents	Head of Public Protection
Public Health Act 1936		
Section 85(2)	To serve notice requiring remedial action where there are verminous persons or articles	Head of Public Protection
Public Health Act 1961		
Section 37	Control of any verminous article	Head of Public Protection
Local Government Act 2000		
Section 21ZA	Scrutiny Officer	Executive Director of Place and Regeneration
Registration Service Act 1953		
Section 6	Superintendent Registrar and Registrar of Births and Deaths	Service Manager – Registrars, Coroners & Archives
Traffic Management Act 2004		
Section 17(2)	Role of Traffic Manager	Executive Director of Place and Regeneration
Fostering and Adoption Regulations	Proper Officer	Executive Director of Children, Young People and Education
Section 73B National Health Service Act 2006	Exercise of public health functions of local authorities	Director of Public Health

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Section 7: Arrangements for policy development

Practical arrangements for policy development, and the role of the overview and scrutiny function in policy development. This will form a component of Part 5 of the constitution, and of an Executive-Scrutiny Protocol, which it is proposed are developed over the course of the early summer of 2023;

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Section 8: Making and keeping records of decisions

Records of decisions: general

A decision to be taken by the Council, a Committee or the Cabinet or to be taken as a Key Decision by an officer will normally only be made on consideration of a full report by the relevant officer(s), published as may be required by the Council's **Access to Information Procedure Rules** set out at **Insert link to Part** of this Constitution, and which shall contain as a minimum:

1. a recommended decision; explanation of the reasons for the recommendation being put forward; details of any alternative options, if any, considered and rejected for recommendation;
2. details of any consultation undertaken or proposed including, in respect of consultation undertaken, the nature and extent of the consultation undertaken with stakeholders and the overview and scrutiny committees and the outcome of that consultation;
3. a consideration of the financial and legal issues pertaining to the matter, and such other matters as governance chief officers (the Head of Paid Service, Chief Finance Officer or Monitoring Officer) may require, which may include risk, staffing, equalities, crime and disorder and climate change implications; plus
4. a list compiled of any Background Papers to the report, which are those documents other than published works that, in the opinion of the proper officer, relate to the subject matter of the report or, as the case may be, the part of the report and:
 - a. disclose any facts or matters on which the report or an important part of the report is based; and
 - b. were relied on to a material extent in preparing the report.
5. When decisions are taken, the decision record and/or minutes must be produced which will include the following information:
 - a. who took the decision (the person or body);
 - b. the details of the decision including the date it was made;
 - c. the reasons for the decision;
 - d. a summary of any alternative options considered and rejected by the officer, Member or decision-making body when the decision was made;
 - e. details of any conflict of interest relating to the matter declared by any Member of the decision-making body or by a Member who is consulted by the officer or Member who made the decision; and
 - f. in respect of any declared conflict of interest, a note of any dispensation granted by the Monitoring Officer or Standards Committee.

Records relating to executive decisions

An executive decision shall be taken by Cabinet only on consideration of a full report by the relevant officer(s), published in accordance with the Council's Access to Information Procedure Rules, which shall contain as a minimum:

- (a) a recommended decision;
- (b) a presentation of reasons for the recommendation being put forward

- (c) details of any other options considered and why those options were rejected;
- (d) details of any consultation undertaken or proposed including, in respect of consultation undertaken, the nature and extent of the consultation undertaken with stakeholders and the overview and scrutiny committees and the outcome of that consultation;
- (e) a consideration of the financial and legal issues pertaining to the matter, and such other matters as governance chief officers (the head of paid service, s.151 officer or monitoring officer) may require, including risk, staffing or equalities implications; plus
- (f) a list compiled of any Background Papers to the report, meaning those documents other than published works that, in the opinion of the proper officer, relate to the subject matter of the report or, as the case may be, the part of the report; and
- (i) disclose any facts or matters on which the report or an important part of the report is based; and
- (ii) were relied on to a material extent in preparing the report; together with any additional comments the Cabinet Member with portfolio wished to add to the report.

The minutes of the meeting must, as a minimum, contain:

- (a) a record of the decision;
- (b) the date the decision was taken;
- (c) a record of the reasons for the decision;
- (d) details of any alternative options considered and rejected by the Cabinet at the meeting at which the decision was made;
- (e) a record of any declaration of interest and, in respect of decision making by elected Members, a note of any dispensation granted; and
- (f) a record of any conflict of interest relating to the matter decided which is declared by any Member of the Cabinet which made the decision and where applicable, a note of dispensation granted by the Standards Committee; and
- (g) where appropriate, a statement of urgency and that the decision is exempted from call-in.

The decisions taken by Cabinet are subject to the Council's procedures for delayed implementation and call- in.

Appendix A

CABINET MEMBER PORTFOLIOS

Cabinet Member	Portfolio
Leader of the Council	<ul style="list-style-type: none">• Corporate Strategy & Policy• Liaison & partnership development with external bodies, including town & parish councils• Climate change• Rural Proofing• Commercial and Consultancy services• Project Management• Service Reviews
Deputy Leader/Corporate Services	<ul style="list-style-type: none">• Budget Strategy & Medium Term Financial Plan• Corporate Financial Strategy & Policy• Treasury Management• Customer Services Strategy• Capital Programme• Asset Management Strategy• Revenues and Benefits• Estates and Assets• Legal Services• Corporate Governance• Democratic Services and Elections• Performance Management• ICT Connectivity• Audit• Risk Strategy• Procurement Strategy• Shared and Traded Services• Financial Services• Internal & External Communications• Human Resources and Organisational Development

Cabinet Member	Portfolio
Adults' Wellbeing	<ul style="list-style-type: none"> • Adult Services, Social Care & Welfare • Voluntary Sector & VCS • Safeguarding & Strategic Commissioning including shared & traded services • Ageing Well • Mental Health & Emotional Well-being • Adult Learning Disability Services • Domestic abuse • Extra Care & supported housing • Carers' Wellbeing • Northumberland Communities Together • Fuel Poverty • Equality & Diversity (to link in with the Equality & Diversity Champion on social inclusion & E&D) • Public Health • Northumberland Communities Together
Community Services	<ul style="list-style-type: none"> • Fire & Rescue • Emergency Planning & Resilience • Public Protection & Community Safety • Environmental Health • Environmental Enforcement • Trading Standards • Planning, Licensing & Building Control • Housing • Registrars, Registration and Coroners
Business	<ul style="list-style-type: none"> • Delivery Assurance of Advance Northumberland • Economic Development & Business Growth • Regeneration • Strategic Transport & Infrastructure • Public Transport (Strategy & Delivery) & Connectivity

Cabinet Member	Portfolio
Children and Young People	<ul style="list-style-type: none"> • Schools & Children's Services • Early Years • Early Help and Family Services • Children's Health & Mental Well- being • SEND • Safeguarding & LAC • Youth Services • Youth Offending • Training Skills & Enterprise • Employability & Access to Work • Teenage Sexual Health • Post 16 and adult education • Inclusion and school admissions • Virtual school
Healthy Lives	<ul style="list-style-type: none"> • Delivery Assurance of Active Northumberland & Woodhorn Museum Charitable Trust • Archives • Cultural Strategy • Leisure Strategy • Sport Strategy • Play Strategy • Healthy Living • Libraries & Museums • Arts & Heritage • Countryside/AONB/ RoW/Parks • Cycling & Walking • Delivery and Contract Assurance and Oversight of Northumberland Tourism

Cabinet Member	Portfolio
Local Services	<ul style="list-style-type: none"> • Road Strategy & Highway Maintenance • Local Transport Plan • Street Lighting • Waste Management & Recycling • Street cleansing • Public conveniences • Car Parks and parking enforcement • Home-School Travel • Coast & Flood Protection and shoreline management • Flood response • Countryside/AONB/RoW • Parks • Fleet management • Cemeteries and crematoria • Town Markets • Winter severe weather response • Cycling and walking

Equality & Diversity Champion

To link in with Cabinet Member for Adults' Wellbeing on social inclusion & E&D

Introduction

The functions of local authorities are exercised by Council, the Cabinet and those delegated to officers. Full Council may in turn appoint committees to exercise its functions.

This part of the Constitution sets out the matters reserved to elected Members through Council, its committees, and the Cabinet. It has to be read in conjunction with the officer delegation scheme at **(to insert hyperlinks and remove reference to 'Part XX')**

The law allows some functions to be treated by the Council as either the responsibility of the Cabinet or carried out by the Council or one of its committees (local choice functions)

There are some functions which, under the law, cannot be the responsibility of the Cabinet. In some cases, such as adopting the Council's budget or the Policy Framework, only full Council may discharge the function. In other cases, the Council may delegate the responsibility for discharging a function to a committee or an officer.

All other functions are executive functions. Decisions on these will be taken by the Cabinet unless they are dealt with under joint arrangements or delegated to a committee of the Cabinet or an officer.

3. Appointments Committee (School Governors and Academies)

Terms of Reference and Powers

To recommend individuals for Local Authority representative appointments to maintained Schools and Academies;

- To appoint additional Governors as appropriate to schools requiring intervention;
- To remove Local Authority Governors from maintained Schools and Academies;
- To delegate decisions in relation to the above to officers as the Committee feels appropriate

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4. Audit Committee

The Audit Committee will have the following roles and functions:

(1) Governance, risk and control

- Review the Council's corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of governance.
- Monitor the effective development and operation of risk management in the Council.
- Monitor progress in addressing risk-related issues reported to the committee.
- Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- Consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA's Financial Management Code.
- Consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- Review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
- Monitor the counter fraud strategy, actions and resources.
- Review the governance and assurance arrangements for significant partnerships or collaborations.

(2) Financial and Governance Reporting

Governance reporting:

- Review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion.
- Consider whether the annual evaluation for the Annual Governance Statement fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives.

Financial reporting:

- Monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.

- To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
- To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

(3) External Audit

- To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the authority's auditor panel as appropriate.
- To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
- To consider specific reports as agreed with the external auditor.
- To comment on the scope and depth of external audit work and to ensure it gives value for money.
- To consider additional commissions of work from external audit.
- To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.
- To provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with the committee

(4) Internal Audit

- To approve the internal audit charter.
- To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of

assurance and any work required to place reliance upon those other sources.

- To approve significant interim changes to the risk-based internal audit plan and resource requirements.
- To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- To consider any impairments to the independence or objectivity of the head of internal audit arising from additional roles or responsibilities outside of internal auditing and to approve and periodically review safeguards to limit such impairments.
- To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
 - updates on the work of internal audit, including key findings, issues of concern and action in hand as a result of internal audit work
 - regular reports on the results of the QAIP
 - reports on instances where the internal audit function does not conform to the PSIAS and LGAN, considering whether the non-conformance is significant enough that it must be included in the AGS.
- To consider the head of internal audit's annual report, including:
 - the statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement (these will indicate the reliability of the conclusions of internal audit)
 - the opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control, together with the summary of the work supporting the opinion (these will assist the committee in reviewing the AGS).
- To consider summaries of specific internal audit reports as requested.
- To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be

unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

- To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every five years.
- To consider a report on the effectiveness of internal audit to support the AGS where required to do so by the accounts and audit regulations
- To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

(5) Accountability arrangements

- To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
- To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.
- To publish an annual report on the work of the committee, including a conclusion on the compliance with the CIPFA Position Statement.

It is expected that the Executive Director of Transformation & Resources (S151 Officer), the Head of Internal Audit & Risk Management and the appointed external auditor will attend all meetings of the Audit Committee.

In line with good practice, it is expected that the Chief Executive and the Monitoring Officer will regularly attend meetings of the Audit Committee and that the Committee may from time to time require the attendance of other Members of the Executive Team and other senior staff as appropriate.

The Committee should have a clear policy on those matters to be considered in private and those to be considered in public. The External Auditor and the Head of Internal Audit must be able to meet privately and separately with the Committee.

Attendance at Group Audit Committee

It is expected that the Executive Director of Transformation & Resources (S151 Officer) and Head of Internal Audit & Risk Management will attend all meetings of the Group Audit

Committee and the Committee may from time to time require the attendance of other Members of the Executive Team and other senior staff as appropriate.

In line with good practice the Chief Executive and Leader of the County Council may attend meetings of the Committee to discuss matters relating to group entities, if appropriate, by invitation from the Chair of the Audit Committee.

Internal and external auditors for all entities within the group are required to attend committee meetings at the Committee's request, when matters relating to Group governance are being considered.

The Chair of the Audit Committee may require any person in attendance at a meeting to leave the meeting if necessary in relation to one or more agenda items when discharging the functions of Group Audit Committee.

Audit Committee Terms of Reference and Powers

Statement of Purpose

The committee's purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk and control gives greater confidence to all those charged with governance that those arrangements are effective. The committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.

Governance, risk and control

- (a) To review the Council's corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of governance.
- (b) To monitor the effective development and operation of risk management in the Council.
- (c) To monitor progress in addressing risk-related issues reported to the committee.
- (d) To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- (e) To consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA's Financial Management Code.
- (f) To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- (g) To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
- (h) To monitor the counter fraud strategy, actions and resources.
- (i) To review the governance and assurance arrangements for significant partnerships or collaborations.

Financial and governance reporting

Governance reporting:

- (1) To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion.
- (2) To consider whether the annual evaluation for the Annual Governance Statement fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives.

Financial reporting:

- (1) To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.
- (2) To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are

concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.

- (3) To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Arrangements for audit and assurance

To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.

External audit

- (1) To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the authority's auditor panel as appropriate.
- (2) To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
- (3) To consider specific reports as agreed with the external auditor.
- (4) To comment on the scope and depth of external audit work and to ensure it gives value for money.
- (5) To consider additional commissions of work from external audit.
- (6) To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.
- (7) To provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with the committee.

Internal audit

- (1) To approve the internal audit charter.
- (2) To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- (3) To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- (4) To approve significant interim changes to the risk-based internal audit plan and resource requirements.
- (5) To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.

- (6) To consider any impairments to the independence or objectivity of the head of internal audit arising from additional roles or responsibilities outside of internal auditing and to approve and periodically review safeguards to limit such impairments.
- (7) To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
- updates on the work of internal audit, including key findings, issues of concern and action in hand as a result of internal audit work
 - regular reports on the results of the Quality Assurance & Improvement Programme
 - reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.
- (8) To consider the head of internal audit's annual report, including:
- the statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of the Quality Assurance & Improvement Programme that support the statement (these will indicate the reliability of the conclusions of internal audit)
 - the opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control, together with the summary of the work supporting the opinion (these will assist the committee in reviewing the Annual Governance Statement).
- (9) To consider summaries of specific internal audit reports as requested.
- (10) To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
- (11) To contribute to the Quality Assurance & Improvement Programme and in particular to the external quality assessment of internal audit that takes place at least once every five years.
- (12) To consider a report on the effectiveness of internal audit to support the Annual Governance Statement where required to do so by the accounts and audit regulations
- (13) To provide free and unfettered access to the Audit Committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

Accountability arrangements

- (1) To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of

their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.

- (2) To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.
- (3) To publish an annual report on the work of the committee, including a conclusion on the compliance with the CIPFA Position Statement.
- (4) Designation of the County Council's Audit Committee as Group Audit Committee for all entities within Northumberland County Council's Accounting Group Boundary
- (5) The following Terms of Reference have been adopted by Northumberland County Council's Audit Committee, to discharge the duties of group (parent) audit committee for all entities within the County Council's accounting group boundary:

1. Group Audit Committee

1. Purpose and Role

(a) Northumberland County Council's Audit Committee, as designated Group Audit Committee for all entities within the County Council's accounting group boundary, is charged with ensuring that Northumberland County Council can gain the assurance it needs on governance, risk management, the control environment, the integrity of the financial statements and financial viability across all entities within the group. The role of the Group Audit Committee is to maintain governance oversight in respect of all group entities. This includes the monitoring of regulatory changes and recommendations for improvement in relation to:

- financial reporting;
- external audit;
- internal control, including health and safety compliance;
- internal audit;
- high level risk and control framework, including assets and liabilities framework;
- fraud awareness, including probity policies;
- treasury policy and management, including loan covenant compliance.

(b) This role of the Group Audit Committee will be disclosed as part of the publication of the annual financial statements for all entities within the Group.

2. Membership and Constitution

- (a) Northumberland County Council's Audit Committee is a committee of full Council. The terms of reference and responsibilities for Northumberland County Council's Audit Committee agreed by full Council and codified in the Constitution extend to all subsidiaries in the County Council's group.
- (b) (b) The Audit Committee comprises eight elected members, an independent co-opted Chair, and two further independent co-opted members. Independent co-opted members are appointed from the local community following a competitive recruitment process.
- (c) It is expected that the Executive Director of Transformation & Resources (S151 Officer) and Head of Internal Audit & Risk Management will attend all meetings of Northumberland County Council's Audit Committee when that Committee is

discharging the functions of the Group Audit Committee. The Committee may require the attendance of other Members of the Executive Team and other senior staff from time to time, when discharging its role as Group Audit Committee.

- (d) In line with good practice the Chief Executive and Leader of the County Council may attend meetings of the Committee to discuss matters relating to group entities if appropriate, by invitation from the Chair of the Audit Committee.
- (e) Internal and external auditors for all entities within the group are required to attend committee meetings at the Committee's request, when matters relating to Group governance are being considered.
- (f) The Chair of the Audit Committee may require any person in attendance at a meeting to leave the meeting if necessary in relation to one or more agenda items when discharging the functions of Group Audit Committee.

3. Objectives

The responsibilities of the Group Audit Committee in relation to each aspect of its role are defined below. It is expected that except for dormant entities within the Group (as reported and recorded formally at Companies House) the Group Audit Committee will undertake the following duties in respect of all group entities:

3.1 Financial reporting

(a) To review and, if appropriate, approve the Group Accounts, focusing particularly on:

- any changes in accounting policies and practice;
- significant financial reporting judgements;
- material adjustments resulting from the External Audit;
- the going concern assumption;
- compliance with accounting standards and best practice;
- compliance with any regulatory or legal requirements;
- monitoring the integrity of all formal announcements relating to financial performance as appropriate, reviewing significant financial reporting judgements contained in them;
- ensuring that all financial reports to external parties are balanced and fair, and conform with accounting and other regulatory requirements and standards;
- confirming the outcome of the external audit and its contribution to the integrity of the financial reporting, including that there are no outstanding areas of disagreement between management and the external auditors; and
- learning from the external auditor of any principal matters of concern.

(b) To monitor the financial reporting process and submit recommendations or proposals to ensure its integrity.

3.2 External Audit

(a) to monitor and review the independence, objectivity and effectiveness of the external auditors appointed to group entities, their performance and the standard of their work,

taking into consideration relevant UK professional and regulatory requirements; to monitor the statutory audit of the annual and consolidated accounts;

(b) to consider whether the Group is obtaining value for money from its external auditors;

(c) to oversee the reappointment or otherwise of the external auditors, highlighting any comments or concerns to the Chief Executive as required;

(d) to approve the remuneration and terms of engagement of the external auditors;

(e) to approve, monitor and review policy on the engagement of the external auditors to supply additional non-audit services, taking into account relevant ethical and professional guidance;

(f) to maintain oversight over the scope of work via the annual engagement letter;

(g) to maintain oversight of the external audit management letter or any other reports issued to group entities by their external auditor;

(h) to monitor the progress of the implementation of agreed recommendations by group entities.

3.3. Internal Control

(a) to maintain oversight on whether there is confidence that there is a sufficient and systematic review of the internal control arrangements within the Group, including whether assurances in this regard are made to an appropriate committee or officer of the County Council;

(b) to maintain oversight on whether any significant weaknesses identified are dealt with and reported to an appropriate committee or officer of the County Council;

(c) to review and approve, on a biennial basis, the Group Audit Policy;

(d) to monitor any instances of fraud within group entities

(e) to commission special investigations into matters of particular concern relating to internal control within group entities;

(f) to learn from the internal and external auditors of any major audit findings within group entities, and to advise thereon;

(g) to receive an annual report on compliance with all Health and Safety requirements from each entity within the Group; and

(h) report any recommendations relating to Group activities to the County Council's Chief Executive and / or to Cabinet as appropriate.

3.4 Internal Audit

(a) to ensure that each entity within the Group has appropriate internal audit arrangements;

(b) to approve the nature and scope of such arrangements for each entity, as documented in the Group Audit Policy, and to monitor and review the effectiveness of these arrangements;

(c) to review the planned programme of work of the internal auditors for each entity within the group;

(e) to consider a summary of the issues and management responses presented within internal audit reports and monitor progress made by group entities against actions, to ensure that management reacts appropriately to implement any recommendations arising from the reports.

3.5 High Level Risk & Control Framework

(a) to maintain oversight of the risk management arrangements in place within each group entity, and whether assurance sources indicate that an effective internal controls framework is embedded as part of the culture of each group organisation;

(b) to seek assurance that there is a rigorous process for the identification, classification and management of risks by each group entity;

(c) to report to the County Council's Chief Executive or Cabinet any risks that Audit Committee consider are of major concern;

(d) to seek assurance that each group entity has a Business Continuity Plan which is regularly tested;

(e) to seek assurance that each entity within the Group is maintaining an Assets and Liabilities Register;

(f) to seek assurance that an assurance mapping mechanism for linking assurances from various sources to the risk that threaten the achievement of an organisation's outcomes and objectives is in place.

3.6 Fraud Awareness

The County Council's Audit Committee when acting as Group Audit Committee will review the effectiveness of fraud awareness issues throughout the Group by:

seeking assurance that each group entity has appropriate probity policies and procedures, including on anti-fraud, anti-bribery and anti-corruption awareness, and anti-money laundering, and that these policies have been formally adopted and regularly reviewed according to the decision making procedures in place within each group entity.

seeking assurance that these policies have been distributed and training around the above fraud related policies and procedures provided to officers, directors and co-opted individuals associated with each entity within the group;

receiving, periodically, reports on fraud issues as they have affected the Group;

seeking assurance that each group entity has prepared a fraud response plan.

3.7 Treasury Management

The County Council's Audit Committee when discharging the role of Group Audit Committee will seek assurance that all group entities have developed a Treasury Management Policy Statement which has been agreed by the Executive Director (Resources) of the County Council.

4. Group Audit Policy

It is expected that where this complies with relevant applicable laws, entities within the Group will appoint the same External Audit and Internal Audit service provider as that appointed to Northumberland County Council.

5. Accountability

5.1 The County Council's Audit Committee, to discharge its responsibilities as Group Audit Committee, will at least once a year request from the Executive Director (Finance) an updated list of all entities which are within Northumberland County Council's accounting group boundary.

5.2 The County Council's Audit Committee, to discharge its responsibilities as Group Audit Committee, will write at the commencement of each municipal year to all entities within the Group and seek written assurance from each entity on all relevant matters within these Terms of Reference. The responses received from each entity will be reported to and considered by Committee.

5.3 This will be supplemented by Audit Committee then seeking further assurance from Internal Audit, External Audit or management within each Group entity on the responses provided by each entity as appropriate, again in line with these Terms of Reference.

5.4 Acting as Group Audit Committee, the County Council's Audit Committee may then request additional assurance work from Internal Audit or External Audit in relation to group activities covered by these Terms of Reference as appropriate.

6. Authority

6.1 Northumberland County Council's Audit Committee, when discharging these Terms of Reference as Group Audit Committee has the authority to:

require any information to be provided to it by any part of the Group which is reasonably necessary for the discharge of its responsibilities; and

instruct Internal Audit in consultation with the Chief Executive, Executive Director (Finance) or Service Director (Governance), as appropriate, to take forward any tasks or actions prescribed by the Committee towards the fulfilment of the Committee's Terms of Reference.

Scrutiny Committees

Please see link for part 6

1. Communities and Place Overview and Scrutiny Committee	Matters relating to housing, climate change, highways and neighbourhood, fire and rescue and community safety, including CONTEST, Prevent and Channel, culture, arts, leisure, and tourism, and to the provision of Council services to communities in the built and natural environment of Northumberland
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2. Corporate Services and Economic Growth Overview & Scrutiny Committee	Matters relating to economic development and the Council's corporate services, strategic transport, and budgetary and performance management.
3. Family and Children's Services Overview and Scrutiny Committee	Matters relating to the provision of education, lifelong learning, and safeguarding children
4. Health and Well Being Overview and Scrutiny Committee	Matters relating to the provision of health services in Northumberland and the general well-being of its residents, and to hold to account the Health & Wellbeing Board

1) **Communities and Place Overview and Scrutiny Committee**

Terms of Reference

(a) To maintain an overview of the Management Agreements in place between the County Council and Active Northumberland, Woodhorn Museum Charitable Trust and Northumberland Tourism.

(b) To monitor, review and make recommendations about:

- Development planning
- Neighbourhood Planning
- Conservation
- Housing
- Climate Change
- Countryside, Biodiversity and landscape quality
- Waste Management and Energy Use
- Public and community transport network and travel to school
- Highway maintenance, Streetscape, and the local environment
- Local and Neighbourhood services
- Crime, Community Safety, and fear of crime, including CONTEST, Prevent and Channel (**NB** see note below)
- Antisocial behaviour and domestic violence
- Fire and rescue
- Emergency services and Emergency planning
- Customer Services
- Provision of cultural and leisure facilities
- Improving quality of life through access to culture and leisure
- Supporting economic growth in the arts, culture, and leisure sectors

NB CONTEST refers to the National Counter Terrorism Strategy which is split into four workstreams known as the 4Ps. This includes "Prevent" which is intended to stop individuals being drawn into, or supporting, terrorism and includes countering terrorist

ideology and challenging those who promote it. A key element is "Channel" which is intended to protect the vulnerable being drawn into terrorism. The Council has the statutory responsibility to lead the Channel Panel, a multi-agency approach to protecting the vulnerable, by identifying those at risk, assessing the nature and extent of the risk and developing support plans for individuals. The Committee will also be responsible for scrutinising any similar policy initiatives.

2) Corporate Services and Economic Growth Overview and Scrutiny Committee

Terms of Reference

(a) To maintain an overview of the Council's Annual Budget and Budgetary Management via the Medium Term Financial Plan

(b) To review the state of Northumberland and the County Council's activity in delivering its Corporate Plan

(c) To maintain an overview of the Council's performance management arrangements, highlighting areas of poor performance and monitoring recovery delivery plans

(d) To maintain an overview of the Management Agreements in place between the Council and Advance Northumberland.

(e) To monitor, review and make recommendations about:

Corporate Services: Organisational Development, Health and Safety, ICT Strategy, Corporate Governance, Financial Services, Procurement Strategy, Risk Strategy, Shared and Traded Services

Partnership development co-ordination with local organisations

Relationships with external bodies

Regeneration and Economic Development

Strategic Transport Network and Infrastructure

Employability, Skills, and removing barriers to work

Capital Programme and Asset Management

Support to VCS organisations and the Council's relationship with town and parish councils

10. Family and Children's Services Overview and Scrutiny Committee

Terms of Reference

(a) To monitor, review and make recommendations about:

- Early Years
- Education and Schools
- Special education needs and disability
- Adult and Community Education
- Training and Vocational Education
- Lifelong Learning
- Youth Offending

- Social Services for Children and Young People
- Children's Health
- Teenage Sexual Health
- Looked After Children
- Safeguarding - Children
- Youth Services
- Family Services
- Children's Centres

(b) To oversee and monitor school improvement, as follows:

(i) To receive feedback on the Ofsted inspection of schools.

(ii) To support the work of the County Council and the progress of schools on the School Intervention and Support Programme in specified categories.

(iii) To receive an annual report about the number of schools that have been on the School Intervention and Support Programme, the reason(s) for their inclusion, the support given by the Council and the success of this support.

(iv) To receive an annual report on the performance of schools.

13. Health and Wellbeing Board

Terms of Reference

(1) To transform the way health and social care services are commissioned and provided to promote integration, improve the health and wellbeing of the population of Northumberland and reduce health inequalities.

(2) To set out the strategic vision for health and wellbeing for Northumberland to provide a shared sense of direction for constituent organisations of the board.

(3) To promote a shared transformational culture and set of key principles, across constituent organisations of the board, to drive positive change.

(4) To hold the system to account to prioritise early intervention and primary intervention.

(5) To improve democratic accountability for health and wellbeing decision making.

(6) To provide a focus for Health and Wellbeing Board partners and total public sector commitment to improving population wellbeing and health outcomes.

(7) To ensure the engagement of the public in determining needs and service commissioning.

(8) To undertake regular reviews of the Board's activity to ensure that it is achieving what it is setting out to do.

Statutory functions

- (9)** To encourage all health and social care organisations which operate within Northumberland to work together in an integrated manner.
- (10)** To provide all appropriate advice, assistance and support to encourage the development of formal partnership arrangements between social care and health services, making use of the powers provided by Section 75 of the NHS Act 2006.
- (11)** To oversee the production of the Joint Strategic Needs Assessment (JSNA) for Northumberland, covering all needs which either fall within the responsibilities of health commissioners, but could alternatively be met or significantly affected by local authority functions or vice versa.
- (12)** To produce a joint health and wellbeing strategy (JHWS) for Northumberland, on behalf of the Council and Northumberland Clinical Commissioning Group.
- (13)** To ensure that Healthwatch Northumberland and the people who live and work in Northumberland are involved in the production of the JSNA and the JHWS.
- (14)** To maintain and update Northumberland's Pharmaceutical Needs Assessment.
- (15)** To respond to any pharmacy contract consolidation request submitted to NHS England within the statutory timeframe.

Additional functions delegated by Council

- (16)** To monitor performance against designated health and wellbeing outcomes as detailed in the Health & Well Being Strategy and to hold partners to account.
- (17)** To advise all partners and stakeholders on steps that they could take to reduce health inequalities within Northumberland and between Northumberland and England as a whole
- (18)** To promote broader integration and partnership working between the NHS, social care, public health and other local services
- (19)** Any other functions that may be delegated by the Council under section 196 (2) of the Health and Social Care Act 2012.

14. Health and Wellbeing Overview and Scrutiny Committee

Terms of Reference

- (a)** To promote well-being and reduce health inequality, particularly in supporting those people who feel more vulnerable or are at risk.
- (b)** To discharge the functions conferred by the Local Government Act 2000 of reviewing and scrutinising matters relating to the planning, provision and operation of health services in Northumberland.
- (c)** To take a holistic view of health in promoting the social, environmental and economic well-being of local people.

(d) To act as a consultee as required by the relevant regulations in respect of those matters on which local NHS bodies must consult the Committee.

(e) To monitor, review and make recommendations about:

Adult Care and Social Services

Adults Safeguarding

Welfare of Vulnerable People

Independent Living and Supported Housing

Carers Well Being

Mental Health and Emotional Well Being

Financial inclusion and fuel poverty

Adult Health Services

Healthy Eating and Physical Activity

Smoking Cessation

Alcohol and drugs misuse

Community Engagement and Empowerment

Social Inclusion

Equalities, diversity and community cohesion

7. County Emergency Committee (non- executive functions to be revised)

Terms of Reference and Powers

(a) To function under emergency legislation and to deal with such matters concerning the Council's civil contingencies functions as may be referred to them by the Council

(b) To reconvene when called upon either before, during or after a significant incident or emergency whereby the County Council may be required to respond beyond its normal day to day capabilities

8. Dismissal Advisory Committee

Terms of Reference and Powers

To provide independent advice to full Council on matters relating to a proposal to dismiss the Head of Paid Service, the Monitoring Officer, or the Chief Finance Officer on the grounds of conduct, capability or other substantial reason

Composition: To be appointed as and when required and to comprise the Council's Independent Person and such other Independent Person as may be appointed by the Council for such purpose

9. Disputes Panel (Fire and Rescue Service)

Terms of Reference and Powers

To hear disputes, as required, in accordance with the provisions in the Scheme of Conditions of Service of Local Authorities Fire Brigades

11. Fostering Panel (Advisory Panel to be revised)

Terms of Reference and Powers

The functions of the Fostering Panel are specified in Part 5 Regulation 25 of the Fostering Service (England) Regulations:

- (a)** To consider each application for approval and to recommend whether or not a person is suitable to be a foster parent
- (b)** Where it recommends approval of an application, to recommend any terms on which the approval is to be given
- (c)** To recommend whether or not a person remains suitable to be a foster parent, and whether or not the terms of their approval (if any) remain appropriate:
 - (i)** on the first Review carried out in accordance with Regulation 28(2)
 - (ii)** on the occasion of any other Review, if requested to do so by the Fostering Service provider in accordance with Regulation 28(5), and
- (d)** To consider any case referred to it under Regulation 27(9) or 28(10).

The Fostering Panel must also:

- (a)** advise, where appropriate, on the procedures under which Reviews in accordance with Regulation 28 are carried out by the Fostering Service provider, and periodically monitor their effectiveness
- (b)** oversee the conduct of assessment carried out by the Fostering Service provider, and
- (c)** give advice and make recommendations on such other matters or cases as the Fostering Service provider may refer to it.

12. Governing Body of Netherton Park (Advisory)

Terms of Reference and Powers

To exercise the functions of the Responsible Body of the Home

13. Health and Wellbeing Board (separate rules for appointment)

Terms of Reference

- (1)** To transform the way health and social care services are commissioned and provided to promote integration, improve the health and wellbeing of the population of Northumberland and reduce health inequalities.
- (2)** To set out the strategic vision for health and wellbeing for Northumberland to provide a shared sense of direction for constituent organisations of the board.
- (3)** To promote a shared transformational culture and set of key principles, across constituent organisations of the board, to drive positive change.
- (4)** To hold the system to account to prioritise early intervention and primary intervention.
- (5)** To improve democratic accountability for health and wellbeing decision making.
- (6)** To provide a focus for Health and Wellbeing Board partners and total public sector commitment to improving population wellbeing and health outcomes.
- (7)** To ensure the engagement of the public in determining needs and service commissioning.
- (8)** To undertake regular reviews of the Board's activity to ensure that it is achieving what it is setting out to do.

Statutory functions

- (9)** To encourage all health and social care organisations which operate within Northumberland to work together in an integrated manner.
- (10)** To provide all appropriate advice, assistance and support to encourage the development of formal partnership arrangements between social care and health services, making use of the powers provided by Section 75 of the NHS Act 2006.
- (11)** To oversee the production of the Joint Strategic Needs Assessment (JSNA) for Northumberland, covering all needs which either fall within the responsibilities of health commissioners, but could alternatively be met or significantly affected by local authority functions or vice versa.
- (12)** To produce a joint health and wellbeing strategy (JHWS) for Northumberland, on behalf of the Council and Northumberland Clinical Commissioning Group.
- (13)** To ensure that Healthwatch Northumberland and the people who live and work in Northumberland are involved in the production of the JSNA and the JHWS.
- (14)** To maintain and update Northumberland's Pharmaceutical Needs Assessment.

(15) To respond to any pharmacy contract consolidation request submitted to NHS England within the statutory timeframe.

Additional functions delegated by Council

(16) To monitor performance against designated health and wellbeing outcomes as detailed in the Health & Well Being Strategy and to hold partners to account.

(17) To advise all partners and stakeholders on steps that they could take to reduce health inequalities within Northumberland and between Northumberland and England as a whole

(18) To promote broader integration and partnership working between the NHS, social care, public health and other local services

(19) Any other functions that may be delegated by the Council under section 196 (2) of the Health and Social Care Act 2012.

15. JCC (working Group)

Terms of Reference

To bring together Members and employees of the Council and their representatives in consultation on strategic and policy matters in order to further the aims and improve the efficiency of the County Council's services.

16. Licensing Committee (Not subject to Proportionate Political Rules)

Terms of Reference and Powers

(i) The Licensing Committee will exercise all the powers and duties of the Council under the Licensing Act 2003 and the Gambling Act 2005, except for those functions that are reserved to the Council.

(ii) The Licensing Committee may arrange for any functions which it exercises to be discharged by:

a Sub-Committee established by it, or

an officer of the Council as Licensing Authority.

The Committee will report to the Council on any such arrangements it may make.

(iii) Where the Licensing Committee exercises the function of determining any application or similar matter, it will do so through a Sub Committee.

17. Licensing and Regulatory Committee

Terms of Reference and Powers

Except where the matter is delegated either expressly to the Head of Housing and Public Protection or alternatively to officers in accordance with the Public Protection internal scheme of management, the Licensing and Regulatory Committee has the following delegated powers:-

(i) to be responsible for licensing matters relating to the following areas, including suspension and revocation of licences and applications where there has been a refusal to grant, renew or vary a licence, or where there are relevant objections to grant, vary or renew:-

- (a)** animal boarding establishments
 - (b)** betting tracks
 - (c)** dangerous wild animals
 - (d)** dog breeding establishments
 - (e)** game dealers
 - (f)** hackney carriage drivers and proprietors
 - (g)** hypnotism
 - (h)** lotteries
 - (i)** motor salvage operators
 - (j)** pet shops
 - (k)** pleasure boats and navigators
 - (l)** private hire vehicle drivers, proprietors and operators
 - (m)** sex establishments
 - (n)** street collections
 - (o)** street trading – prohibited areas
 - (p)** theatres and cinemas
 - (q)** film classification
 - (r)** use of land as a caravan site
 - (s)** use of moveable dwellings and camping sites
 - (t)** premises for acupuncture, tattooing, ear piercing and electrolysis
 - (u)** safety certificates for sports grounds
 - (v)** zoos
 - (w)** knackers yards
- (ii)** to be responsible for any other licensing matters, including applications for licenses or registrations which are not delegated to any other body;
- (iii)** to make recommendations on licensing policy;
- (iv)** to make an order identifying a place as a designated public place for the purposes of police powers in relation to alcohol consumption;

(v) to make recommendations to full Council in respect of bye-laws, including making new, or amending or revoking existing bye-laws;

(vi) to consider and respond on behalf of the Council to consultation exercises where it is appropriate to do so following agreement with the Chair of the Committee.

Where the Licensing and Regulatory Committee exercises the function of determining any application or similar matter, it may do so through a Sub-Committee.

18. Local Area Committee's

Terms of Reference

(a) To enhance good governance in the area and ensure that the Council's policies take account of the needs and aspirations of local communities and do not discriminate unfairly between the different Areas

(b) To advise the Cabinet on budget priorities and expenditure within the Area

(c) To consider, develop and influence policy and strategy development of the Council, its arms-length organisations, and other relevant bodies, to ensure that they meet local requirements and facilitate efficient and transparent decision making

(d) To receive information, consider and comment on matters associated with service delivery, including those undertaken in partnership agencies, affecting the local area to ensure that they meet local requirements, including matters relating to community safety, anti-social behaviour and environmental crime

(e) To consider and refer to Cabinet any issues from a local community perspective with emerging Neighbourhood Plans within their area, and consider local planning applications as per the planning delegation scheme

(f) To consider and recommend adjustments to budget priorities in relation to Local Transport Plan issues within their area, and to make decisions in relation to devolved capital highway maintenance allocations

(g) To engage, through the appropriate networks, with all key stakeholders from the public, private, voluntary and community sectors to facilitate the delivery of area priorities. This will include undertaking regular liaison with parish and town councils

(h) To inform, consult and engage local communities in accordance with Council policy and guidance, through the appropriate networks

(i) To, as appropriate, respond or refer with recommendations to local petitions and Members calls for action

(j) To make certain appointments to outside bodies as agreed by Council

(k) To determine applications for grant aid from the Community Chest, either through Panels for individual Local Area Committee's, or through the Panel of Local Area Committee Chairs for countywide applications

(l) To refer and receive appropriate issues for consideration to or from other Council Committees, and as appropriate invite Portfolio Holders to attend a meeting if an item in their area of responsibility is to be discussed.

(m) To exercise the following functions within their area:-

(i) the Council's functions in relation to the survey, definition, maintenance, diversion, stopping up and creation of public rights of way.

(ii) the Council's functions as the Commons Registration Authority for common land and town/village greens in Northumberland.

(iii) the Council's functions in relation to the preparation and maintenance of the Rights of Way Improvement Plan.

(iv) the Council's functions in relation to the Northumberland National Park and County Joint Local Access Forum (Local Access Forums (England) Regulations 2007).

(v) the Council's role in encouraging wider access for all to the County's network of public rights of way and other recreational routes.

19. Petitions Committee

Terms of Reference

(a) To consider those petitions of a corporate or county wide nature which do not fall within the remit of the Local Area Committee's, planning and other regulatory committees (petitions about planning or licensing applications may not be considered), and to make appropriate recommendations to full Council, the Cabinet or other committees, or on matters delegated to officers, depending upon the subject matter.

(b) To consider petitions about local issues in exceptional circumstances, when agreed by the Chair.

20. Schools Forum (Advisory not subject to Proportional Political Rules)

Terms of Reference

The operation and conduct of the Schools Forum shall be in accordance with the Schools Forums (England) Regulations 2012. The Forum will have advisory and decision making powers as specified in those Regulations in relation to the School Budget, which includes not only budget shares, but also all monies directly related to the education of pupils whether in school or otherwise, arrangements for early years provision, insurance, free school meals and administrative arrangements for the allocation of central government grants paid to schools via the authority. In addition, the Forum will have a significantly extended role, and will be the main consultative interface between the County Council and the school community, and could be involved in discussion on a wide range of issues outside the scope of the legislation.

21. Employment (Appeals) Committee Terms of Reference and Powers

(a) To discharge the Council's disciplinary functions as an employer, in relation to the Head of Paid Service and Chief and Deputy Chief Officers.

NB It should be noted that the arrangements at paragraphs (b) to (e) below apply to disciplinary action in relation to a Statutory Officer (defined as the Head of Paid Service, Monitoring Officer and Chief Finance Officer).

(b) To consider and determine whether a Statutory Officer (defined as the Head of Paid Services, Monitoring Officer and Chief Finance Officer) should be suspended (or continue to be suspended) either immediately, or following a preliminary investigation into their conduct, and to formally review any suspension after it has been in place for two months in consultation with the Independent Investigator and after taking into account any representations by the Officer. Suspension will not be appropriate in every case as this will depend on the nature of the allegations or seriousness of the issue and before suspending a Statutory Officer careful consideration should be given to whether it is necessary or if there are any suitable alternative ways of managing the situation.

(c) The Monitoring Officer or, in the case of a conflict of interests, a Deputy Monitoring Officer in consultation with the Director of Human Resources and the Chair of the Committee may determine that a decision on the suspension of a Statutory Officer is required at very short notice and before the Committee can meet, if his or her continued presence at work poses a serious risk to the health and safety of others or to the resources, information or reputation of the Council. Any decision to suspend must be reviewed by the Committee as soon as it is practicable to do so.

(d) To consider and determine disciplinary action short of dismissal in relation to a Statutory Officer in accordance with the Local Authorities (Standing Orders) Regulations 2001 (as amended) and JNC Model Disciplinary Procedure.

(e) To make recommendations to Council regarding the dismissal of a Statutory Officer for capability, conduct or for some other substantial reason

(f) To determine grievance appeals relating to the Chief Executive and Chief Officers (as defined in the terms of reference for the Grievance Committee).

(g) To hear and determine disciplinary action in relation to other Chief and Deputy Chief officers (defined in S.2 (1) (b) (c) and (d) of the Local Government and Housing Act 1989). NB Composition: Members will be drawn from a panel of 20 Members (to include 4 Cabinet Members) announced as such a panel at the commencement of the municipal year. No dismissal of a chief or deputy chief officer shall be taken until the officer appointment procedure rules have been complied with

Grievance Committee

Terms of Reference

To discharge the employer's functions to hear and determine any grievance brought by or against the Chief Executive and Chief Officers of the Council. For the purpose of these Terms of Reference 'Chief Officer' defined as the Monitoring Officer and any officer defined in S.2 (1) (b) of the Local Government and Housing Act 1989.

The Committee will consist of 5 Members in accordance with political proportionality on the Council. Membership shall not overlap with those appointed to the Employment (Appeals) Committee.

Grievances raised by the Chief Executive or Chief Officer

If the Chief Executive or Chief Officer believes that they have a grievance regarding their employment it should be raised initially with the Monitoring Officer and Director of HR. They will establish whether the matter can be resolved informally. This might be through internally facilitated discussions or by external mediation.

If the grievance cannot be resolved informally to the satisfaction of the officer, the Monitoring Officer shall oversee a 2 stage process:

- Stage 1 – the grievance will be referred to the Grievance Committee. In most cases it will be appropriate for the committee to commission an independent investigator to carry out an investigation. The Grievance Committee should invite the officer to meet in person and hear the officer's grievance and subsequently hear the independent investigator's report before making a decision.
- Stage 2 – Should the officer wish to appeal against the decision of the Grievance Committee, an appeal will lie to a sub-committee of the Employment (Appeals) Committee consisting of 5 Members appointed for that purpose.

Grievances raised about a Chief Officer

Grievances raised against a Chief Officer should be raised, in the first instance, to the officer's line manager. The line manager should explore whether the matter can be resolved informally.

Where informal attempts at resolutions have not succeeded or have proved unsuccessful, the manager, in consultation with HR, will manage the stage one procedure.

Formal Stage One

- In most cases it will be appropriate for an independent investigator to be appointed to carry out the investigation.
- A grievance meeting will take place where the officer can discuss their grievance

- The officer has the right to be accompanied by a Trade Union representative or work colleague to any meetings relating to their grievance.

- The line manager will hear the case and, taking into account the investigation report, reach their conclusion which will be communicated to the officer without delay.

Formal Stage Two

- If the manager does not uphold the grievance, then the officer has a right of appeal to the Employment (Appeals) Committee. The Employment (Appeals) Committee will then be responsible for considering the appeal with appropriate technical and procedural advice from the Monitoring Officer.
- If the Employment (Appeals) Committee dismisses the appeal, then the matter would be regarded as having been concluded.

Grievances raised about the Chief Executive

Grievances raised against the Chief Executive, should be made to the Director of HR and referred to the Monitoring Officer.

The Monitoring Officer should establish whether there is a substantive complaint which, if proved would fall within the Grievance Policy, rather than a complaint about services or policy decisions for which the Chief Executive is not responsible, or a matter that should be dealt with under the disciplinary or other policy of the council. The Monitoring Officer will consult with the Director of HR and the Chair of the Grievance committee in reaching that decision.

If the matter does fall within the Grievance Policy, the Monitoring Officer and Director of HR will explore whether the matter may be resolved informally. This might be through internally facilitated discussions or by external mediation.

If the matter remains unresolved, the Monitoring Officer will refer the matter for determination by the Grievance Committee.

Formal Stage One

- Where informal attempts at resolutions have not succeeded or have proved unsuccessful, the Monitoring Officer and Director of HR will manage the stage one procedure. In most cases it will be appropriate for an independent investigator to be appointed to carry out the investigation.
- A hearing will take place of the Grievance Committee at which the Chief Executive has the right to make representations.
- The officer has the right to be accompanied by a Trade Union representative or work colleague to any meetings relating to their grievance.
- The Grievance Committee will hear the case and reach its conclusion which may include one of the following:
 - Uphold the grievance. This may include a decision or recommendation on how the issue can best be resolved to the satisfaction of the complainant.
 - Uphold the grievance and, if the matter is of a serious nature, then it may decide to refer the matter to the Employment Appeals Committee.
 - Dismiss the grievance. If dissatisfied with the outcome, the aggrieved employee then has a right of appeal.

Formal Stage Two

○ If the Grievance Committee finds against the complainant, then that person has a right of appeal to the Employment (Appeals) Committee. The Employment (Appeals) Committee will then be responsible for considering the appeal with appropriate technical and

procedural advice from the Monitoring Officer. o If the Employment (Appeals) Committee dismisses the appeal, then the matter would be regarded as having been concluded.

22. Staff and Appointments Committee

Terms of Reference and Powers

To discharge the Council's functions of the employer in relation to the Chief and Deputy Chief Officers. Chief Officer is defined as the Head of Paid Service, the Monitoring Officer and any officer as defined in S.2 (1) (b) (c) and (d) of the Local Government and Housing Act 1989.

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- (b) To consider, approve, or make recommendations to the County Council, in relation to any changes to the overall structure of the Council's workforce and the number and designation of Chief Officer and Deputy Chief Officer posts.
- (c) To determine the terms and conditions relating to employees of the County Council to include the remuneration and terms and conditions of employment for the Head of Paid Service and Chief and Deputy Chief Officers.
- (d) To exercise the discretions available to the employer under the Local Government Pension Scheme and related legislation in relation to the Head of Paid Service and to Chief and Deputy Chief Officers.
- (e) To approve any voluntary severance, settlement or ex-gratia payments to be made to the Head of Paid Service or to Chief or Deputy Chief Officers.

NB: No offer of appointment may be made to a Chief or Deputy Chief Officer until the Officer Employment Procedure Rules have been complied with.

The Head of Paid Service may approve acting up arrangements in the case of the temporary absence of a Chief or Deputy Chief Officer but may not appoint any interim arrangement without the approval of the committee and compliance with the Officer Appointment Procedure Rules set out in the Constitution.

23. Standards Committee

Terms of Reference and Powers

- (a)** promoting and maintaining high standards of conduct by Members, town and parish councillors, co-opted Members and church and parent governor representatives
- (b)** assisting the Members, town and parish councillors, co-opted Members and church and parent governor representatives to observe the Members Code of Conduct
- (c)** advising the Council on the adoption or revision of the Members Code of Conduct
- (d)** monitoring the operation of the Members Code of Conduct
- (e)** advising, training, or arranging to train Members, town and parish councillors, co-opted Members and church and parent governor representatives on matters relating to the Members Code of Conduct
- (f)** granting dispensations to Members, town and parish councillors, co-opted Members church and parent governor representatives from requirements relating to Disclosable Pecuniary Interests set out in the Members Code of Conduct
- (g)** assessing and reviewing complaints about Members and conducting determinations' hearings
- (h)** granting exemptions for politically restricted posts
- (i)** such other roles as may be given by the Council

24. Standing Advisory Council on Religious Education

Terms of reference

To advise the Authority upon such matters connected with religious worship in County schools and the religious education to be given in accordance with an agreed syllabus as the Authority may refer to the Council, or as the Council may see fit

25. Strategic Planning Committee

Terms of Reference and Powers

(a) To exercise the powers and duties of the Council as Planning Authority in relation to development management under the Town and Country Planning Acts and other associated/related legislation and in particular, but not limited to, those functions listed in Schedule 1 to the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, including the following matters which specifically require a decision by the Strategic Planning Committee:

minerals and waste planning

development concerning major energy and physical infrastructure proposals such as wind farms

planning applications involving more than 100 houses and/or more than 1,000 sq metres of commercial floorspace

planning applications involving less than 100 houses and/or less than 1,000 sq metres of commercial floorspace which raise significant strategic planning policy issues, and any other planning applications which represent a significant departure from the Development Plan

Decisions involving formal enforcement action, when requiring Committee approval, will fall to be determined by Local Area Committee's.

All applications are to be determined by the Chief Planning Officer in accordance with the powers set out in the internal scheme of delegation except for the following which fall to the Committee to determine:

Applications submitted by or on behalf of elected Members of the Council or by their spouses/partners

Applications involving land and/or premises in the ownership or under the control of elected Members of the Council or their spouses/partners

Applications in which any senior officer* of the Council has a personal and prejudicial interest

Determination of applications submitted by or on behalf of the Council (or by or on behalf of companies controlled by the Council); or of applications relating to land in which the Council (or company) has a significant interest (NB council to refuse such applications is delegated)

Approval of applications where, in the opinion of the Relevant Officer, such an approval would constitute a departure from the approved Development Plan and would require a reference to the Secretary of State

Any application which an elected Member of the Council requests should be considered by the Committee, provided the request is in writing, is received within 21 days of the application appearing on the weekly list, and is supported by bona fide planning reasons (which will be reported to the Committee together with the Members name)

Any application which the Relevant Officer considers should be determined by the Committee because of special planning issues or considerations it raises including significant local interest, and

Determination of applications where there are contrary comments received within the consultation period given raising bona fide planning issues from statutory consultees as defined in National Planning Practice Guidance.

*For the purposes of the Scheme of Delegation, Senior Officer is defined as Director or Head of Service (or equivalent title)

(b) Those functions prescribed by the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 as not being executive functions and not elsewhere allocated by this Constitution

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Part 6

Accountability

Contents

This Part sets out how the Leader and Cabinet are assisted but also held to account in fulfilling their responsibility for the exercise of executive functions.

Sections

1. Introduction
2. The role of overview and scrutiny at Northumberland
3. Values and behaviours for scrutiny
4. The party whip
5. The structure of Northumberland's overview and scrutiny committees, including committees' terms of reference
6. Who sits on overview and scrutiny committees
7. The role of chairs of overview and scrutiny committees
8. The ways in which the overview and scrutiny function will work

Section 1: Introduction

This Part sets out the role and functions of the Council's overview and scrutiny committees. These committees have a responsibility for holding the Cabinet to account for its decisions. They also have a responsibility to look at matters of importance to the area and the area's inhabitants.

The Council's scrutiny committees can require the attendance of Cabinet members and certain senior Council officers – they can also require the attendance of certain NHS staff. They can also require that certain information held by the Council is provided to them. Finally, scrutiny committees can require a response from the Cabinet and certain NHS bodies to the recommendations that it makes.

The agendas of scrutiny committees are developed entirely independently of the Council's Cabinet, and are based on a transparent process of prioritisation which is set out in this Part in more detail, and separately in the Executive-Scrutiny Protocol.

At Northumberland, scrutiny committees have a range of core tasks. These include:

- To contribute to policy development on critical matters;
- To investigate matters of interest and concern to the wider community – particularly if they relate to complex, cross-cutting and high profile challenges;
- To keep under review the performance and financial position of the authority, and the authority's performance in engaging with partners, especially with regard to its commercial activity.

In carrying out these tasks, scrutiny also looks at how the Council works with its external partners.

Some scrutiny business is carried out in formal committees, but committees can also set up informal "task and finish" groups to investigate certain issues in more detail.

The meetings of scrutiny committees are held in public – the detailed rules for how these meetings are run are set out in **Part XX**.

There are two Protocols which set out more detail on scrutiny's roles:

- The Executive-Scrutiny Protocol, which provides more detail around how the scrutiny function will work with Cabinet in such a way that its independence is maintained;
- A Protocol on Financial Oversight, Financial Management and Scrutiny. There are duties for scrutiny committees, the Audit Committee, and other parts of the Council in ensuring that financial matters are subject to rigorous and consistent oversight. This Protocol provides detail on how that works in practice – in particular, ensuring that the duties of various councillor bodies with regard to this issue do not overlap. There are also a set of Financial Procedure Rules relevant to this issue.

Section 2: The role of overview and scrutiny at Northumberland

Northumberland has adopted a set of core tasks for its scrutiny function which reflect both the statutory powers set out above and the specific needs of the Council's governance framework. These core tasks are:

- To contribute to policy development on critical matters;
- To investigate matters of interest and concern to the wider community – particularly if they relate to complex, cross-cutting and high profile challenges;
- To keep under review the performance and financial position of the authority, and the authority's performance in engaging with partners, especially with regard to its commercial activity.

To contribute to policy development on critical matters

This means that scrutiny committees will identify, through the work programming process described below, critical priorities for the Council and the area that it serves, and seek to undertake work to inform future decision-making on that topic.

To investigate matters of interest and concern to the wider community

Councillors will use their unique insight as elected representatives, supported by officer advice and information, as well (where necessary) as direct input from the public, to identify those issues which may be of significant interest and concern to a large number of people across the area, or a small proportion of people who have particular vulnerabilities and/or possess protected characteristics under the Equality Act.

Matters of interest and concern to those living within a small geographical area will usually be considered by Local Area Councils, unless the relevant scrutiny and the relevant LAC agree that those matters highlight a wider systemic issue that requires a corporate response.

To keep under review the performance and financial position of the authority

Scrutiny committees will have a shared responsibility with Cabinet, Council and the Audit and Accounts Committee for review and monitoring of the Council's financial position, particular with regard to how financial performance has an impact on service performance. Scrutiny committees will, in selecting items for consideration on agendas, have regard to financial and performance information in line with **Section X** below.

More information can be found in the Protocol on Financial Oversight, Financial Management and Scrutiny.

Section 2: The powers held by overview and scrutiny committees

In order to carry out its role and “core tasks”, scrutiny has various powers, provided by legislation.

Sections 9F (and the following sections) of the Local Government Act 2000 require that councils operating “executive arrangements” have at least one overview and scrutiny committee. Northumberland has chosen to appoint 4 overview and scrutiny committees, whose structure is set out in **section xx** below.

Scrutiny has the power to make reports or recommendations on matters which affect the area or the inhabitants of the area. In fulfilling this broad function – which is clarified in the section below on scrutiny’s role – scrutiny has various powers in relation to the Council and Cabinet, and in relation to other partner organisations.

Powers in respect of the Council

Overview and scrutiny committees have the power to scrutinise decisions made by the Council or Cabinet. In Northumberland, they will carry out this function in accordance with the role set out in the next section.

In carrying out its role and functions, scrutiny committees may:

- Require the attendance of members and officers to attend. In Northumberland, this means that, where notice is given, the Leader, members of Cabinet, and members of the Council’s Senior Leadership Team will attend meetings of overview and scrutiny committees where this is required.
- Require the provision of information held by the authority. In Northumberland, this means that:
 - officers will draft reports for submission to scrutiny committee meetings which meet requirements set out by the Chair of the relevant committee;
 - officers will provide information to individual members of scrutiny committees which reflects the rights laid out in the Member Access to Information Protocol.
- Require a response from Cabinet to recommendations. Where a committee makes recommendations the Cabinet is under an obligation to respond within eight weeks. The response will be made at a meeting of Cabinet and will take the form specified by the scrutiny committee itself.

An overview and scrutiny committee has the right to scrutinise decisions which have been made, but not implemented. This power is called “call-in”. It is described in more detail in **Part X**.

Powers in respect of other partners

The Council works with a range of other local and national organisations. More information on these partners can be found in **Part X** of the constitution. Scrutiny has powers and obligations in relation to some of these partners. They include:

- The power to carry out review and scrutiny of the health service in the local area, as set out in Chapter 3 of the National Health Service Act 2006 and relevant Regulations and guidance. The officers of certain health and care bodies are obliged to attend before an overview and scrutiny committee to answer questions;

- The obligation to carry out scrutiny of the county's Community Safety Partnership, which is carried out by the Communities and Place Overview and Scrutiny Committee, as set out in sections 19 and 20 of the Police and Justice Act 2006, and statutory guidance;
- The power to undertake review of flood risk management, which includes the power to make requests for information from risk management authorities. These powers are set out in s9FH of the Local Government Act 2000.

Scrutiny may invite any person to give evidence but other than those specified above, invitees are not obliged to attend.

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Section 3: Values and behaviours for scrutiny

Scrutiny's role at Northumberland is also informed by the Council's values and behaviours. This means that scrutiny committees, in carrying out their work, will pay a keen regard to the way in which people in positions of authority carry out their work, and will exhibit these behaviours in how scrutiny operates as well. In practice this means that scrutiny committees, and in particular their chairs, will:

- Have a focus on customers / residents, by seeking to listen to and understand their needs and ensuring that the scrutiny function is responsive to those needs by centring them in recommendations that scrutiny makes;
- Frame their work around ensuring that they contribute to the Council's success – recognising that strong and robust scrutiny is a way of strengthening the quality of decision-making;
- Contribute – through policy development in particular – to a clear and compelling vision and ambition for the council which is focused on long term, strategic thinking;
- Problem solve, providing independently-led insight for the benefit of the authority on complex matters, using scrutiny's innate ability to cut through complexity and find the decisions right for the Council and area even if they are politically challenging;
- Support the council to be open and honest about the Council's challenges and decisions, in a no-blame atmosphere – and following through by supporting officers and members to tackle difficult business issues and to develop and maintain self-awareness, and to reflect upon shortcomings where necessary;
- Focus on the importance of culture, relationships and collaboration – within, and outside, the council – in investigating topics and delivering recommendations.
- These values are variously built into the ways of working for scrutiny committees laid out below.

Section 4: The Party Whip

Scrutiny is a political space, where matters of political contention are discussed. It is appropriate and expected that councillors will express opinions and views that reflect their political standpoint and therefore the agreed standpoint of the political party of which they may be a member.

The express use of the “party whip”, as a tool of political management, is however strongly discouraged. The “whip” is a mechanism by which a member can be instructed to vote in a specific way where non-compliance with that instruction can render the member subject to a sanction imposed within the political group of which they are a member.

If such an instruction is given the member must declare the existence of the “whip” and the nature of it before the commencement of the committee’s deliberations on the matter. The declaration, and the detail of the whipping arrangements, shall be recorded in the minutes of the meeting.

Section 5: The structure of Northumberland's overview and scrutiny committees

The Council has four overview and scrutiny committees. Their titles and terms of reference are set out below. The presence of a given subject in the terms of reference is not meant to indicate that the committee is obliged to take reports on those topics on an annual, or otherwise regular, basis.

Name of committee	Terms of reference
<p>Corporate Services and Economic Growth Overview and Scrutiny Committee</p>	<ul style="list-style-type: none"> ▪ To maintain an overview of the Council's Annual Budget and Budgetary Management via the Medium Term Financial Plan ▪ To review the state of Northumberland and the County Council's activity in delivering its Corporate Plan ▪ To maintain an overview of the Council's performance management arrangements, highlighting areas of poor performance and monitoring recovery delivery plans • To maintain an overview of the Management Agreements in place between the Council and Advance Northumberland, in co-ordination with Cabinet and Audit Committee and further to the information on company governance in Part X. • To monitor, review and make recommendations about: <ul style="list-style-type: none"> • Corporate Services: Organisational Development, Health and Safety, ICT Strategy, Corporate Governance, Financial Services, Procurement Strategy, Risk Strategy, Shared and Traded Services • Partnership development co-ordination with local organisations • Relationships with external bodies • Regeneration and Economic Development • Strategic Transport Network and Infrastructure • Employability, Skills, and removing barriers to work • Capital Programme and Asset Management • Support to VCS organisations and the Council's relationship with town and parish councils
<p>Communities and Place Overview and Scrutiny Committee</p>	<p>To monitor, review and make recommendations about:</p> <ul style="list-style-type: none"> • Development planning

	<ul style="list-style-type: none"> • Neighbourhood Planning • Conservation • Housing • Climate Change • Countryside, Biodiversity and landscape quality • Waste Management and Energy Use • Public and community transport network and travel to school • Highway maintenance, Streetscape, and the local environment • Local and Neighbourhood services • Crime, Community Safety, and fear of crime, including CONTEST, Prevent and Channel • Antisocial behaviour and domestic violence • Fire and rescue (see Part X) • Emergency services and Emergency planning • Customer Services • Provision of cultural and leisure facilities • Improving quality of life through access to culture and leisure • Supporting economic growth in the arts, culture, and leisure sectors • In co-ordination with Cabinet and the Council's Audit Committee, to maintain an overview and the Management Agreements in place between the County Council and any outside bodies relating to the above functions.
<p>Family and Children's Services Overview and Scrutiny Committee</p>	<p>To monitor, review and make recommendations about:</p> <ul style="list-style-type: none"> • Early Years • Education and Schools • Special education needs and disability • Adult and Community Education • Training and Vocational Education • Lifelong Learning • Youth Offending • Social Services for Children and Young People • Children's Health • Teenage Sexual Health • Looked After Children • Safeguarding – Children • Youth Services • Family Services • Children's Centres

	<p>To oversee and monitor school improvement:</p> <ul style="list-style-type: none"> • To receive feedback on the Ofsted inspection of schools. • To support the work of the County Council and the progress of schools on the School Intervention and Support Programme in specified categories. • To receive an annual report about the number of schools that have been on the School Intervention and Support Programme, the reason(s) for their inclusion, the support given by the Council and the success of this support. • To receive an annual report on the performance of schools
<p>Health and Wellbeing Overview and Scrutiny Committee</p>	<ul style="list-style-type: none"> • To promote well-being and reduce health inequality, particularly in supporting those people who feel more vulnerable or are at risk. • To discharge the functions conferred by the Local Government Act 2000 of reviewing and scrutinising matters relating to the planning, provision and operation of health services in Northumberland • To take a holistic view of health in promoting the social, environmental and economic well-being of local people. • To act as a consultee as required by the relevant regulations in respect of those matters on which local NHS bodies must consult the Committee. • To monitor, review and make recommendations about: <ul style="list-style-type: none"> • Adult Care and Social Services • Adults Safeguarding • Welfare of Vulnerable People • Independent Living and Supported Housing • Carers Well Being • Mental Health and Emotional Well Being • Financial inclusion and fuel poverty • Adult Health Services • Healthy Eating and Physical Activity • Smoking Cessation • Alcohol and drugs misuse • Community Engagement and Empowerment <ul style="list-style-type: none"> • Social Inclusion • Equalities, diversity and community cohesion

Rules of procedure have been drafted which lay out how scrutiny committees will be convened, arrangements for attendance and speaking rights for councillors, council officers and members of the public. These are set out in **Part X** of the Constitution.

Frequency of meetings

These committees will meet at least 6 times a year. The Chair of an overview and scrutiny committee may call an extraordinary meeting of a committee if they consider it necessary or appropriate, in the context of scrutiny's role and core tasks and having regard to the advice of the Monitoring Officer.

Joint committees

From time to time cross-border issues may be of such importance that they demand the establishment of temporary or permanent scrutiny arrangements with another council. In considering the necessity of this work, chairs of scrutiny committees will have regard to:

- The advice of the Monitoring Officer;
- The need for such work to add clear value for the people of Northumberland;
- The presence of other cross-border scrutiny arrangements, such as the Northumbria Police and Crime Panel and the overview and scrutiny committee of the North of Tyne Combined Authority.

In the case of a substantial variation to local health and care services which, by law, is of such a nature that requires the establishment of a joint committee, the Monitoring Officer will advise councillors on the operating arrangements for that committee, including facilitating agreement on hosting arrangements and the nomination of councillors to sit on it.

Task and finish groups

Task and finish groups may be established to investigate and explore future policy options for a topic or issue for which the council has whole or partial responsibility.

When agreed as part of the scrutiny function's work programming arrangements, and when the allotted time for the establishment of the task and finish group arrives, the procedure should be as follows:

- The agreement by the committee of the scope of the review and the membership of the group. The scope will set out the question or questions to be answered, the way in which evidence will be gathered to reach that outcome (and from whom), the councillors nominated to form part of the group, the names of any co-optees and officer support arrangements;
- Evidence-gathering, following the methods set out in section xx below. Task and finish work may be carried out both in private and in public;
- The preparation of a report, and recommendations, for submission to the commissioning committee. Reports will be short and contain a limited number of recommendations. The report submitted by the task group to the committee will be the one agreed to by the majority of members of that group;

- Consideration of the report by the commissioning committee and submission of the report and recommendations to the relevant recipients. The committee should not normally make any amendment to the report submitted to them.

The membership of task and finish groups can include any member of the Council not currently a Cabinet member, or a Cabinet Assistant. Groups will usually number no more than six councillors, as far as possible politically balanced. The committee commissioning the review will determine if non-councillors should be invited to participate as co-optees. This may be relevant if certain individuals can bring recognised expertise to the work of a task and finish group. Co-optees may be individuals who have publicly campaigned on a given issue, but in their role on a task and finish group they will be expected to act with an open mind, and to conform to behavioural expectations similar to those put to members. Arrangements for the scoping and membership of task and finish groups will in all cases be determined by the committee which commissions them.

Section 6: Who sits on the overview and scrutiny committees

The membership, and Chairs, of overview and scrutiny committees will be determined by Council at its Annual General Meeting, subject to any in-year changes and substitutions confirmed by the Monitoring Officer.

Councillors

All councillors, except members of the Cabinet, may be members of an Overview and Scrutiny Committee. However, no member may be involved in scrutinising a decision in which they have been directly involved.

Co-optees

The power exists for scrutiny committees to “co-opt” people who are not councillors to sit on scrutiny committees.

With the exception of statutory education co-optees, described below, any person co-opted to sit on a scrutiny committee will be a member of that committee, but without the right to vote. Co-option may take place only in accordance with a scheme agreed by Council.

The Family and Children’s Services Committee will have among its membership five co-optees, who may exercise the right to vote on any matter that relates to the Council’s education functions, but not on any other matter. These five co-optees will be representatives of the following groups and organisations:

- The Church of England Diocese of Newcastle;
- The Roman Catholic Diocese of Hexham and Newcastle;
- Two parent governor representatives, elected by the parent governors of maintained primary and secondary schools serving children residing in the county council’s area. The Monitoring Officer will arrange for the periodic election of these individuals in line with Government guidance;
- One representative of other faiths and denominations, to be determined by the Monitoring Officer in consultation with the Council’s Standing Advisory Council on Religious Education (SACRE).

Section 7: The role of Chairs of overview and scrutiny committees

Chairs of overview and scrutiny committees have a role, individually and collectively, to:

- Preserve and champion the independence of the scrutiny function from the executive;
- Ensure that scrutiny is looking at the right things, in the right way, at the right time;
- Ensure that scrutiny is a collaborative working environment which benefits from the experience and viewpoints of a range of councillors;
- Ensure that scrutiny activity is planned and carried out in a way which conforms to the Council's agreed values and behaviours;
- Ensure that scrutiny is visible to the public and drawing on public insight and views;
- Ensure that councillors sitting on scrutiny committees individually and collectively have the skills and capabilities to carry out their roles;
- Work in a mutually supportive manner with officers, in accordance with the Member-Officer Protocol and the Council's agreed values and behaviours.

Section 8: The ways in which the overview and scrutiny function will work

The work of the Council’s scrutiny function will be focused and directed to those areas where the function’s unique capabilities are best able to add value to the work of the Council and the lives of its residents.

To that end, scrutiny committees between them have adopted the following ways of working.

<p>Carrying out work on subjects where member-led scrutiny can add value</p>	<p>This objective will be met through the delivery of a comprehensive and focused work programme. Scrutiny committees will individually agree a rolling work programme, which will be aligned across the whole scrutiny function through liaison between committee chairs. The work programme will be informed by scrutiny’s “core tasks”</p> <p>Scrutiny committees will agree a common set of criteria that will be used to determine where an issue should be placed on a future agenda with reference to available evidence on the matter in question. These criteria may change from year to year to ensure that scrutiny’s work reflects the council’s, and local people’s, priorities.</p> <p>Overall, the work programme for committees individually and collectively will focus on:</p> <ul style="list-style-type: none"> • Forthcoming policy development, with such matters usually being identified well ahead of time; • Review of performance, and finance, issues in-year, with particular matters of concern being escalated to committee by exception. <p>Committees will not usually carry out the scrutiny of decisions shortly before they are submitted to Cabinet (“pre-decision scrutiny”). Chairs will however have the discretion to place such matters on the work programme where the subject matter is high profile and contentious.</p>
<p>Carrying out work using methods most likely to deliver a consistent high impact</p>	<p>Scrutiny committees have a range of methods at their disposal to conduct their work, and to gather evidence. Where the work programme is being developed, decisions as to whether certain items are placed on the programme will need to bear in mind what method or methods will deliver the greatest impact.</p> <p>Usual methods will include:</p> <ul style="list-style-type: none"> • Considering an item on an ordinary agenda of a scrutiny committee meeting. This may be one of several items or the sole item on the agenda. The rules of procedure on scrutiny at Part X set out the

	<p>arrangements for this form of evidence-gathering in more detail;</p> <ul style="list-style-type: none"> • Convening a joint meeting with another scrutiny committee of the county council. If the work programme demands it, joint meetings of multiple committees may be convened to review cross-cutting topics. Joint meetings with scrutiny committees of other authorities may also be convened – and joint committees of more than one authority may also be established, subject to rules set out in section xxx; • Establishing a standing sub-committee to take responsibility for a portion of the parent committee’s terms of reference. The establishment of sub-committees will happen further to the advice of the Monitoring Officer and will be subject to the agreement of full Council given the overall effects on overall political proportionality; • Establishing a task and finish group. Task and finish groups are informal, time limited bodies established by a committee to undertake a specific, defined investigation and to report back to that committee before being disbanded. Detailed arrangements for the establishment of task and finish groups are set out in section xxx. • Establishing a standing panel. The Corporate Services and Economic Growth Overview and Scrutiny Committee may, at the start of the municipal year, determine whether to establish a standing panel to transact duties relating to the scrutiny of the budget development process. This panel will operate further to arrangements set out in the Protocol on Financial Oversight, Financial Management and Scrutiny and the Executive-Scrutiny Protocol;
<p>Gathering evidence from a wide range of sources so as to gain as full an understanding as possible of an issue prior to making recommendations</p>	<p>Evidence to support scrutiny activity may derive from:</p> <ul style="list-style-type: none"> • Desktop research. Officers supporting scrutiny committees may undertake research on behalf of those committees, and councillors may also be tasked by the committee to undertake research; • Officer reports. Reports on matters for information, or for noting, will not be submitted to scrutiny committees for consideration. Where an officer

	<p>report is proposed or requested for a given meeting it should be to answer a specific question and/or to support the scrutiny committee to reach, or recommend, a specific outcome. General reports “for information” can be submitted to councillors directly, outside of the ordinary committee cycle, and used in support of the work programming process described above;</p> <ul style="list-style-type: none">• Officer or executive member attendance at formal meetings. Officers or executive members may be required to attend meetings to give evidence and/or to be held to account for decisions, or performance, for which they are responsible. “No blame” does not mean “no accountability”, and scrutiny committees should carry out this work constructively but vigorously. More information on this power is set out in the Executive-Scrutiny Protocol;• Public meetings. In order to investigate a matter on the work programme a scrutiny committee may convene a meeting to take evidence directly from the public. The design of this process should have regard to the need to maximise accessibility for those identified as key stakeholders for such evidence-gathering;• Site visits. In transacting work (particularly task and finish groups) councillors will want to carry out in-person visits to places within, and occasionally outside, the county.
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DRAFT CONSTITUTION

Part 7

Governance and Culture

This Part sets out how the Council goes about its business, including its commitments to values and behaviours and its systems of internal control.

Contents

1. Introduction		
2. Member Code of Conduct		
3. Officer Code of Conduct		
4. Member officer protocol		
5. Code of Corporate Governance		
6. Annual governance statement		
7. Monitoring officer protocol		

PART 7: GOVERNANCE AND CULTURE

Introduction

Governance and culture

Good governance is central to the Council's ability to provide services to local people that meet their needs and expectations.

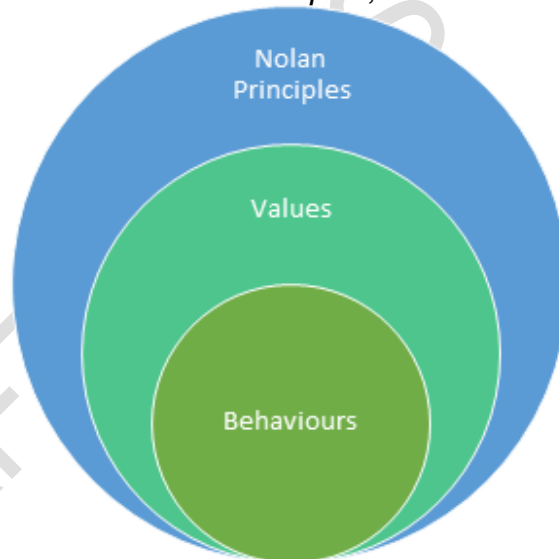
Central to good governance is an environment where councillors, officers and others understand their roles, responsibilities and relationships, and are able to work confidently, transparently and responsibly with others.

For this reason the Council has developed a set of shared values that underpin everything it does. These values underpin the systems, processes and arrangements set out in this Constitution, and in particular inform the content of this section, which sets out some of the key checks and balances, and accountabilities, that the Council has put in place to ensure probity and accountability in the way it does business.

These values represent the standards by which members and officers commit to hold themselves to account. They represent a promise to the area's residents.

Underpinning these values are a set of "Northumberland behaviours". These describe what is expected in the way that people at the Council work with others, and deliver for local people.

What is the difference between Nolan Principles, Values and Behaviours?



Both the values and behaviours are informed by the Nolan Principles – the Seven Principles of Public Life. The Nolan Principles are also central to the way that the decision-making, accountability and governance arrangements in the Constitution have been designed, and the way that they are expected to operate.

The Nolan Principles are the ethical standards that apply to everyone who works as a public office-holder. That includes local government officers and members, but also encompasses many others including those in central government, the civil service, police, courts, health and non-departmental public bodies.

The Nolan Principles are:



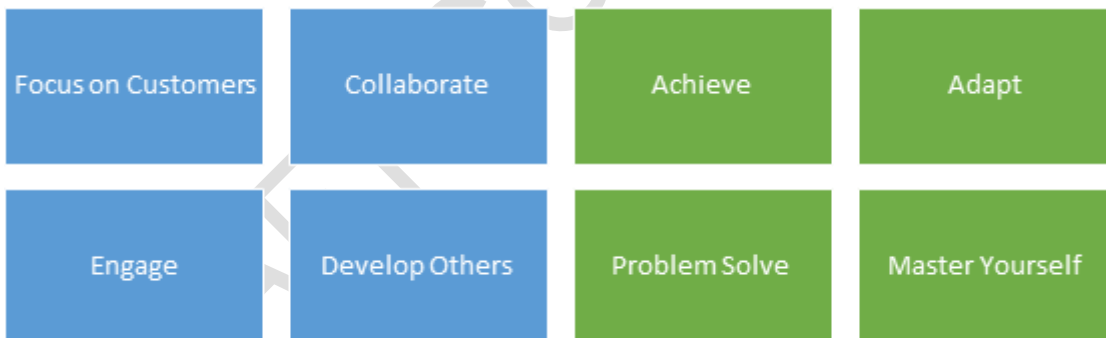
The Northumberland Values are tailored to Northumberland County Council. They have been co-designed by our colleagues and members and are unique to the Council. They set out the Council's core beliefs, its character as a council and what it stands for.

The Northumberland Values are:



The Northumberland Behaviours are also tailored to Northumberland County Council. They have also been co-designed by officers and members and are unique to us. Our behaviours are how we express the values in our everyday actions. They are tangible, concrete and observable. In most cases they can be developed. They are the standards by which members and officers will hold themselves and each other to account.

The Northumberland Behaviours are:



How the Nolan Principles, values and behaviours intersect with the content of the Constitution

The Nolan Principles, values, and behaviours, should all inform how members, officers and others interpret the systems, processes and relationships described in the Constitution. They should inform the way that the Council sets its strategy and how it manages its work on a day to day basis. Most importantly, they provide a vital bulwark and context for formal governance arrangements, some of which are set out in this section.

Both the Constitution, and the values and behaviours framework, aim to support habitual behaviours – attitudes and approaches which become a natural part of day to day work. A

marker of success will be an environment where officers and members act in a way consistent with the Nolan principles, the values and the behaviours as a natural matter of course rather than needing to make unusual, conscious efforts.

The Council expects that attention to probity, standards, values and behaviours will be especially important in respect of:

- Member Audit arrangements. Effective, robust member oversight of the Council's financial arrangement requires a commitment to standards of personal probity but also a commitment to acting in the interests of the Council, and local people. The actions and behaviours of members of the Audit Committee, and the officers supporting the work of the committee (which, in its widest sense, means all budget-holders) will need to reflect closely the Nolan Principles and the other regulatory requirements that hinge on the need for regard for the spending of taxpayers' money;
- Member and officer standards and conduct arrangements. The Council has in place a standards regime that expects good conduct from officers and members. A Member-Officer Protocol further provides for clarity about the relationships between the two groups.

Section 1: Standards and relationships generally: protocols

Member Code of Conduct *Officer Code of Conduct*

Member-Officer Protocol

Social Media Protocol

Procedure Rules on Officers Employment / disciplinary arrangements

Registers of Interest

Further protocols

The Council may produce further protocols which will be used to affirm the relationships between key parts of the governance framework. The Council will, in particular, arrange for the production of:

- An Executive-Scrutiny Protocol, which will be subject to agreement between Cabinet and Scrutiny Chairs;
- A Protocol on Financial Oversight, Management and Scrutiny, which will set out the relationship between Scrutiny, Audit, Council and Cabinet with regard to the oversight and monitoring of financial matters, and in respect of budget development.

Section 2 -Code of Conduct for Elected Members

Definitions

For the purposes of this Code of Conduct, a “councillor” means a Member or co-opted Member of a local authority. A “co-opted Member” is defined in the Localism Act 2011 Section 27(4) as “a person who is not a Member of the authority but who

- a) is a Member of any committee or sub-committee of the authority, or;
- b) is a Member of, and represents the authority on, any joint committee or joint subcommittee of the authority;

and who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee”.

Purpose of the Code of Conduct

The purpose of this Code of Conduct is to assist you, as a Member, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow Members, local authority officers and the reputation of local government. It sets out general principles of conduct expected of all Members and your specific obligations in relation to standards of conduct. The fundamental aim of the Code is to create and maintain public confidence in the role of Member and local government.

General principals of Member conduct

Everyone in public office at all levels; all who serve the public or deliver public services, including ministers, civil servants, Members and local authority officers; should uphold the Seven Principles of Public Life, also known as the Nolan Principles. The Seven Principals of Public Life do not specifically form part of the Code of Conduct but are set out in full at Annex 1 for information.

Building on these principles, the following general principles have been developed specifically for the role of Member.

In accordance with the public trust placed in me, on all occasions:

- I act with integrity and honesty
- I act lawfully
- I treat all persons fairly and with respect; and
- I lead by example and act in a way that secures public confidence in the role of Member.

In undertaking my role:

- I impartially exercise my responsibilities in the interests of the local community
- I do not improperly seek to confer an advantage, or disadvantage, on any person
- I avoid conflicts of interest
- I exercise reasonable care and diligence; and
- I ensure that public resources are used prudently in accordance with my local authority's requirements and in the public interest.

Application of the Code of Conduct

This Code of Conduct applies to you as soon as you sign your declaration of acceptance of the office of Member or attend your first meeting as a co-opted Member and continues to apply to you until you cease to be a Member.

This Code of Conduct applies to you when you are acting in your capacity as a Member which may include when:

- you misuse your position as a Member
- Your actions would give the impression to a reasonable member of the public with knowledge of all the facts that you are acting as a Member;

The Code applies to all forms of communication and interaction, including:

- at face-to-face meetings
- at online or telephone meetings
- in written communication
- in verbal communication
- in non-verbal communication
- in electronic and social media communication, posts, statements and comments.

You are also expected to uphold high standards of conduct and show leadership at all times when acting as a Member.

Your Monitoring Officer has statutory responsibility for the implementation of the Code of Conduct, and you are encouraged to seek advice from your Monitoring Officer on any matters that may relate to the Code of Conduct. Town and parish councillors are encouraged to seek advice from their Clerk, who may refer matters to the Monitoring Officer.

Standards of Member conduct

This section sets out your obligations, which are the minimum standards of conduct required of you as a Member. Should your conduct fall short of these standards, a complaint may be made against you, which may result in action being taken.

Guidance is included to help explain the reasons for the obligations and how they should be followed.

General conduct

Respect

As a Member:

- I treat other Members and members of the public with respect.
- I treat local authority employees, employees and representatives of partner organisations and those volunteering for the local authority with respect and respect the role they play.

Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a Member, you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You should not, however, subject individuals, groups of people or organisations to personal attack.

In your contact with the public, you should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in Members. In return, you have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and report them to the local authority, the relevant social media provider or the police. This also applies to fellow Members, where action could then be taken under the Member Code of Conduct, and local authority employees, where concerns should be raised in line with the Protocol on Member/Officer relations.

Bullying, harassment and discrimination

As a Member:

- I do not bully any person.
- I do not harass any person.
- I promote equalities and do not discriminate unlawfully against any person.

The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power

through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

Unlawful discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The Equality Act 2010 places specific duties on local authorities. Members have a central role to play in ensuring that equality issues are integral to the local authority's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.

Impartiality of officers of the council

As a Member:

- I do not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the local authority.

Officers work for the local authority as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. You can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written. However, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional **integrity**.

Confidentiality and access to information

As a Member:

- I do not disclose information:
- given to me in confidence by anyone
- acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, unless
- I have received the consent of a person authorised to give it;
- I am required by law to do so;

- the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or
- the disclosure is:
 - reasonable and in the public interest; and
 - made in good faith and in compliance with the reasonable requirements of the local authority; and
- I have consulted the Monitoring Officer prior to its release.
- I do not improperly use knowledge gained solely as a result of my role as a Member for the advancement of myself, my friends, my family members, my employer or my business interests.
- I do not prevent anyone from getting information that they are entitled to by law.

Local authorities must work openly and transparently, and their proceedings and printed materials are open to the public, except in certain legally defined circumstances. You should work on this basis, but there will be times when it is required by law that discussions, documents and other information relating to or held by the local authority must be treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

Disrepute

As a Member:

- I do not bring my role or local authority into disrepute.

As a Member, you are trusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on you, other Members and/or your local authority and may lower the public's confidence in your or your local authority's ability to discharge your/its functions. For example, behaviour that is considered dishonest and/or deceitful can bring your local authority into disrepute.

You are able to hold the local authority and fellow Members to account and are able to constructively challenge and express concern about decisions and processes undertaken by the council whilst continuing to adhere to other aspects of this Code of Conduct.

Use of position

As a Member:

1.

1.1. I do not use, or attempt to use, my position improperly to the advantage or disadvantage of myself or anyone else.

Your position as a Member of the local authority provides you with certain opportunities, responsibilities, and privileges, and you make choices all the time that will impact others. However, you should not take advantage of these opportunities to further your own or others' private interests or to disadvantage anyone unfairly.

Use of local authority and resources

As a Member:

- I do not misuse council resources.
- I will, when using the resources of the local authority or authorising their use by others:
- act in accordance with the local authority's requirements as set out in such protocol as it may adopt from time to time for these purposes; and
- ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the local authority or of the office to which I have been elected or appointed.

You may be provided with resources and facilities by the local authority to assist you in carrying out your duties as a Member. Examples include:

- office support
- stationery
- equipment such as phones, and computers
- transport
- access and use of local authority buildings and rooms.

These are given to you to help you carry out your role as a Member more effectively and are not to be used for business or personal gain. They should be used in accordance with the purpose for which they have been provided and the local authority's own policies and protocols regarding their use.

Complying with the Code of Conduct

As a Member:

- I undertake Code of Conduct training provided by my local authority.
- I cooperate with any Code of Conduct investigation and/or determination.
- I do not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings.
- I comply with any sanction imposed on me following a finding that I have breached the Code of Conduct.

It is extremely important for you as a Member to demonstrate high standards, for you to have your actions open to scrutiny and for you not to undermine public trust in the local authority or its governance. If you do not understand or are concerned about the local authority's processes in handling a complaint you should raise this with your Monitoring Officer.

Protecting your reputation and the reputation of the local authority

Interests

As a Member:

- I register and disclose my interests.

Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of Members of the authority.

You need to register your interests so that the public, local authority employees and fellow Members know which of your interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or before) an issue arises. The register also protects you by allowing you to demonstrate openness and a willingness to be held accountable. You are personally responsible for deciding whether or not you should disclose an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise. It is also important that the public know about any interest that might have to be disclosed by you or other Members when making or taking part in decisions, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained.

You should note that failure to register or disclose a disclosable pecuniary interest as set out in **Table 1**, is a criminal offence under the Localism Act 2011.

Appendix B sets out the detailed provisions on registering and disclosing interests. If in doubt, you should always seek advice from your Monitoring Officer.

Gifts and hospitality

As a Member:

- I do not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence on my part to show favour from persons seeking to acquire, develop or do business with the local authority or from persons who may apply to the local authority for any permission, licence or other significant advantage.
- I register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt.
- I register with the Monitoring Officer any significant gift or hospitality that I have been offered but have refused to accept.

In order to protect your position and the reputation of the local authority, you should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a Member. The presumption should always be not to accept significant gifts or hospitality. However, there may be times when such a refusal may be difficult if it is seen as rudeness in which case you could accept it but must ensure it is publicly registered. However, you do not need to register gifts and hospitality which are not related to your role as a Member, such as Christmas gifts from your friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with your duties as a Member. If you are unsure, do contact your Monitoring Officer for guidance.

Protocols

As a Member:

- I will comply with any Protocol adopted by the Council which seeks to regulate the conduct of its elected Members or co-opted Members and which the Council has specifically declared should fall within the provisions of this Code of Conduct and which is listed in Appendix C to this Code.

Appendices

Appendix A - The Seven Principles of Public Life

Appendix B - Registering interests

Appendix C - Associated Protocols

Appendix A

The Seven Principles of Public Life

The principles are:

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must disclose and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Appendix B

Registering Interests

Within 28 days of becoming a Members or your re-election or re-appointment to office you must register with the Monitoring Officer the interests which fall within the categories set out in **Table 1 (Disclosable Pecuniary Interests)** which are as described in “The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012”. You should also register details of your other personal interests which fall within the categories set out in **Table 2 (Other Registerable Interests)**.

“**Disclosable Pecuniary Interest**” means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in Table 1 below.

“**Partner**” means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

1. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.
2. A ‘sensitive interest’ is as an interest which, if disclosed, could lead to the Member, or a person connected with the Member, being subject to violence or intimidation.
3. Where you have a ‘sensitive interest’ you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

Non participation in case of disclosable pecuniary interest

4. Where a matter arises at a meeting which directly relates to one of your Disclosable Pecuniary Interests as set out in **Table 1**, you must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a ‘sensitive interest’, you do not have to disclose the nature of the interest, just that you have an interest.

Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.

5. Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as a Cabinet Member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

Disclosure of Other Registerable Interests

6. Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests (as set out in **Table 2**), you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Disclosure of Non-Registerable Interests

7. Where a matter arises at a meeting which **directly relates** to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in **Table 1**) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.
8. Where a matter arises at a meeting which **affects** –
- a. your own financial interest or well-being;
 - b. a financial interest or well-being of a relative or close associate; or
 - c. a financial interest or wellbeing of a body included under Other Registerable Interests as set out in **Table 2** you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied
9. Where a matter (referred to in paragraph 8 above) **affects** the financial interest or well-being:
- a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
 - b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise, you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

10. Where you have an Other Registerable Interest or Non-Registerable Interest on a matter to be considered or is being considered by you as a Cabinet Member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

Table 1: Disclosable Pecuniary Interests

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the [Relevant Authorities \(Disclosable Pecuniary Interests\) Regulations 2012](#).

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain. [Any unpaid directorship.]
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to the Member during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a Member, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract made between the Member or his/her spouse or civil partner or the person with whom the Member is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council — (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land and Property	Any beneficial interest in land which is within the area of the council. 'Land' excludes an easement, servitude, interest or right in or over land which does not give the Member or his/her spouse or civil partner or the person with whom the Member is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.
Licenses	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer

Corporate tenancies	Any tenancy where (to the Members knowledge)— (a) the landlord is the council; and (b) the tenant is a body that the Member, or his/her spouse or civil partner or the person with whom the Member is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
Securities	Any beneficial interest in securities* of a body where— (a) that body (to the Members knowledge) has a place of business or land in the area of the council; and (b) either— i. the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or ii. if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the Member, or his/ her spouse or civil partner or the person with whom the Member is living as if they were spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

* 'director' includes a Member of the committee of management of an industrial and provident society.

* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Table 2: Other Registrable Interests

You have a personal interest in any business of your authority where it relates to or is likely to affect:

- a) any body of which you are in general control or management and to which you are nominated or appointed by your authority
- b) any body
 - i. exercising functions of a public nature
 - ii. any body directed to charitable purposes or
 - iii. one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

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Appendix C

Associated Protocols

The Council has adopted the following Protocols which are intended to regulate the conduct of its elected Members or co-opted Members and which the Council has specifically declared should fall within the provisions of this code of conduct pursuant to paragraph 6 of the code:

- Guidance for Elected Members and Officers Dealing with Planning matters
- Guidance for Elected Members Dealing with Licensing matters
- Protocol on Member/Officer relations
- Records and Information Management Policies

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Acceptance Use Policy

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Section 3 - Officers' Code of Conduct

Code of conduct for all employees of Northumberland County Council

Introduction

1. This Code has been developed and should be applied from the perspective that the public is entitled to expect the highest standards of conduct from all employees who work for local government. To depart from this principle would damage the trust and confidence that is of vital importance to the County Council. The reputation of the County Council depends not only upon its behaviour as a whole but also upon your behaviour as one of its employees.
2. This Code outlines existing laws, regulations and conditions of service and provides further guidance to assist you in your day-to-day work. The Code is produced in the light of the challenges that employees face in the ever changing environment in which local government services operate.
3. The County Council discharges its responsibilities with openness and integrity and this is reflected in this Code. The Code also provides a framework to make clear the ethical standards expected and offers guidance to enable you to conduct yourself in a manner that will bring credit to yourself and the County Council. Your Group may also develop further rules and practice notes to supplement this general Code.
4. By following this Code, you can be sure that no reasonable person can question your integrity and motives in connection with your employment with the County Council.
5. At certain points in this Code, employees are required to make declarations to, or seek permissions from, your Head of Service. In the case of Head of Service, declarations must be made to (or permissions must be sought from) both the Monitoring Officer and your Executive Director; in the case of an Executive Director making the declaration this must go to the Head of Paid Service.
6. All employees are expected to follow the Code of Conduct. In some instances failure to do so may put your employment at risk.
7. This code has been developed in accordance with S82(1) of the Local Government Act 2000 and is deemed to be incorporated into contracts of employment.

Scope

8. Subject to the note below, this Code applies to all employees of the County Council and others working within it regardless of the basis of the employment including:-
 - secondments (both to and from the County Council),
 - temporary assignments (both to and from the County Council), Work Placements and Trainees,
 - full-time, part-time, job-share, casual, seasonal employees and volunteers
 - office holders such as registrars,
 - employees acting as Members of companies or voluntary organisations,

- the principles of this Code apply to employees subject to Local Management of Schools unless and until the relevant governing body has adopted a Code of its own which incorporates the Northumberland County Council model.

9. The Code also extends to additional or dual employment that has been secured as a result of working for local government.

10. Inevitably some of the issues covered by the Code will affect senior, managerial and professional employees more than it will others - but the basic principles apply to everyone.

Standards

General

11. You are expected to give the highest possible standard of service to the public, and where it is part of your duties, to provide appropriate advice to Members and fellow employees with impartiality. You should also bring to the attention of your line manager any deficiency in the provision of service.

12. You must report to your line manager, in writing, any impropriety or breach of the County Council's policies or procedures. If there is any difficulty with this you should report the matter to a higher level of management or to the Monitoring Officer. If you discover or suspect that a fraud or other financial irregularity has taken place you are required to report this to a senior officer or the Finance Group. The County Council will ensure that all employees making such reports are protected from victimisation.

13. You should regard yourself as an ambassador for the County Council and act in all situations in a way that will bring credit to yourself and your employer.

14. The County Council encourages employees to report any activities which may be illegal, improper, unethical or inconsistent with the Code of Conduct rather than overlooking the problem. Employees can find further information on how to do this by viewing the Whistleblowing Policy found on the HR pages of the intranet.

Honesty

15. Implicit in your contract of employment or your contract for services/work with the County Council is the requirement to act with honesty and integrity. If you behave in such a manner that you can no longer be trusted you risk losing your employment or contract. For example, you must not falsify timesheets, flexitime sheets, expenses claims, work progress logs or indeed any work records.

Loyalty

16. It is a fundamental implied term of your contract of employment that you are loyal to the County Council.

17. Generally speaking, you must not actively criticise or challenge the policies or decisions of the County Council or its managers in public. However, it is perfectly

legitimate (unless you hold a politically restricted position and therefore you should seek assistance from your HR Advisor) for you to use the methods of protest and persuasion that any other citizen can use such as letters of complaint, approaches to your local Member, attendance at protest meetings or writing to the press. What you must not do is to use "inside information" which is not available to the public at large or to capitalise on your position in the County Council if you make statements intended to be published to the public at large. Neither must you deliberately set out to publicly embarrass or undermine your managers, your Group or the County Council.

18. You can raise matters of concern informally with your manager, and, if the matter affects your employment, you could use the Grievance Procedure.

19. Employees agree to serve Northumberland County Council loyally and in good faith and not to act against the Council's interests. This duty subsists throughout your employment up to termination date and consists of:

- not misusing the Council's property
- not soliciting the customers or clients of the Council in order to transfer their custom to yourself once you have left the Council
- not setting up in direct competition with the Council (although the code does not extend to prevent yourself from seeking alternative employment whilst still employed by the Council)
- not disrupting the Council's business

Personal behaviour

20. Your personal behaviour will influence the public's opinion of the County Council in any situation where you can be identified as one of its employees. Examples might include use of bad language, horse-play at work, or situations that might affect work, or any conduct that is not of the standard expected of Local Government employees. Whilst on Council business you should be mindful that you are representing the County Council at all times.

21. The consumption of alcohol during the working day (including lunch breaks or before commencing work) is discouraged as even small quantities have an adverse effect on work performance and the reputation of the County Council.

22. If you are suspected of being incapable of properly performing your official duties by reason of alcohol or drugs, which would include the use of Council machinery and vehicles, you are liable to be suspended from duty pending a decision on disciplinary action being taken against you.

23. You must observe the statutory smoking ban and adhere with the County Council's Smokefree Workplace Policy. The policy states clearly where smoking is banned and those who breach the rules may be liable to disciplinary action. You are expected to report incidents where the policy is being breached.

Courtesy and co-operation

24. You have the right to be treated with courtesy and understanding by your colleagues, managers, the County Council and its elected Members and you should treat others in the same way.

25. You should help and support your colleagues in all their legitimate endeavours at work. You have the right to support from your manager or supervisor in any difficulties you might have with work colleagues or with the public, pupils or clients of the County Council provided that you have acted in accordance with your contract of employment and this Code.

Personal appearance

26. In your appearance as well as in your behaviour, you should regard yourself as an ambassador for the County Council and dress in clothing that is appropriate for your duties. Your Group or Service may have a code of dress where it is important to project a favourable image of the County Council and its employees, and you must follow any such code that applies to you. All employees are required to be neat and tidy in appearance. If you have direct contact with customers or members of the public you must look smart and be well groomed.

27. If you are required to wear specific items of clothing, hairstyles or jewellery in accordance with your ethnic background or faith, your needs will be accommodated where possible and practicable, however this must not pose a hazard to the health and safety of any person or contravene any legitimate or reasonable requirement of the County Council. The Council reserves the right to insist that you do not wear particular items of clothing or jewellery which it believes may cause offence to customers, suppliers, or other employees or which may pose a risk to the health and safety of any person.

28. The County Council will enforce these rules having regard to the differences for men and women.

29. As an employee of Northumberland County Council you are expected to wear your security ID badge at all times ideally on a lanyard around your neck. It must be clearly visible and produced on request.

Internet and Social Networking

30. Personal access to the internet is considered acceptable provided that the use is reasonable, properly sanctioned by managers and is in the user's own time. Similarly, this kind of use is acceptable for officers who operate County Council equipment in their homes. The County Council monitors the use of the internet for legitimate business reasons, including compliance with this policy. By using the internet, users are deemed to have consented to the monitoring, recording and auditing of internet use. Employees should familiarise themselves with the Internet Usage Policy on the intranet.

31. Northumberland County Council recognises and accepts that its employees may keep personal web logs (blogs) on the internet and that internet social networking sites are a useful way of interacting socially with colleagues and friends. While the County Council

does not wish to discourage employees from accessing such sites on the internet, nonetheless, it expects certain standards of conduct to be observed to protect both its legitimate business interests and its employees from the dangers of inappropriate use. This applies both inside and, in certain circumstances, outside the workplace.

32. As an employee of Northumberland County Council you must;

- not access social networking sites during working hours, unless you are authorised to do so for Council business.
- make it clear when posting information or comments on social networking sites that any personal views which are expressed do not represent those of Northumberland County Council.
- not post information on a social networking site which is confidential to the County Council, its suppliers, customers or contractors.
- refrain from making reference on a social networking site to the County Council its employees, its customers, its clients, its suppliers and contractors.
- not post entries on a social networking site which are derogatory, defamatory, discriminatory or offensive in any way, or which could bring the County Council into disrepute.
- be aware that blogs may create documents which the courts can order to be disclosed for use in litigation. Consequently, employees will be assumed to have written any contentious items unless they can prove definitively that they have not done so.
- not make discriminatory or offensive comments about work colleagues on social networking sites.

33. Offensive, defamatory or inappropriate comments about the County Council, its customers, suppliers or any of its employees that write on social networking sites will not be tolerated.

34. Where conduct is in breach of this policy disciplinary action may be taken in accordance with the County Council's disciplinary procedure up to, and including, dismissal.

35. Any blog entries made inside or outside the workplace that are defamatory, derogatory, or discriminatory about Northumberland County Council, its customers, suppliers or employees will be investigated as potential gross misconduct. If substantiated, such conduct may lead to summary dismissal after the due process of the County Council's disciplinary procedure has been followed.

36. Before using social networking you should read and understand the Social Networking Policy found on the HR pages of the intranet.

Relationships

Members

37. You are responsible to the County Council through its senior managers. If your role is to give advice to Members and senior managers, you should remember that all are there to carry out the County Council's work. Mutual respect between employees and Members is essential to good local government. Close personal familiarity between employees and

individual Members can damage the relationship and prove embarrassing to other employees and Members and should therefore be avoided.

The local community and service users

38. You should always remember your responsibilities to the community you serve and ensure courteous, efficient and impartial service delivery to all groups and individuals within that community.

Contractors

39. All relationships of a business or private nature with external contractors, or potential contractors (with the exception of the public utilities), should be made known to your Head of Service. Orders and contracts must be awarded on merit, by fair competition against other tenders where applicable, and no special favour should be shown to businesses run by, for example, friends, partners or relatives. No part of the local community should be discriminated against.

40. If your job entails engaging or supervising internal or external contractors or having any other official relationship with contractors and you have previously had or currently have a business or personal relationship in a private or domestic capacity with any contractors (except the public utilities), you should declare that relationship to your Head of Service and make HR aware of this also.

41. You must not use, in a private or domestic capacity, any contractor with whom you have had or are having an official relationship (with the exception of the public utilities), without first obtaining the permission of your Head of Service.

Appointment and other employment matters

42. If you are involved in appointments you should ensure that these are made on the basis of merit. It would be unlawful to make an appointment that was based on anything other than the ability of the candidate to undertake the duties of the post.

43. In order to avoid any possible accusation of bias, you should not be involved in or attempt to influence an appointment where the applicant is related to you, is your partner or is a close personal friend outside work. In this context related means if you are the parent, grandparent, partner, child, stepchild, adopted child, grandchild, brother, sister, uncle, aunt, nephew or niece of an existing Member, senior officer, Headteacher or School Governor of a Northumberland County Council school or the partner of such persons.

44. You must follow the County Council's Recruitment Code at all times if you are engaged in the recruitment of staff.

45. You must not be involved in or attempt to influence decisions relating to discipline, promotion or pay adjustments for any other employee who is a relative, partner, or close personal friend or in any situation where you could benefit from that situation.

46. The information contained in Criminal Record Disclosures is considered highly confidential and the Council will restrict access to those who are entitled to see it as part of

their duties. The Council's CRB Policy clearly defines the use of disclosure information. If you are involved in CRB clearances you must read and understand the policy which can be found on the HR pages of the intranet.

Spouses, partners and close personal friends

47. Good working relationships within the work group and the formation of social links within and between work groups are signs of a healthy organisation and should be encouraged. It is accepted that this section of the Code might restrict an individual's freedom to be employed where they like but we must all be seen to operate at the highest standards of openness, fairness and integrity.

48. If a social relationship develops into a close personal relationship, this can often interfere with the normal working relationships within the work group and can cause others to doubt that they will be treated fairly.

49. If a person with whom you have a close personal relationship is employed by the County Council, you should take special care to conduct yourself in such a manner that the relationship does not interfere with normal working relationships and does not cause others to doubt that they will be treated fairly. If it does, then you may not be able to do the job for which you are employed. Appropriate action will be taken in such circumstances.

50. For similar reasons, people who already have a close personal relationship should not seek employment in the same work group. Senior employees have a particular responsibility to ensure that there can be no question of favouritism or bias in the appointment or treatment of any person with whom they have a close personal relationship outside their particular work group. The higher the person is in the management structure, the greater the likelihood of there being an adverse effect on normal working relationships if people with close personal relationships are employed in the organisation.

51. Those involved in a close personal relationship with a work colleague which has broken down must ensure that they do not involve others in their private affairs within the workplace. Relations and/or their breakdown must not interfere with working arrangements and employees must ensure that work is not affected. Neither will the County Council allow parties in a domestic dispute to use its employment policies and procedures as a means of pursuing a campaign of victimisation, unless there is a genuine employment issue.

Interests of spouses, partners and close personal friends

52. You must avoid situations arising where your spouse, partner or close friends work in occupations or have businesses or other interests that could reasonably be seen by the public or clients to conflict with or benefit from your employment with the County Council. All interests of this description must be declared to your Head of Service and make HR aware of this also. Such situations often interfere with the normal working relationship and can cause members of the public, actual or prospective contractors and clients to doubt that they will be treated fairly. If such a situation develops then you may not be able to do the job for which you are employed.

Political neutrality

53. You serve the County Council as a whole. It follows you must serve all Members and not just those of the controlling group, and must ensure that the individual rights of all Members are respected.

54. An employee should not be called upon to advise any political group of the County Council either as to the work of the group or as to the work of the County Council, neither shall an employee be required to attend any meeting of any political group.

55. Whether or not you are politically restricted, you must follow every lawful expressed policy of the County Council and must not allow your own personal or political opinions to interfere with your work.

56. If you are a Political Assistant appointed on a fixed term contract in accordance with the Local Government and Housing Act 1989, you are exempt from the standards set out above.

57. Nothing in this section of the code would prevent an employee from being a Member of a political party [unless you hold a politically restricted position] or voting in any election.

Use of Financial Resources

58. You must ensure that you use public funds entrusted to you in a responsible and lawful manner. You should strive to ensure value for money to the local community and to avoid legal challenge to the County Council.

59. You must abide by the County Council's financial and procurement procedures and follow any instructions given by your managers and Internal Audit.

Equality Issues

60. The County Council is committed to tackling discrimination in how it treats its employees and how it delivers services, and also to actively promoting and championing equality in the community. You are entitled to expect fair and reasonable treatment by your colleagues, managers and Members. If you feel that you have been unfairly treated, discriminated against or harassed, you are entitled to make use of the Council's Grievance Procedure. You are also entitled to be treated with respect by clients, service users and members of the public, and be supported with this by the Council.

61. In the same way, you are required to treat your colleagues, staff and members of the public fairly and with respect. Not only is it a criminal offence to harass another person on any ground, it is also a disciplinary offence in the Council.

62. It is your responsibility to read and abide by the Council's Equality Policies and to be familiar with your legal duties under the Equality Act 2010.

Health and Safety issues

63. In line with legal and contractual obligations, all employees are required to cooperate and ensure compliance with Corporate and Group Health & Safety Policies and objectives. This includes adherence to all identified safe working procedures and risk assessments.

All employees are actively encouraged to familiarise themselves with Health and Safety documentation, especially risk assessments, attend any training identified as part of their role and raise any health and safety concerns with, in the first instance, their line manager.

64. If you use a car on County Council business you are responsible for ensuring that you are properly licensed to drive and that the vehicle in question is properly maintained, taxed, insured and has a current MOT certificate. The insurance policy must cover you for the use of the vehicle in connection with your employment. On a regular basis you will have to produce satisfactory evidence that you and any vehicle that you use complies with prevailing statutory requirements in relation to driving and vehicle licensing, taxation and certification. If you or the vehicle are unable to meet the statutory requirements you must notify your line manager immediately and you must not use the vehicle on County Council business. Failure to comply with these provisions is a serious disciplinary matter.

Disclosure of information

65. It is generally accepted that open government is best. The law requires that certain types of information must be available to Members, auditors, government departments, service users and the public. The County Council has procedures to ensure that it complies with its duties and responsibilities under the Freedom of Information Act 2000 which you should read and follow if you receive a request under this legislation. If in doubt, you should assume that information is confidential and seek permission before releasing it.

66. Separate policies are also in place regarding sharing information for safeguarding and welfare purposes where there can be consequences in not sharing relevant information. These can be accessed through the Health & Social Care section of the intranet. Against this background the County Council must also safeguard privacy and confidentiality and comply with its duties and responsibilities under the Data Protection Act 1998. During the course of their duties many staff regularly deal with private and confidential information relating to individual clients, service users, members of the public or work colleagues and about groups, companies and other organisations. You must not supply confidential information to anyone who is not entitled to see it. You must also take appropriate action to protect against accidental disclosure or discovery of information and to ensure that unauthorised people do not gain access to County Council information systems. You should read and follow the County Council's Data Protection and Information Security Policies and any service specific procedures that have been prepared. ICT and information security is managed and coordinated by the Information and Security Officer. However, generally, security is the responsibility of all members of staff. Deliberate or negligent breaches of confidentiality and the terms of these policies are deemed a serious disciplinary matter. Staff links to the Council's ICT policy is available on the intranet which you should read and understand.

67. You must not use any information obtained in the course of your employment for personal gain or benefit, nor should you pass it on to others who might use it in such a way.

Any particular information received by you from a Member which is personal to that Member and does not belong to the County Council must not be divulged by you without the prior approval of that Member, except where such disclosure is required or sanctioned by the law.

Outside commitments

68. An employee's off-duty hours are their own personal concern but they should not subordinate their duty to their private interests or put themselves in a position where their duty and their private interests conflict. As a general rule, the County Council will not attempt to preclude employees from undertaking additional employment, but any such employment must not, in the view of the County Council, conflict with or react detrimentally to the County Council's interests, or in any way weaken public confidence in the conduct of the County Council's business. If you are in any doubt about this you should seek advice from your Head of Service or the Head of Paid Service. If you wish to pursue an application you should complete an "APPLICATION TO UNDERTAKE SECONDARY EMPLOYMENT OR ENGAGE IN ANOTHER BUSINESS" form, which is available from the HR pages of the intranet.

69. If you are graded above Band 7 (SCP34) you are required to devote your whole-time service to the work of the County Council and not engage in any other business or take up any other additional appointment without the express consent of the County Council. Employees graded up to and including Band 7 (SCP34) should, however, check with their manager to ensure that any other employment they propose to undertake does not conflict with their employment with the County Council. This provision applies to part-time and full-time employees.

70. If you engage in any paid or unpaid secondary employment or business you must not use or mention your employment with the County Council in order to gain business or trade for that secondary employment

Intellectual Property

71. All creative designs, writings and drawings produced by employees in the course of their duties are the property of the Council.

72. All inventions made by employees remain the property of the County Council if made during the course of normal duties. Normal duties are those described in an employee's terms of employment, job description and those arising from an instruction from a manager or other authorised representative of the County Council.

73. This means that you are not free to disclose, publish or otherwise use the work you produce for the County Council for personal gain or benefit unless you have express, prior approval from your Head of Service.

74. Fees for giving lectures or writing articles may only be retained by employees where these activities are not integral to their employment or position with the County Council and they are conducted in the employee's own time.

Personal interests

75. You must declare any non-financial interests which could conflict with the County Council's interests to your Head of Service using the "DECLARATION OF INTERESTS AND MEMBERSHIPS" form, which is available from the HR pages of the intranet.

76. You must also declare any financial interests which could conflict with the County Council's interests to your Head of Service using the "DECLARATION OF INTERESTS AND MEMBERSHIPS" form, which is available from the HR pages of the intranet.

77. You must declare membership of any organisation not open to the public without formal membership and commitment of allegiance and which has secrecy about rules or membership or conduct (for example, the freemasons) to the Council's Monitoring Officer using the "DECLARATION OF INTERESTS AND MEMBERSHIPS" form, which is available from the HR pages of the intranet.

78. If you are a Head of Service this declaration must be made on the form referred to above and must be sent to the Council's Monitoring Officer immediately following the annual invitation to make a "DECLARATION OF OFFICERS' INTERESTS" under County Council Standing Order No. 47.

79. In accordance with the Local Government and Housing Act, certain employees occupy politically restricted posts and are required to seek exemption if proposing to engage in certain activities. Further details are available from HR.

80. The information supplied under the paragraphs above will not affect your position in the County Council. The information will normally be made available only to your Head of Service and the officer nominated to be responsible for its secure storage. However, where a relevant complaint or query is made, the Monitoring Officer and the County Council's auditors will also have access to the information so that a proper response can be made to the complaint or query. If you are a Head of Service the information contained in, accompanying and appended to the "DECLARATION OF OFFICERS' INTERESTS" forms which you are invited to complete annually under County Council Standing Order No. 47 is entered on a register kept by the Head of Paid Service and is open to inspection by any Member of the County Council.

Improper use of position, title or authority

General

81. Good working relationships within the work group and the formation of social links within and between work groups are signs of a healthy organisation and should be actively encouraged by managers. The paragraphs which follow, however, emphasise the point that, during working hours, you are paid to work for the County Council and not to represent or promote your private interests.

Influencing colleagues to purchase goods or services

82. Inside or outside working hours, you must never misuse your position to attempt to persuade any member of your staff to purchase any goods or services. You should also note that you may require the formal permission of the County Council before you can engage in any other business or profession.

83. Managers should not seek sponsorship from or attempt to sell raffle tickets etc., to their staff no matter how good or charitable the cause. However, this paragraph does not

prevent colleagues undertaking these activities amongst themselves. The intention here is to remove any real or imagined pressure from management.

Touting on behalf of secondary employment

84. Touting for or on behalf of any secondary employment in working hours is an improper use of the County Council's time and will be dealt with accordingly. You should also note that you may require the formal permission of the County Council before you can engage in any other business or profession.

Use of County Council property

General

85. The general rule is that you must only use County Council property at the workplace for work purposes and the paragraphs below set out this requirement in more detail.

However, there are exceptions where a Head of Service may give you permission to use County Council equipment away from the workplace. Examples might include:-

☐ the short-term loan of equipment, textbooks or manuals so that you may study or practice in your own time and so be able to do your job more effectively,

☐ the loan of equipment to enable you to do County Council work at home and so increase productivity.

☐ In all such circumstances, the Head of Service should keep a proper record of the identity of the equipment, the period of the loan, the reason for the loan and any restrictions imposed on the use of the equipment.

Premises

86. You must not engage in any secondary employment or business on County Council premises at any time. To do so could be interpreted as gaining a pecuniary advantage by way of your employment and that is illegal.

87. If you are engaged in secondary employment you must not park any vehicle on County Council property if it can be identified as being a vehicle used for that employment or if it contains any visible materials relating to that secondary employment. If the vehicle otherwise satisfies the foregoing conditions it must also be suitable and available for use in your official capacity if you are required to use a vehicle in your employment with the County Council.

88. You must not store any items connected with any secondary employment or any personal items (except those which are used in connection with your official duties) on County Council property.

Equipment and other property

89. Where equipment is made available to the public you may use it at the same charge (if any) as is made to the public. Otherwise, equipment and property belonging to the County Council must only be used for official purposes. Some particular examples and exceptions are shown below.

Clothing and Personal Protective Equipment

90. Clothing and personal protective equipment supplied by the County Council may be worn between home and work if that is convenient for you but under no circumstances may it be worn for domestic use or during, in connection with, or when travelling to or from any secondary employment.

Tools-of-the-trade

91. No "tools of the trade" supplied by the County Council may be used in connection with any secondary employment.

Telephones

92. Personal mobiles or pay phones should be used if there is a need to make personal calls during working hours. You are expected to be conscious of excessive use of mobile phones during work time and this must be kept to an acceptable level. County Council mobiles issued for use for work purposes must only be used for work calls.

93. You may also use the work telephone to receive a reasonable number of incoming calls, to phone home to say that you will unexpectedly be working late and for emergency reasons. Under no circumstances should work telephones be used in connection with any secondary employment.

Photocopiers

94. County Council photocopiers which are not available for public use must only be used for County Council business. From time to time, certain special arrangements are made by the County Council and you may make use of these facilities for personal purposes.

Facsimile (fax) machines

95. County Council fax machines which are not available for public use must only be used for County Council business.

Franking machines and stamps

96. Under no circumstances must any mail which is not official County Council mail be caused or permitted to be franked by a County Council franking machine. You should use your own postage stamps on any material posted through the County Council's post system.

Computers

97. County Council computing equipment must only be used for official purposes.

Stationery

98. Documents issued under the banner of the County Council or any of its organisations or establishments must only be used for official purposes. It should be noted that the use of such documents for any other purpose might constitute a criminal offence.

99. County Council headed paper must only be used where you are expressing the view of the County Council or acting on its behalf.

Leased cars

100. If you have a car leased to you by the County Council you may only use it for the purposes described in your lease agreement.

Council Vehicles

101. If you have a Council Vehicle which you use in your day to day work it is your responsibility that it is only used for Council business and not for personal use.

Vouchers

102. Vouchers obtained through County Council purchases are the County Council's property and are to be used only for its official purchases.

"Cash and Carry" cards

103. Cash and Carry cards obtained by the County Council are to be used only for its official purchases.

"Company" credit cards

104. Credit cards obtained by the County Council are to be used only for its official purchases and to enable you to perform your official duties.

105. Fuel (Agency) cards are to be used only for purchases for County Council vehicles when being used on official business. They must not be used for travel in any vehicle in a personal capacity or in connection with any secondary employment.

Situations of personal gain or advantage

General

106. The following paragraphs should be followed carefully as it is criminal offence to gain a pecuniary advantage by way of your employment with the County Council.

Purchases from County Council stocks

107. You may purchase from stocks of property or goods owned by the County Council, for yourself or for others, only if those items are generally available for sale to the public or if the County Council has specifically invited employees to make such a purchase.

Purchases from County Council contractors and clients

108. You may purchase property, goods or services for yourself or others from contractors engaged by the County Council but only at the prices and by the means adopted for the sale of such items to the public at large. Exceptions to this rule are where a leased car user wishes to purchase the car on retirement or redundancy or where the County Council makes specific arrangements (such as the staff discount scheme) for all its employees.

Purchase of surplus property

109. You may purchase surplus property or goods owned by the County Council in accordance with the guidelines issued by the County Council's Internal Auditors and adopted by your employing group or establishment.

Bribery Act 2010

110. There are several offences under the Bribery Act 2010 which relate to local authorities including:

- ☐ **Bribing** - where a person offers, promises or gives a financial or other advantage to another person, with the intention of inducing them to perform improperly a relevant function or activity, or to reward a person for such improper performance.
- ☐ **Receiving a bribe** - Where a person requests, agrees to receive or accepts a financial or other advantage with the intention that, in consequence, a relevant function or activity should be performed improperly by themselves or another. It does not matter whether the advantage is direct or through a third party, or whether the benefit is for that person or another.

☐ Bribing a foreign official - Where a person with the intention of obtaining or retaining business, or an advantage in the conduct of business, bribes a foreign public official with the intention of influencing them in their capacity.

The offences under the Act carry a maximum of 10 years imprisonment and/or an unlimited fine for an individual. More information can be found on this in the Council's Anti-Fraud and

Corruption Strategy.

Separation of roles during Tendering

111. If you are involved in the tendering process or dealing with contractors, you should be clear on the separation of client and contractor roles within the County Council. If you are a senior employee with both a client and contractor responsibility, you must be aware of the need for accountability and openness.

112. If you are employed in a contractor or client unit, you must exercise fairness and impartiality when dealing with all customers, suppliers, other contractors and sub-contractors. If you have any direct or indirect interest in the outcome you must play no part in the selection of tenderers, contractors or sub-contractors.

113. If you are privy to confidential information on tenders or costs for either internal or external contractors, you should not disclose that information to any unauthorised party or organisation.

114. If you are contemplating a management buyout, you should, as soon as a definite intent has been formed, inform the Executive Director of Transformation and Resources and Section 151 Officer and withdraw from the contract awarding processes.

115. You should ensure that no special favour is shown to current or recent former employees or their partners, close relatives or associates in awarding contracts to businesses run by them or employing them in a senior or relevant managerial capacity.

Corruption

116. You are warned that it is a serious criminal offence corruptly to receive or give any gift, loan, fee, reward or advantage for doing or not doing anything or showing favour or disfavour to any person in your official capacity. If an allegation is made, the law is such that the onus is on you to demonstrate that any such rewards have not been corruptly obtained.

117. The public is entitled to demand of a local government employee, conduct of the highest standard and public confidence in their integrity would be shaken were the least suspicion to arise that they could be influenced by improper motives. Any offers of a bribe must be reported immediately to the Section 151 Officer and Chief Internal Auditor.

Sponsorship - Giving and Receiving

118. an outside organisation wishes to sponsor or is seeking to sponsor a County Council activity, whether by invitation, tender, negotiation or voluntarily, the basic conventions

concerning acceptance of gifts or hospitality apply. Particular care must be taken when dealing with contractors or potential contractors.

119. Where the County Council wishes to sponsor an event or service neither you nor any partner, spouse or relative must benefit from such sponsorship in a direct way although the County Council has no objection to you obtaining insignificant or token benefits up to a value of £25. Benefits of greater value should be dealt with in the same way as gifts from service users and clients.

120. Where the County Council through sponsorship, grant aid, financial or other means, gives support in the community, you should ensure that impartial advice is given and that there is no conflict of interest involved.

Hospitality

121. You should only accept offers of hospitality if there is a genuine need to impart information or represent the County Council in the community. Offers to attend purely social or sporting functions should be accepted only when these are part of the life of the community and where the County Council should be seen to be represented. In such cases they should be properly authorised by your Head of Service, or if you are the Head of Service, to the Corporate Director and recorded using the “DECLARATION OF HOSPITALITY AND GIFTS” form found on the HR pages of the intranet.

122. Heads of Service should review and approve hospitality but also check at the same time that regular instances of hospitality with the same supplier are appropriate.

123. When hospitality has to be declined those making the offer should be courteously but firmly informed of the fact that Local Government Officers must be seen to be acting impartially and with integrity.

124. When receiving authorised hospitality you should be particularly sensitive as to its timing in relation to decisions which the County Council may be taking affecting those providing the hospitality.

125. It is acceptable for you to accept hospitality through attendance at relevant conferences and courses when it is clear the hospitality is corporate rather than personal, where the County Council gives consent in advance and where the County Council is satisfied that any purchasing decisions are not compromised. Where visits to inspect equipment, etc., are required, you should ensure that the County Council meets the cost of such visits to avoid jeopardising the integrity of subsequent purchasing decisions.

126. A checklist of provided at Appendix A which you can use to help you decide whether or not it is appropriate to accept hospitality.

Gifts

General principles

127. The high standards of integrity applying to Local Government service require that all employees provide an equally high standard of service to all service users, clients and contractors without fear or favour.

128. In a climate where gifts are accepted, the general public and the givers of gifts can come to believe that the level of service provided could be influenced by gifts; whether or not this is true in practice. Therefore, neither you nor members of your family should accept significant personal gifts from service users, clients, contractors or outside suppliers, although the County Council has no objection to you keeping insignificant items of token value such as pens, diaries, etc., Gifts of greater value should be dealt with as set out in paragraphs 106 to 108 below. Where a number of small gifts over a period of time amount to more than £25 collectively these should be declared.

129. A checklist is provided at Appendix A which you can use to help you decide whether or not it is appropriate to accept gifts.

Gifts from service users and clients

130. The aim must always be to refuse a gift politely and tactfully and to give a proper explanation of the reasons for the refusal. If it is clearly not going to be possible to do this without causing unnecessary distress or offence to the donor, try to make an opportunity to consult your manager before accepting. If this is not possible, and you are quite sure that refusal would cause significant distress or offence, accept the gift but make an immediate written note of the details of the gift and the circumstances in which the gift was made and give that note to your manager at the first available opportunity. Your Head of Service will then complete the “DECLARATION OF HOSPITALITY AND GIFTS” so the information can be recorded.

131. Occasionally a gift may simply be delivered and there may be a problem over returning it, for example, a turkey at Christmas. Should that happen, consult a senior officer about what to do. It may, for example, be acceptable to the donor for the gift to be raffled and the proceeds donated to charity or it may be possible to ensure that needy clients of the County Council (and not any of its employees) receive the benefit of the gift. Whatever is done should be agreed with your Head of Service and the agreed course of action should be clearly documented using the “DECLARATION OF HOSPITALITY AND GIFTS”.

132. Special problems can arise when gifts (including bequests in wills) are offered by individuals to staff with a caring role or who provide a direct personal service to those individuals. Great tact and sensitivity are needed to avoid giving needless offence and to protect the employee from any suggestion of improper conduct. The advice given above should also be followed if an employee becomes aware that they are or may be a beneficiary under a (deceased) client's will.

Appendix A Gifts and Hospitality

Checklists for considering whether to accept a gift or hospitality

The question in all cases is one of judgement, and the following checklist of queries should help you to decide whether a gift or an offer of hospitality should be accepted or tactfully declined.

- (a) Is the value of the gift/hospitality £25 or over?
- (b) If under £25 is it intended as an inducement?
- (c) Is the extent of the hospitality or nature of the gift reasonable and appropriate?
- (d) Does the donor have any form of contractual relationship with the Council, does it provide goods or services to the Council of any kind?
- (e) Is the invitation/gift directed to a large group of unrelated individuals or open to the public, or have you been targeted because of your employment with the Council and nature of your role?
- (f) What do you think is the motivation behind the invitation/gift?
- (g) For hospitality do you want to go and if so, why? Is it because there will be genuine benefits to the Council in terms of networking and contacts gained? Or is a desire to go centred around personal enjoyment?
- (h) Would acceptance of the invitation be, in any way, inappropriate or place you under pressure in relation to any current or future matter involving the Council?
- (i) For gifts is there a difficulty in returning the gift? If it would cause offence can the gift be given to charity or can you pay an equivalent price of the gift to charity?

If you decide to accept a gift over £25 you must register that in the register of interests, if you decline a gift over £25 this should also be registered with a statement that the gift was declined.

You should consider carefully whether to register gifts and offers of gifts below £25 having regard to issues highlighted above. The relevant form is available on the HR pages of the intranet "*DECLARATION OF HOSPITALITY AND GIFTS*".

CONFIDENTIAL

DECLARATIONS OF HOSPITALITY AND GIFTS

Name	Job Title
Group	Grade

<p>This application is made in respect of:</p> <p><input type="checkbox"/> Hospitality</p> <p>Name of company/individual making the offer</p> <p>Relationship with the company/individual</p> <p>Date Offer Received</p> <p>Approx Value of Offer (If known)</p> <p>Offer Accepted/Declined</p> <p>Head of Service Authorisation</p>	
<p>This application is made in respect of:</p> <p><input type="checkbox"/> Gifts</p> <p>Name of company/individual making the offer</p> <p>Relationship with the company/individual</p> <p>Date Offer Received</p> <p>Approx Value of Offer (If known)</p> <p>Offer Accepted/Declined</p> <p>Date of when referred to Head of Service</p>	
Signed	Date

Once complete this form should be forwarded to your Head of Service who will let you know the outcome, they will also send a signed copy to HR (or, in the case of a

Head of Service making a declaration, a copy should be sent to Monitoring Officer and the Head of Paid Service). The information will be kept confidential and will not affect your position in the County Council but may be subject to Internal Audit Review.

Decision of Head of Service	Approved/Not Approved* <i>(delete as appropriate)</i>
Signature	
Date	
If the offer is not approved please give details to explain your reasons	
.....	
.....	
.....	



You have been asked to provide the information above to help the County Council reach a decision in regard to the performance of your contract of employment. The County Council will process the information you provide, strictly for employment purposes and in accordance with the Data Protection Act 1998 and the County Council's own Data Protection Policy.

Section 4 - Protocol on Member/Officer Relations

1. Introduction and Principles

1.1 The objectives of this Protocol are to guide Members and officers of the Council in their relations with one another in such a way as to ensure the smooth running of the Council and to foster good working relationships.

1.2 The Council has adopted Codes of conduct for both officers and Members. The Protocol also seeks to reflect the principles underlying the respective Codes of Conduct which apply to Members and officers. The shared objective of these Codes is to enhance and maintain the integrity (real and perceived) of local government and the Codes, therefore, demand very high standards of personal conduct.

1.3 Members and officers must at all times observe this Protocol. This Protocol is a local extension of the Members and Employees' Codes of Conduct. Consequently a breach of the provisions of this Protocol may also constitute a breach of those Codes.

1.4 This Protocol should be read in conjunction with the Members and Employees' Codes of Conduct, the Council's Constitution and any guidance issued by the Standards Committee and/or Monitoring Officer.

1.5 This Protocol is to a large extent a written statement of current practice and convention. It seeks to promote greater clarity and certainty. If the Protocol is followed it should ensure that Members receive objective and impartial advice, and that officers are protected from accusations of bias and any undue influence from Members.

1.6 Given the variety and complexity of relations between Members and officers of the Council, this Protocol does not seek to be comprehensive. It is hoped, however, that the framework it provides will serve as a guide to dealing with a range of circumstances.

1.7 The provisions of the Protocol are to be interpreted in accordance and in conjunction with the general principles applying to the conduct of Members as set out by Order of the Secretary of State. These are the principles of selflessness, honesty and integrity, objectivity, accountability, openness, personal judgement, respect for others, duty to uphold the law, stewardship and leadership.

2. The role of Members

2.1 Members have a number of roles and need to be alert to the potential for conflicts of interest which may arise between the roles. Where such conflicts are likely, Members may wish to seek the advice of senior colleagues, the relevant senior officer(s), and/or the Monitoring Officer.

2.2 At all times Members should be aware that the role they are performing may impact upon the nature of their relationship with officers and the expectations that officers may have of them.

2.3 Collectively, Members are the ultimate policy-makers determining the core values of the Council and approving the Council's policy framework, strategic plans and budget.

2.4 Members represent the community, act as community leaders and promote the social, economic and environmental well-being of the community, often in partnership with other agencies.

2.5 Every Member represents the interests of, and is an advocate for, their ward and individual constituents. They represent the Council in the ward, respond to the concerns of constituents, meet with partner agencies, and often serve on local bodies.

2.6 Some Members have roles relating to their position as Members of the Cabinet, Scrutiny Committees, Local Area Committee's, or other committees and sub-committees of the Council.

2.7 Members serving on Scrutiny Committees monitor the effectiveness of the Council's policies and services, develop policy proposals and examine community issues. They also monitor local health service provision.

2.8 Members serving on Local Area Committee's work to promote and improve the economic, social and environmental well-being of the Committee's area. In addition, they advise the Council in relation to local community interests and proposals affecting the committee's area.

2.9 Members who serve on other committees and sub-committees collectively have delegated responsibilities, e.g. deciding quasi-judicial matters, which by law are excluded from the remit of the Cabinet.

2.10 Some Members may be appointed to represent the Council on local, regional or national bodies.

2.11 As politicians, Members may express the values and aspirations of the party political groups to which they belong, recognising that in their role as Members they have a duty always to act in the public interest.

2.12 Members are not authorised to instruct officers other than through the formal decision making process. This does not, however, prevent requests for the provision of stationery and other computer consumables in respect of council duties.

2.13 Members are not authorised to initiate or certify financial transactions, or to enter into a contract on behalf of the Council.

2.14 Members must avoid taking actions which are unlawful, financially improper or likely to amount to maladministration. Members have an obligation under their code of conduct to have regard, when reaching decisions, to any advice provided by the Monitoring Officer or the Chief Finance Officer.

2.15 Members must respect the impartiality of officers and do nothing to compromise it, e.g. by insisting that an officer change their professional advice.

2.16 Members should only become involved in commercial transactions at the formal decision making stage. When dealing with a commercial transaction, Members should be aware of the requirements of the Contract Procedure Rules.

3. The role of officers

3.1 Officers are responsible for giving advice to Members to enable them to fulfil their roles. In doing so, officers will take into account all available relevant factors.

3.2 Under the direction and control of the Council, officers manage and provide the Council's services within the framework of responsibilities delegated to them. This includes the effective management of employees and operational issues.

3.3 Officers have a duty to implement decisions of the Council which are lawful, and which have been properly approved in accordance with the requirements of the law and the Council's constitution, and duly minuted.

3.4 Officers have a contractual and legal duty to be impartial. They must not allow their professional judgement and advice to be influenced by their own personal views.

3.5 Officers must assist and advise all political groups and non-aligned Members. They must always act to the best of their abilities in the best interests of the Council as expressed in the Council's formal decisions.

3.6 Officers must be alert to issues which are, or are likely to be, contentious or politically sensitive, and be aware of the implications for Members, the media or other sections of the public.

3.7 Officers have the right not to support Members in any role other than that of Member, and not to engage in actions incompatible with this Protocol. In particular, there is a statutory limitation on officers' involvement in political activities.

3.8 Some officers may be appointed to local, regional or national bodies because of their particular skills and expertise. They may be appointed specifically to represent the Council or in their personal capacity.

4. The relationship: general points

4.1 Members are elected by, and officers are servants of, the public and Members and officers are indispensable to one another. However, their responsibilities are distinct. Members are accountable to the electorate and serve only so long as their term of office lasts. Officers are accountable to the Council as a whole. Their job is to give advice to Members (individually and collectively) and to carry out the Council's work under the direction and control of the Council.

4.2 The conduct of Members and officers should be such as to instil mutual confidence and trust. The key elements are recognition of and a respect for each other's roles and

responsibilities. These should be reflected in the behaviour and attitude of each to the other, both publicly and privately.

4.3 At the heart of the Codes, and this Protocol, is the importance of mutual respect. Member/Officer relationships are to be conducted in a positive and constructive way. Therefore, it is important that any dealings between Members and officers should observe standards of courtesy and that neither party should seek to take unfair advantage of their position, nor seek to exert undue influence on the other party. The use of more extreme forms of behaviour and emotion is rarely conducive to establishing mutual respect and is not a basis for constructive discussion.

4.4 Informal and collaborative two-way contact between Members and officers is encouraged. But personal familiarity can damage the relationship, as might a family or business connection. Inappropriate relationships can be inferred from language/behaviour. Close personal familiarity between individual Members and Officers can damage the relationship of mutual respect and prove embarrassing to other Members and Officers. To protect both Members and officers, officers should address Members as 'Member XX/Chair in the public arena, save where circumstances clearly indicate that a level of informality is appropriate.

4.5 Members and officers should inform the Monitoring Officer of any relationship which might be seen as unduly influencing their work in their respective roles.

4.6 It is not enough to avoid actual impropriety. Members and officers should always be open about their relationships to avoid any reason for suspicion and any appearance of improper conduct. Where a personal relationship has been disclosed, those concerned should avoid a situation where conflict could be perceived. Specifically, a Member should not sit on a body or participate in any decision which directly affects the officer on a personal basis.

4.7 A Member should not raise matters openly or through the media relating to the conduct or capability of an officer in a manner that is incompatible with the objectives of this Protocol and particularly in relation to any pending or ongoing complaint or disciplinary process involving the officer. This is a long-standing tradition in public service. An Officer has no means of responding to such criticisms in public. Furthermore, open criticism may prejudice the bringing of disciplinary proceedings in circumstances where this might otherwise be appropriate. In this respect, Members attention is drawn to the protocol on press relations which is available from the Communications Team.

4.8. A Member who feels they have not been treated with proper respect, courtesy or has any concern about the conduct or capability of an officer should:

- ☐ avoid personal attacks on, or abuse of, the officer at all times,
- ☐ ensure that any criticism is well founded and constructive,
- ☐ never make a criticism in public, and
- ☐ take up the concern with the officer's Executive Director or Head of Service depending upon the seniority of the officer concerned. Complaints about the Head of Service should be referred to the Leader of the Council privately.

4.9 If direct discussion with the officer is inappropriate (e.g. because of the seriousness of the concern) or fails to resolve the matter, the Member should raise the matter with the

respective Executive Director. The Director will then look into the facts and report back to the Member. If the Member continues to feel concern, then they should raise the issue with the Head of Paid Service who will look into the matter afresh. Any action taken against an Officer in respect of a complaint will be in accordance with the provisions of the Council's Disciplinary Rules and Procedures.

4.10 Challenge in a constructive and non-confrontational way is important in ensuring policies and service performance is meeting the Council's strategic objectives, especially during the Scrutiny process. Nothing in this paragraph is therefore intended to stop Members holding officers to account for decisions made under delegated powers. Officers are accountable to the Council for any decision they make, and may be required to report to and answer questions from a Scrutiny Committee except in relation to Council functions. A Scrutiny Committee may also call-in Key Decisions before they are implemented. Members may also individually request sight of delegated decision forms and raise queries about a decision with the decision-maker or an appropriate senior officer.

4.11 Where an officer feels that they have not been properly treated with respect and courtesy by a Member or has been bullied¹ by a Member, they should raise the matter with their Corporate Director, especially if they do not feel able to discuss it directly with the Member concerned. In these circumstances the Corporate Director, will after consultation with the complainant take appropriate action either by approaching the individual Member and/or group leader, or by referring the matter to the Monitoring Officer in the context of the Standards Committee considering the complaint.

4.12 If a Member has a complaint about an officer, they should approach the relevant service head in the first instance. If a matter relates to a service head the relevant Executive Director should be contacted. Similarly, the Head of Paid Service and/or the Head of Paid Service will consider complaints about Executive Directors.

5. The relationship: decision making

5.1 The Cabinet arrangements adopted by the Council in December 2001 provide for scheme of delegation. The details of this scheme are set out in (to insert hyperlinks and remove reference to 'Part 3') of the Constitution and in separate sub delegation schemes.

5.2 Both Members and officers have responsibility for decision making within the scheme of delegation for both Council and executive functions.

6. The relationship: officer support to Members: general points

6.1 Officers are responsible for day-to-day managerial and operational decisions within the Council and Members should avoid inappropriate involvement in such matters.

Bullying is prohibited by the Members Code of Conduct Part 1 section 2 (to insert hyperlinks to CoC). Guidance from the former Standards Board for England defines bullying as "Offensive, intimidating, malicious, insulting or humiliating behaviour. Such behaviour may happen once or be part of a pattern of behaviour directed at a weaker person or person over whom you have some actual or perceived influence. Bullying behaviour attempts to undermine an individual or a group of individuals, is detrimental to their confidence and capability, and may adversely affect their health." Further guidance on the meaning of bullying is available in the Code of Conduct - Guide for Members – May 2007

6.2 Officers will provide support to both the Cabinet and all Members in their respective roles.

6.3 The respective roles and responsibilities of Members and Officers in relation to employment issues are set out in the Officer Employment Procedure Rules.

If participating in the appointment of officers, Members should:

- remember that the sole criterion is merit²;
- never canvass support for a particular candidate;
- not take part where one of the candidates is a close friend or relative;
- not be influenced by personal preferences; and
- not favour a candidate by giving them information not available to the other candidates.

6.4 A Member should not sit on an appeal hearing if the appellant is a friend, a relative, or an officer with whom the Member has had a working relationship.

6.5 Certain statutory officers – the Chief Executive as Head of Paid Service, the Monitoring Officer and the Section 151F³ Officer or their deputy – have specific roles. These are addressed in the Constitution. The roles need to be understood and respected by all Members.

- The following key principles reflect the way in which the officer corps generally relates to Members:
- all officers are employed by, and accountable to the Council as a whole;
- they have a duty to implement the properly authorised decisions of the Council;
- support from officers is needed for all the Council's functions including Full Council, Scrutiny Committees, the Cabinet, Regulatory Committees, individual Members representing their communities etc;
- day-to-day managerial and operational decisions remain the responsibility of the Head of Paid Service and other officers;
- Officers will be provided with training and development to help them support the various Member roles effectively and to understand the structures.

6.6 On occasion, a decision may be reached which authorises named officers to take action following consultation with a Member or Members. The Member or Members may offer their views or advice to the officer who must take them into account. The Member or Members must not apply inappropriate pressure on the officer. The decision remains the responsibility of the officer. It must be recognised that it is the officer, rather than the Member or Members, who takes the action and it is the officer who is accountable for it.

6.7 Finally, it must be remembered that Officers are accountable to an Executive Director. That is, officers work to the instructions of their senior officers, not individual Members. It follows that, whilst such officers will always seek to assist a Member, they must not be asked to exceed the bounds of counsel they have been given by their managers. Except when the purpose of an enquiry is purely to seek factual information, Members should normally direct their requests and concerns to a senior officer, at least in the first instance.

² (other than in the case of political assistants where political consideration may apply)

³ S151 Local Government Act 1972

6.8 Whilst officers should always seek to assist a Member, they must not, in so doing, go beyond the bounds of whatever counsel they have been given by their Executive Director. Where appropriate, officers should make a Member aware of the limits of the Officer's counsel and explain that the matter would have to be referred to the Executive Director.

6.9 Officers will do their best to give timely responses to Members enquiries. Officers' work priorities are set and managed by senior managers. Members should avoid disrupting officers' work by imposing their own priorities.

6.10 Members will endeavour to give timely responses to enquiries from officers^{6F4}.

6.11 An officer shall not discuss with a Member personal matters concerning themselves or another individual employee. This does not prevent an officer raising on a personal basis, and in their own time, a matter with their ward Member.

6.12 Members and officers should respect each other's free (i.e. non-Council) time.

7. The relationship: officer support to Members and party groups

7.1 It must be recognised by all officers and Members that in discharging their duties and responsibilities, officers serve the Council as a whole and not any political group, combination of groups or any individual Member of the Council.

7.2 There is statutory recognition for party groups, and it is common practice for such groups to give preliminary consideration to matters of Council business in advance of such matters being considered by the relevant Council decision making body. Officers may properly be called upon to support and contribute to such deliberations by party groups but must at all times maintain political neutrality. All officers must, in their dealings with political groups and individual Members, treat them in a fair and even-handed manner. It is also particularly important in a Council with no overall control that officers conduct their discussions with different political groups in confidence.

7.3 The support provided by officers can take many forms, with often the need for informal engagement at senior officer level. Whilst in practice such officer support is likely to be in most demand from whichever party group is for the time being in control of the Council, such support is available to all party groups.

Certain points must, however, be clearly understood by all those participating in this type of process, Members and officers alike. In particular:

- Officer support must not extend beyond providing information and advice in relation to matters of Council business. Officers must not be involved in advising on matters of party business. The observance of this distinction will be assisted if officers are not present at meetings or parts of meetings, when matters of party business are to be discussed;
- party group meetings, whilst they form part of the preliminaries to Council decision making, are not empowered to make decisions on behalf of the Council. Conclusions reached at such meetings do not therefore rank as Council decisions and it is essential that they are not interpreted or acted upon as such;

⁴ See further paragraph 17 in respect of correspondence

- the presence of an officer confers no formal status on such meetings in terms of Council business and must not be interpreted as doing so;
- where Officers provide information and advice to a party group meeting in relation to a matter of Council business, this cannot act as a substitute for providing all necessary information and advice to the relevant Committee or Sub-Committee when the matter in question is considered.

7.4 Special care needs to be exercised whenever officers are requested to provide information and advice to a party group meeting which includes persons who are not Members of the Council. Such persons are not bound by the Members Code of Conduct (in particular, the provisions concerning the declaration of interests and confidentiality) and for this and other reasons, officers may not be able to give the same level of advice as they would to a s only meeting nor give advice to such meetings.

7.5 Officers have the right to refuse a request to attend a party group and will normally not attend a meeting of a party group where some of those attending are not Members of the Council.

7.6 The duration of an officer's attendance at a party group meeting will be at the discretion of the group, but an officer may leave at any time if they feel it is no longer appropriate to be there.

7.7 An officer who is not a Chief Officer shall not be invited to attend a party group meeting, but a senior officer may nominate another officer to attend on their behalf.

7.8 An officer should be given the opportunity of verifying comments and advice attributed to them in any written record of a party group meeting.

7.9 No Member will refer in public or at meetings of the Council to advice or information given by officers to a party group meeting.

7.10 Officers must respect the confidentiality of any party group discussions at which they are present in the sense that they should not relay the content of any such discussion to another party group or to any other Members. This shall not prevent an officer providing feedback to other senior officers on a need-to-know basis.

In relation to budget proposals:

(a) the controlling political group shall be entitled to confidential discussions with officers regarding options and proposals. These will remain confidential until determined by the group or until published in advance of Committee/Council meetings, whichever is the earlier; and

(b) the opposition groups shall also be entitled to confidential discussions with officers to enable them to formulate alternative budget proposals. These will remain confidential until determined by the respective opposition groups or until published in advance of Committee/Council meetings, whichever is the earlier.

7.11 It must not be assumed by any party group or Member that any officer is supportive of any policy or strategy developed because of that Officer's assistance in the formulation of that policy or strategy.

7.12 Any particular cases of difficulty or uncertainty in this area of officer advice to party groups should be raised with the Head of Paid Service who will discuss them with the relevant group leader(s).

8. Officer support to committees and sub-committees

8.1 The appropriate senior officers will offer to arrange regular informal meetings with chairs of committees and sub-committees.

8.2 Senior officers (including the Monitoring Officer and the Chief Finance Officer) have the right to present reports and give advice to committees and sub-committees.

8.3 Members of a committee or sub-committee shall take decisions within the remit of that committee or sub-committee, and will not otherwise instruct officers to act.

9. Officer support to the Cabinet

9.1 It is clearly important that there should be a close working relationship between Cabinet Members and the officers who support and/or interact with them. However, such relationships should never be allowed to become so close, or appear to be so close, as to bring into question the officer's ability to deal impartially with other Members and other party groups.

9.2 Whilst Cabinet Members will routinely be consulted as part of the process of drawing up proposals for consideration or the agenda for a forthcoming meeting, it must be recognised that in some situations an officer will be under a professional duty to submit a report. Similarly, an Executive Director or other senior officer will always be fully responsible for the contents of any report submitted in their name. This means that any such report will be amended only where the amendment reflects the professional judgement of the author of the report. This is to be distinguished from a situation where there is a value judgement to be made. Any issues arising between a Cabinet Member and an Executive Director in this area should be referred to the Head of Paid Service for resolution in conjunction with the Leader of the Council.

The Cabinet and its Members have wide ranging leadership roles. They will:

- lead the community planning process and the search for efficiency and effectiveness, with input and advice from Scrutiny Committees, Local Area Committee's and any other persons as appropriate;
- lead the preparation of the Council's policies and budget;
- take in-year decisions on resources and priorities, together with other stakeholders and partners in the local community, to deliver and implement the budget and policies decided by the Full Council; and
- be the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.

9.3 Cabinet Members will take decisions in accordance with the Constitution and will not otherwise direct officers. Senior officers will be responsible for instructing officers to implement the Cabinet's decisions.

9.4 Officers will make arrangements for briefing Members of the Cabinet about business within their remit. Senior officers and Cabinet Members shall agree mutually convenient methods of regular contact.

9.5 Officers work for and serve the Council as a whole. Nevertheless, as the majority of functions are the responsibility of the Cabinet, it is likely that in practice many officers will be working to the Cabinet for most of their time. The Cabinet must respect the political neutrality of the Officers. Officers must ensure that, even when they are predominantly providing advice and assistance to the Cabinet, their political neutrality is not compromised. Equally, opposition parties must also respect this neutrality/impartiality and the fact that officers work to the ruling administration.

9.6 In organising support for the Cabinet, there is a potential for tension between Corporate Directors and Cabinet Members with portfolios. All Members and officers need to be constantly aware of the possibility of such tensions arising and both officers and Members need to work together to avoid such tensions and conflicts existing or being perceived.

10. The relationship: officer and scrutiny committees

10.1 Scrutiny Committees have both a Scrutiny role and a Policy Development and Review role.

10.2 In exercising the right to call-in a decision of the Cabinet, Members of Scrutiny Committees must seek the Monitoring Officer's advice if they consider the decision is contrary to the Council's approved plans, policies or frameworks, or is unlawful.

10.3 Provisions relating to the attendance of officers at a Scrutiny Committee are set out in the Scrutiny Committee Procedure Rules,

10.4 Members should not normally expect junior officers to give evidence. All requests should be made to Chief Officers in the first instance.

10.5 When making requests for officer attendance, Scrutiny Committee Members shall have regard to the workload of officers.

10.6 It is recognised that officers required to appear before a Scrutiny Committee may often be those who have advised the Cabinet which is controlled by the ruling administration.

10.7 Officers should be prepared to justify advice given to the Council, the Cabinet, or other committees and sub-committees even when the advice was not accepted.

10.8 In giving evidence, officers must not be asked to give political views.

10.9 Officers should respect Members in the way they respond to Members questions.

10.10 Members should not question officers in a way which could be interpreted as harassment or bullying⁵.

Scrutiny proceedings must not be used to question the capability or competence of officers. Members need to make a distinction between reviewing the policies and performance of the Council and its services, and appraising the personal performance of officers.

Officers and Members should be aware of the following government guidance relating to Scrutiny Committees, and specifically their scrutiny role:

- Officers' evidence should so far as possible, be confined to questions of fact and explanation relating to policies and decisions.
- Officers may explain: what the policies are; the justification and objectives of those policies as the Cabinet sees them; the extent to which those objectives may have been met and how administrative factors may have affected both the choice of policy measures and the manner of their implementation.
- Officers may, and in many cases should, be asked to explain and justify advice they have given to Members of the Cabinet prior to a decision being taken and they should also be asked to explain and justify decisions they themselves have taken under delegations from the Cabinet.
- As far as possible, officers should avoid being drawn into discussion of the merits of alternative policies where this is politically contentious. Any comment by officers on the Cabinet's policies and actions should always be consistent with the requirement for officers to be politically impartial.

10.11 In connection with the Scrutiny Committees' policy development and review role, Officers may reasonably be expected to advise on the effects which would arise out of the adoption of alternative policy options. Any advice on the development of policies should be consistent with the requirement for officers to be politically impartial.

10.12 It is not a Scrutiny Committee's role to act as a disciplinary tribunal in relation to the actions of Members or Officers. Neither is it the role of officers to become involved in what would amount to disciplinary investigations on behalf of a Scrutiny Committee. This is the Head of Paid Service's function alone in relation to officers, and the Monitoring Officer's and the Standards Committee's functions as regards the conduct of Members.

10.13 Scrutiny Committee's questioning should be directed towards establishing the facts about what occurred in the making of decisions or implementing Council policies, and not towards the allocation of criticism or blame. A Scrutiny Committee may recommend (but not require) the Head of Paid Service to institute a formal inquiry for this purpose.

10.14 The Scrutiny Procedure Rules set out general principles relating to all Scrutiny witnesses, including notification requirements. If questioning should stray substantially outside the matters that the Committee had previously indicated, the Chair should consider whether an adjournment may need to be considered to enable officers to provide the required information. Questioning should not stray outside any Terms of Reference agreed for an Inquiry.

⁵ See footnote 6

10.15 In relation to complaints brought by an individual (Members, officers, or members of the public) about decisions affecting them individually, a Scrutiny Committee must not act as an alternative to normal appeals procedures, whether internal, such as the Corporate Complaints procedure, or external, such as the Local Government Ombudsman, or an appeal to a Court. A Scrutiny Committees should not normally pass judgements on the merits of such a decision.

10.16 The Scrutiny Section provides the Scrutiny Committees with professional and administrative help. The Council's Executive Directors remain responsible for providing specialised professional advice and should advise the relevant scrutiny committee of reasons where they would not wish to provide such services.

11. The relationship, officer support to Local Area Committee's

11.1 Officers who present reports to Local Area Committee's may copy the report to such of the other Local Area Committee's as they think fit if they are of the view that the report would be relevant to those Committees.

11.2 Local Area Committee's may request that report authors attend meetings. When doing so they should have regard to the workload of the officer in question.

11.3 All questions addressed to officers attending Local Area Committee's shall be addressed through the Chair of the Committee. Officers should not be questioned in such a way as could be interpreted as harassment or bullying⁶. Neither should questions be asked which seek to address the capability or competence of officers. Committee chairs should ensure that any questions relate to the report and not wider issues.

11.4 Officers should respect Members in the way they respond to Members questions. If unable to provide a direct response to a question at a Local Area Committee meeting, the officer shall respond in writing to the Committee Chair as soon as they are able.

11.5 From time to time additional meetings are convened by Members in respect of local matters. Whilst these meetings are not always meetings of the Local Area Committee, officers will provide appropriate support to these meetings where resources permit. Members should therefore ensure that appropriate notice is given of all such meetings.

11.6 When convening meetings in relation to local matters, care should be taken to distinguish between party group meetings and area meetings.

12. The relationship, officer support to regulatory panels

12.1 At the request of a chair of a regulatory committee, a briefing shall be arranged prior to a meeting of the committee.

12.2 The relevant Executive Director is responsible for determining the agenda for a formally convened meeting of a regulatory committee, in consultation with the chair of the committee.

⁶ See footnote 6

12.3 Members and officers need to be aware of additional Codes and Protocols which may refer to their specific area, such as the Code of Practice for Members responsible for determining Planning applications.

13. Council Chair and officers

13.1 Officers will respect the position of Council Chair and provide appropriate support. This, however, is a two way process and the Chair should not place unrealistic demands on officers.

14. Members and officers on outside bodies

14.1 Members and officers serving on outside bodies will treat one another professionally and with respect.

Members and officers should be aware of their role on any outside body to which they are appointed. In particular they should be aware of whether they are appointed:-

- As a representative of the Council
- As a ward Member, representing the local community
- As a group Member, or
- In their individual capacity

and that they are sufficiently briefed before attending a meeting with the purpose of promoting the interests of the county. Members will also be requested to give feedback on proceedings.

14.2 Where Members and officers are appointed to an outside body as a representative of the Council they should ensure that they are aware of the Council's position in relation to matters within the body's remit.^{11F7}

14.2.1 The appointee should seek to abide by the Council's position in relation to that matter unless their duties and responsibilities to the outside body prevent this.

14.2.2 Should a Member and an officer both be appointed to the same body as the Council's representatives they should seek to agree their understanding of the Council's position prior to any meeting of the body.

14.3 If a Member or officer is appointed to an outside body in a capacity other than as the Council's representative, they are not obliged to abide by the Council's position in respect of any matter. They should however seek to ensure that any view that they express or action they take cannot be perceived as bringing the Council into disrepute.

14.3.1 If a Member and an officer have a disagreement in relation to a matter within the remit of that body arising out of their respective roles on the body, they will treat that disagreement in a professional manner. In particular both the Member and the Officer will take steps to ensure that the disagreement does not affect the nature of their relationship within their respective roles as Member and officer of the Council.

15. External meetings

⁷ For example, where the appointment is as a Director or Trustee of the outside body.

Members, and particularly Cabinet Members, should ensure that they are properly supported by officers when responding to requests to meetings with individuals, external organisations and companies. They should not commit the Council to any particular course of action.

16. Support services to Members and party groups

16.1 The only basis on which the Council can lawfully provide support services (e.g. stationery, typing, printing, photocopying, transport etc) to Members is to assist them in discharging their role as Members of the Council. Such support services must therefore only be used on Council business. They should never be used in connection with party political or campaigning activity or for private purposes.

17. Members access to information and to council documents

17.1 Members have the ability to ask for information pursuant to their legal rights to information. Further details of these rights are set out in the Access to Information Procedure Rules.

18. Correspondence

18.1 Correspondence between an individual Member and an Officer should not normally be copied (by the officer) to any other Member. Where exceptionally it is necessary for an officer to copy the correspondence to another Member, the original Member will be advised before any such correspondence is copied. In other words, a system of 'silent copies' should not be employed. However, it may be appropriate in certain circumstances for Members to copy correspondence to an officer, for example to Ward colleagues.

18.2 Paragraph 18.1 above should not be taken to prevent the copying of correspondence where necessary as part of the background information when briefing a Cabinet Member in relation to the history of any matter. In addition it should be noted that the Council may have to release copies of correspondence in accordance with Freedom of Information legislation⁸.

18.3 Official letters on behalf of the Council (as distinct from letters in response to constituent's queries) should normally be sent in the name of the appropriate officer, rather than the name of a Member. It may be appropriate in certain limited circumstances (e.g., representations to a Government Minister) for a letter to appear in the name of a Cabinet Member or the Leader, but this should be the exception rather than the norm.

18.4 Letters which create legally enforceable obligations or which give instructions on behalf of the Council should never be sent in the name of a Member.

When writing in an individual capacity as a ward Member, a Member must make clear that fact.

18.5 Officers should respond promptly to correspondence from Members and with the time limits set by service standards.

⁸ For details please see Access to Information Procedure Rules

18.6 When entering into correspondence with one another both Members and officers should ensure that they maintain their recognition of and respect for each other's roles and responsibilities. As with other areas of their relationship Members and officers should conduct correspondence in a positive and constructive way and observe the same level of courtesy and respect.

18.7 Responses by officers will be monitored and measured by internal performance standards.

19. Publicity and press releases

19.1 Local authorities are accountable to their electorate. Accountability requires local understanding. This will be promoted by the Council, explaining its objectives and policies to the electors, and non-domestic rate-payers. In recent years, all local authorities have increasingly used publicity to keep the public informed to encourage public participation. Every Council needs to tell the public about the services it provides. Increasingly, local authorities see this task as an essential part of providing services. Good, effective publicity aimed to improve public awareness of a Council's activities is, in the words of the Government, to be welcomed. The Local Government Act 1986 prohibits political publicity – this is defined as any material which, in whole or in part, appears to be designed to affect public support for a political party.

19.2 Publicity is, however, a sensitive matter in any political environment because of the impact it can have. Expenditure on publicity can be significant. It is essential, therefore, to ensure that the Council's decisions on publicity are properly made in accordance with clear principles of good practice. The Government has issued a Code of Recommended Practice on Local Council Publicity. The purpose of the Code is to set out such principles. The Code affects the conventions that should apply to all publicity at public expense and which traditionally have applied in both central and local government. The Code is issued under the provisions of the Local Government Act 1986 as amended by the Local Government Act 1988, which provides for the Secretary of State to issue Codes of Recommended Practice as regards the content, style, distribution and cost of local council publicity, and such other matters as thought appropriate. That section requires that all local authorities shall have regard to the provisions of any such Code in coming to any decision on publicity, and such other matters as thought appropriate. The main principles of the Code are:

- That publicity relating to individual Members should relate to their role as a holder of a particular position and personalisation of issues or personal image making should be avoided.
- Publicity should be factual and designed to raise public awareness and its primary purpose must not be to persuade members of the public to hold a particular view on a matter of policy.
- Particular care should be taken when publicity is issued immediately before an election or by-election to ensure that this could not be perceived as seeking to influence public opinion, or to promote the image of a particular candidate, or group of candidates. The Code provides 'between the time of publication of a notice of an election and polling day, publicity should not be issued which deals with controversial issues, or which reports views or policies in a way that identifies them with individual Members or groups of Members.'

The Code also applies to other bodies funded by the Council, where that funding could be used for publicity, for example the Northumberland ALMO.

19.3 Officers and Members of the Council will, therefore, in making decisions on publicity, take account of the provisions of this Code. If in doubt, Officers and/or Members should initially seek advice from the Head of Paid Service. Particular care should be paid to any publicity used by the Council around the time of an election. Particular advice will be given on this by the Head of Paid Service as appropriate.

19.4 Contact with the media, including issuing press releases, should be carried out in accordance with the media protocol agreed by all the group leaders. Further details are available from Communications.

20. Involvement of ward Members

20.1 Whenever a public meeting is organised by the Council to consider a local issue, all the Members representing the Division or Divisions affected should as a matter of course, be invited to attend the meeting. Similarly, whenever the Council undertakes any form of consultative exercise on a local issue, the Division Members should be notified at the outset of the exercise. More generally, officers should consider whether other policy or briefing papers, or other topics being discussed with a Cabinet Member, should be referred to the relevant Local Area Committee for consideration. Officers should always inform the local ward Member of any new or substantive change in service practice or delivery relating to their ward.

20.2 Whilst support for Members ward work is legitimate, care should be taken if officers are asked to accompany Members to ward surgeries. In such circumstances:

- ☐ the surgeries must be open to the general public, and
- ☐ officers should not be requested to accompany Members to surgeries held in the offices or premises of political parties.

20.3 Officers must never be asked to attend ward or constituency political party meetings.

20.4 It is acknowledged that some officers (e.g. those providing dedicated support to Cabinet Members) may receive and handle messages for Members on topics unrelated to the Council. Whilst these will often concern diary management, care should be taken to avoid Council resources being used for private or party political purposes.

20.5 In seeking to deal with constituents' queries or concerns, Members should not seek to jump the queue but should respect the Council's procedures. Officers have many pressures on their time. They may not be able to carry out the work required by Members in the requested time-scale, and may need to seek instructions from their managers.

21. Access to premises

21.1 Officers have the right to enter Council land and premises to carry out their work. Some officers have the legal power to enter property in the ownership of others.

21.2 Members have a right of access to Council land and premises to fulfil their duties.

21.3 When making visits as individual Members, Members should:

- whenever practicable, notify and make advance arrangements with the appropriate manager or officer in charge;
- comply with health and safety, security and other workplace rules;
- not interfere with the services or activities being provided at the time of the visit;
- if outside their own division, notify the division Member beforehand; and
- take special care at schools and establishments serving vulnerable sections of society to avoid giving any impression of improper or inappropriate behaviour.

22. Use of council resources

22.1 The Council provides all Members with services such as word processing, printing and photocopying, and goods such as stationery and computer equipment, to assist them in discharging their roles as Members of the Council. These goods and services are paid for from the public purse. They should not be used for private purposes or in connection with party political or campaigning activities.

22.2 Members should ensure they understand and comply with the Council's own rules about the use of such resources, particularly:

- where facilities are provided in Members homes at the Council's expense;
- In relation to any locally-agreed arrangements e.g. payment for private use or photocopying; and
- regarding ICT security.

22.3 Members should not put pressure on staff to provide resources or support which officers are not permitted to give. Examples are:

- business which is solely to do with a political party;
- work in connection with a ward or constituency party political meeting; electioneering;
- work associated with an event attended by a Member in a capacity other than as a Member of the Council;
- private personal correspondence;
- work in connection with another body or organisation where a Members involvement is other than as a Member of the Council; and
- support to a Member in their capacity as a Member of another local council.

23. Co-opted Members

23.1 Officers should provide the same level of support to Co-opted Members of a Committee, as they provide to other (elected) Members, for example by providing them with the same papers, briefings and training opportunities. Officers and elected Members should afford Co-opted Members the same level of respect and opportunity to contribute (so far as their role permits them to do so), as to any other Member of the Board.

24. Conclusion

24.1 Mutual understanding, openness on these sorts of sensitive issues and basic respect are the greatest safeguard of the integrity of the Council, its Members and officers.

25. Breaches of the protocol

25.1 Allegations of breaches of this Protocol by Members may be referred to Monitoring Officer for referral to the Standards Committee, the relevant Leader and/or Chief Whip of the political group. However, in certain circumstances a breach of this protocol might constitute a breach of the Members Code of Conduct, in which case a written complaint would be referred to the Standards Committee – Assessment Sub-Committee.

25.2 Allegations of breaches by officers are to be referred to the employee's Executive Director for consideration of appropriate action including disciplinary investigation under the Council's Disciplinary Rules.

26. Monitoring

The Monitoring Officer will monitor the operation of the protocol and report as necessary to the Standards Committee.

Section 5 - Local Code of Corporate Governance

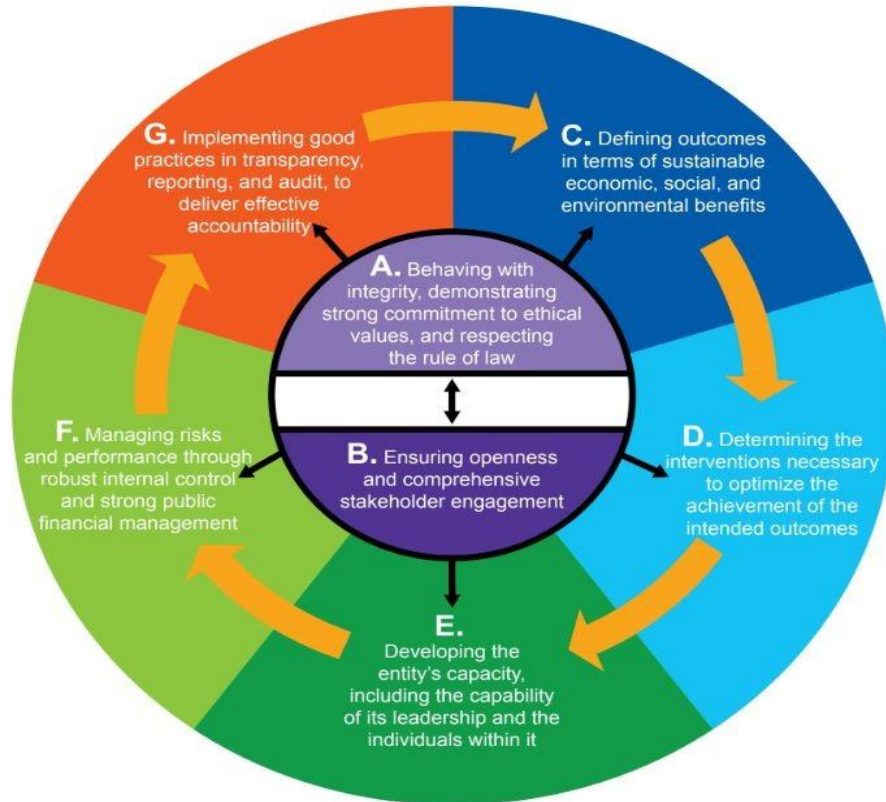
INTRODUCTION

In 2014, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the International Federation of Accountants (IFAC) collaborated to produce *The International Framework: Good Governance in the Public Sector*, which defines governance as the '*arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved*'.

The International Framework states that in order to deliver good governance in the public sector, '*both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times*'. This implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.

The diagram below illustrates the core principles of good governance in the public sector and how they relate to each other:

Achieving the Intended Outcomes While Acting in the Public Interest at all Times



Principles A and B permeates implementation of principles C to G. The diagram also illustrates that good governance is dynamic, and that organisations as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review.

In 2016, CIPFA in association with the Society of Local Authority Chief Executives (SOLACE) took the International Framework's core principles (and sub-principles) and interpreted them for a local government context. It revised and reissued its 'Delivering Good Governance in Local Government; Framework' (the 2016 Framework). The 2016 Framework sets the standard for local authority governance in the UK. The concept underpinning the Framework is to support local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way.

The purpose of the Framework is to assist authorities individually in reviewing and accounting for their own unique approach, with the overall aim to ensure that:

- resources are directed in accordance with agreed policy and according to priorities;
- there is sound and inclusive decision making; and
- there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities

The Accounts and Audit Regulations 2015 require a local authority to review at least once a year the effectiveness of its system of internal control.

This requirement will be fulfilled if the review is conducted in accordance with the 2016 Framework. A statement reporting on the review must be included in an Annual Governance Statement and published with the Statement of Accounts.

The Annual Governance Statement must be “prepared in accordance with proper practices in relation to accounts”. To help meet this requirement, this code has been produced in accordance with the Framework.

NORTHUMBERLAND COUNTY COUNCIL APPROACH

In Northumberland, good governance is about how the Council ensures that it is doing the right things, in the right way and for the benefit of the communities it serves.

The Council expects all of its Members, officers and contractors to adhere to the highest standards of public service with particular reference to the adopted Codes of Conduct, the Constitution and policies of the Council as well as the applicable statutory requirements.

Good governance will invariably lead to high standards of management, strong performance, the effective use of resources and good outcomes which in turn will lead to increased public trust.

The Council is committed to the seven core principles of good practice contained in the 2016 CIPFA framework and will test its governance arrangements against this framework and report annually. In order to confirm this, we test our governance arrangements by:

- ***Developing and maintaining an up-to-date local code of governance, including arrangements for ensuring ongoing effectiveness.***

Our Local Code has been written to reflect the Council’s own structure, functions, and the governance arrangements in existence. It comprises the policies, procedures, behaviours, actions and values by which the Council is controlled and governed. The Local Code of Governance is reviewed on an annual basis to ensure that it is kept up to date. Where the review identifies that changes are required to the code, the revised Code will be submitted to the Audit Committee for comments and amendments before including on the Council’s website.

- ***Reviewing existing governance arrangements.***

The Council will monitor its governance arrangements for their effectiveness in practice and will review them on a continuing basis to ensure that they are up to date. This review will include an assessment of the effectiveness of the processes contained within the Local Code.

This includes assessments such as:

- (a) Annual service level reviews of assurance arrangements

- (b) Head of Internal Audit Annual Report and overall opinion
 - (c) Review of the Constitution
 - (d) Scrutiny Report to Council
 - (e) Review of the Corporate Risk Register
 - (f) External Audit Annual ISA 260 Report
 - (g) Statements from the Monitoring Officer, Section 151 Officer and Head of Internal Audit Service regarding the use of their statutory powers and compliance with professional requirements.
 - (h) The opinions of other external review agencies and inspectorates
- ***Reporting publicly on compliance with our own code on an annual basis and on how we have monitored the effectiveness of our governance arrangements in the year and on planned changes.***

Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 requires the Council to conduct a review at least once in a year of the effectiveness of our systems of internal control and include a statement reporting on the review with our published statement of Accounts. This is known as the Annual Governance Statement. The Chief Executive and Leader of the Council certify the Annual Governance Statement to accompany the Annual Accounts which will:

- (a) assess how the Council has complied with our Local Code
- (b) provide an opinion on the effectiveness of the Council's governance arrangements
- (c) provide details of how continual improvement in the systems of governance will be achieved.

The Council's Local Code of Corporate Governance covers the seven core principles of good governance which bring together the main elements of Council business.

The tables below take each of the principles of good governance in turn and sets out why it is important, and the systems, processes and principles the Council has put in place to ensure good corporate governance.

Principle A: Behaving with Integrity, demonstrating strong commitment to ethical values and respecting the rule of law

Why this is important:

The Council is accountable not only for how much they spend, but also for how it uses the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes it has achieved. In addition, the Council has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, it can demonstrate the appropriateness of all its actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

How we meet this principle:

DRAFT CONSTITUTION

- **Northumberland County Council Constitution** - The Council Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that they are efficient, transparent and accountable to local people. Some processes are required by law, while others are specific to Northumberland County Council.
- **Council Vision and Values and Corporate Plan** - The Council Corporate Plan for 2018 to 2021 is the main strategic planning document and is a clear statement of the vision, strategic aims and policy priorities of the authority.
- **Service Statements** - Annual Service Statements are prepared by each Head of Service. They include key information on the services' operational activities, resources, priorities and performance. Collectively, they set out how the council is and will deliver the corporate plan. Service Plans and priorities are regularly reviewed to reflect shared values and vision.
- **Officer Code of Conduct** - This policy provides a guide to managers and employees on what the Council considers appropriate in relation to conduct. The policy embraces the seven principles of public life which were drawn up by the Nolan Committee and endorsed by Parliament.
- **Members Code of Conduct** - The Members code of conduct is part of the Council's constitution which sets out the conduct that is expected of elected and co-opted Members of the Council when they are acting in that capacity.
- **Corporate Induction Programme** - All new employees must complete the corporate induction programme prior to commencing their post. This structured induction period ensures that new employees feel welcome, valued and settled in their new role. This then forms the basis from which employees can quickly get up to speed, perform their duties effectively and begin to make a contribution to their team, their directorate / service and the Council. Induction is not a 'one off' event, it is a process which actually starts during recruitment and appointment through to the completion of a successful probationary period.
- **Statutory and Mandatory Training Programme** - The Council has a rolling programme of training for all staff. Progress is monitored on a monthly basis at Service level and at the Workforce Committee with multi level dashboard reports produced by HR.
- **Annual Performance Appraisals and 6 Monthly Review Process** - Continuing development of staff is fundamental to the services that the Council provides, starting with effective Induction for new Members and staff and thereafter annual objective setting, via the annual appraisal process, which also looks at continued training for work related activities and statutory and mandatory training. Self assessment of individuals against the organisational core values, competencies and behavioural success factors are built in to the annual performance management and appraisal process.

- **Meeting Conduct** - All staff who attend meetings do so in a professional manner, ensuring good conduct at all times. All key meetings are chaired to ensure full inclusion of all participants, and actions taken.
- **Council Procurement** - Suppliers and contractors are procured in line with Council procurement policy and legislation, using a combination of framework agreements and tenders.
- **Complaints Policy, Procedure and Appeals Process** - All complaints are managed through the Council's formal complaints procedure. Dissatisfaction with the outcome of internal complaint investigations have recourse to the relevant Local Government Ombudsman. There is a procedure in place for reporting and administrating complaints against Members including breaches of the Member Code of Conduct which is accessible on the Council website.
- **Members Allowances** - Members Allowances are set by an independent remuneration panel. All the numbers produced are gross figures with allowances being subject to tax. The Members allowance scheme can be viewed on the Council website.
- **Members Declaration of Interests** - Elected Members declare their interests and these are published on the Council website which is refreshed annually.
- **Whistleblowing Policy and Procedure and Safecall** - The Council has a Whistle Blowing Policy and Procedure in place. This policy is supplemented by Safecall, which has been put in place to allow a confidential Whistleblowing service for employees and to give staff assurance that information can be provided confidentially and if necessary on an anonymous basis.
- **Disciplinary Policy and Procedure** - The Disciplinary Policy and its procedures are designed to encourage improvement in an individual's conduct. The aim of the policy is to ensure uniformity of treatment for all individual employees, ensure the efficient and smooth running of the organisation, ensure that management, unions and employees are aware of their rights and obligations in respect of disciplinary processes, ensure that the strictest confidentiality is preserved at all stages of the process and to ensure compliance with relevant employment, other relevant legislation and ACAS guidelines.
- **Centralised Recruitment** - Centralised Recruitment is led by the HR Team and ensures that the appropriate level of professional oversight and support can be offered to ensure that the Council operates a high quality, safe and efficient recruitment service helping to attract the right people.
- **Annual Equality Information Report and Equality Impact Assessment Procedure** - The current equality information report shows what the Council believes

are key equality issues, what we have in place already, and what improvements are required. The report gives a summary of the main issues and the appendices provide more detail. Equality Impact Assessments are carried out for budget savings proposals and changes to Council services.

- **Annual Staff Survey and Action Plans** - The Council's Annual Staff Survey measures the level of engagement and satisfaction of all employees and determines employees' understanding of, and belief in, the Council vision and values, organisational objectives and elected Members priorities. Results of each survey are analysed; trends are identified and subsequent action plans are developed for delivery in advance of the following year's survey.
- **Anti-fraud and Corruption Policies** - The Council has a dedicated corporate fraud team who investigate fraud and irregularity allegations. There is a dedicated web page and the Council has a number of supporting policies including the Anti Money Laundering Policy, Bribery and Corruption Policy and Counter Fraud Policy. The Council complies with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA 2014) and participates in the National Fraud Initiative data matching exercise to assist in the prevention and detection of fraud.
- **Information Governance (FOI, EIR, SAR, Data Protection, GDPR and Supporting Policies)** - The Council holds a huge amount of information, including sensitive personal data. This data needs to be handled in a discreet manner in order to protect people's identities, reputations and privacy, as well as keeping within legal requirements. There are many regulations that define how information and data need to be handled and protected including: The Data Protection Act 1998 (DPA) and GDPR and The Freedom of Information Act 2000. The Council has an appointed Information Governance Officer and ensures that it conforms to all legal and statutory requirements, holds all information securely, holds all personal information confidentially, obtains information fairly and lawfully, records information accurately and reliably, uses information effectively and ethically, shares information appropriately and lawfully, makes available non-confidential information wherever possible to the public via the Council's website (Open Data) and reviews and disposes of information and records no longer required securely.
- **Health and Safety Framework** - The Corporate Health and Safety Team provides support and advice to managers and other employees of the Council including, monitoring of incidents, accidents, claims and complaints. Training is developed in response to certain incidents and complaints of description. Council Health and Safety policies are designed to protect and enhance the welfare of staff and are actively promoted and monitored.
- **Cabinet, Overview and Scrutiny Committee** - Key decisions of services are considered by the Council's Cabinet as required, and as such are subject to pre-scrutiny by the relevant Overview and Scrutiny Committee. Delegated decision reports are prepared for all significant decisions. Agendas, reports and minutes are

published on the council's website. Meetings are open to the public, unless in the case of exempt items. Records of decision making and supporting materials are published on the County Council website

- **Internal Audit (Shared Service)** - The Internal Audit team is statutorily required by the Accounts and Audit Regulations 2015 to undertake an effective internal audit to evaluate the effectiveness of risk management, control and governance processes throughout the Council. Internal audit is defined as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Compliance with the Public Sector Internal Audit Standards is mandatory for all Internal Audit service providers in local government, including the shared Internal Audit service. As required by the Public Sector Internal Audit Standards, the Internal Audit service reports functionally to the Audit Committee which fulfils the role of the 'Board' under those Standards. Under the Accounts and Audit Regulations 2015, Internal Audit has a statutory right of access to all information necessary for the purposes of internal audit.

Principle B: Ensuring openness and comprehensive stakeholder engagement**Why this is important:**

Local government is run for the public good. The Council should therefore ensure openness in its activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders

How we meet this principle:

DRAFT CONSTITUTION

- **Council Vision and Values and Corporate Plan** - The Council Corporate Plan for 2018 to 2021 is the main strategic planning document and is a clear statement of the vision, strategic aims and policy priorities of the Council.
- **Service Statements** - Annual Service Statements are prepared by each Head of Service. They include key information on the services' operational activities, resources, priorities and performance. Collectively, they set out how the council is delivering its corporate plan. Service Plans and priorities are regularly reviewed to reflect shared values and vision.
- **Medium Term Financial Plan (MTFP)** - The Council has a long established process of operating a medium term approach to its financial planning. A key step to this process is a review of the plan at least on an annual basis and the approval of a detailed budget and Council Tax level for the coming year. In doing this, the Council takes a proactive approach and considers future year demands on services and resources and establishes its firm proposals for the coming year with due regard to prudent financial management in the medium term.
- **Online Council Tax Information** - Council Tax Information is available on the Council website, which includes explanations for parish and social care precepts
- **Transparency** - Council Transparency pages are available on the website. Information provided includes spending and procurement, organisational information, senior officer salaries, open data and details of council land.
- **Stakeholder Engagement** - Council officers, senior managers and elected Members regularly consult with a wide range of stakeholders depending on the topic and relevant audience. Key stakeholders include our local MPs, elected Members, district leaders and chief executives, other public sector organisations and our voluntary and community sector bodies. The Council has arrangements to engage with all sections of the community including hard to reach groups, this includes funding and support for the Northumberland VCS Assembly.
- **Consultations** - All consultations are conducted in line with the best practice guidance set out by the Cabinet Office in 2016. Public consultations are published on council webpages and social media platforms. The most recent example is the Libraries Consultation (March 2020). The Council also has also engaged the Northumberland Peoples' Panel, which is a group of residents who have registered to be involved in consultation exercises with the council.
- **Surveys** - The council surveys residents frequently. Examples include Residents Survey, National Highways and Transport Survey, Waste Management Annual Survey.
- **Information Governance, Freedom of Information (FOI) Act publication scheme and EIR scheme** - The Council holds a huge amount of information, including sensitive personal data. This data needs to be handled in a discreet manner in order to protect people's identities, reputations and privacy, as well as keeping within legal requirements. There are many regulations that define how information and data need to be handled and protected including: The Data Protection Act 1998 (DPA) and GDPR and The Freedom of Information Act 2000.

The Council ensures that it conforms to all legal and statutory requirements, holds all information securely, holds all personal information confidentially, obtains information fairly and lawfully, records information accurately and reliably, uses information effectively and ethically, shares information appropriately and lawfully, makes available non-confidential information wherever possible to the public via the Council's website (Open Data) and reviews and disposes of information and records no longer required securely.

- **Elected Members and Senior Officer Partnership** - Service Directors meet regularly with Cabinet Members to ensure they are fully briefed regarding service delivery.
- **Staff Communications** - Key service and corporate messages are communicated via appropriate channels across the Council, including staff newsletters, chief executive briefings and the staff intranet.
- **Cabinet, Overview and Scrutiny Committee** - Key decisions of services are considered by the Council's Cabinet as required, and as such are subject to pre-scrutiny by the relevant Overview and Scrutiny Committee. Delegated decision reports are prepared for all significant decisions. Agendas, reports and minutes are published on the council's website. Meetings are open to the public unless in the case of exempt items. Record of decision making and supporting materials published on the County Council website
- **Committee Report Templates** - Officers use standard report templates for committee and executive reports to help ensure that readers are provided with information that is accurate, complete and unbiased. Reports make clear the options available so that the implications of all decisions and strategic risks can be assessed before those decisions are made.
- **Performance Management Framework** - Our corporate performance management arrangements include the corporate plan, service statements and a high-level performance framework. The Council uses three corporate scorecards which keep sight of activities that are important in terms of customer care and corporate standards; statutory and regulatory measures; and focused improvement areas. Measures held in the corporate performance system are updated as soon as new data is available and the corporate scorecards are automatically updated to reflect the new data. This information is available to the public via the Council Website.
- **Internal Audit** (Shared Service) - The Internal Audit team is statutorily required by the Accounts and Audit Regulations 2015 to undertake an effective internal audit to evaluate the effectiveness of risk management, control and governance processes throughout the Council. Internal audit is defined as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Compliance with the Public Sector Internal Audit Standards is mandatory for all Internal Audit

service providers in local government, including the shared Internal Audit service. As required by the Public Sector Internal Audit Standards, the Internal Audit service reports functionally to the Audit Committee which fulfils the role of the 'Board' under those Standards. Under the Accounts and Audit Regulations 2015, Internal Audit has a statutory right of access to all information necessary for the purposes of internal audit.

- **Northumberland County Council Website** - The Council has a vital role in communicating and interacting with Northumberland residents and visitors. As well as holding a significant amount of information including service specific webpages, residents can access services and report a problem through the Council 'Top Tasks' feature. Webpages are updated on a regular basis and include key 'alert' information such as school closures, highways activities and road closures and bin collection changes.
- **Social Media Communications** - The Council uses social media to reach a growing number of residents and stakeholders to improve community engagement. It also publishes a council newsletter and has an active website.
- **Northumberland Town and Parish Council Charter** - Local councils are an important part of local government and the Council works in close partnership with local councils, aiming to connect with local communities, understand their needs and respond to their priorities. In turn, local councils recognise the strategic role of the County Council and the equitable distribution of services that it has to achieve. The aim is to deliver services and activities for residents, businesses and visitors that make Northumberland a great place to live, work and visit. The revised Charter (2019) has been developed in partnership with all Northumberland Town and Parish Councils and represents a mutual agreement between the two tiers of local government.

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

Why this is important:

The long-term nature and impact of many of the Council's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the Council's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

How we meet this principle:

- **Council Vision and Values and Corporate Plan** - The Council Corporate Plan for 2018 to 2021 is the main strategic planning document and is a clear statement of the vision, strategic aims and policy priorities of the Council. Priority outcomes identified are:
 - (a) *Feel safe, valued, and part of your community*
 - (b) *Live in distinctive vibrant places, which you value and in which you feel proud*
 - (c) *You can easily get to work, to learning, and to the various facilities and services you want to use*
 - (d) *Regardless of your age, have the right qualifications and skills to secure a good job that pays well and provides the prospect of a rewarding career*
- **Service Statements** - Annual Service Statements are prepared by each Head of Service. They include key information on the services' operational activities, resources, priorities and performance. Collectively, they set out how the council is delivering its corporate plan and priority outcomes. Service Plans and priorities are regularly reviewed to reflect shared values and vision.
- **Cabinet, Overview and Scrutiny Committee** - Key decisions of services are considered by the Council's Cabinet as required, and as such are subject to pre-scrutiny by the relevant Overview and Scrutiny Committee. Delegated decision reports are prepared for all significant decisions.
- **Medium Term Financial Plan (MTFP)** - The Council has a long established process of operating a medium term approach to its financial planning. A key step to this process is a review of the plan at least on an annual basis and the approval of a detailed budget and Council Tax level for the coming year. In doing this, the Council takes a proactive approach and considers future year demands on services and resources and establishes its firm proposals for the coming year with due regard to prudent financial management in the medium term.

- **Budget Monitoring Activities** - Led by Corporate Finance, the Council has a well-established process of monitoring income and expenditure, with key budget holders and decision makers taking corrective action to enable budgetary control and ensure service delivery and the achievement of strategic priorities and outcomes.
- **Performance Management Framework** - Corporate performance management arrangements include the corporate plan, service statements and a high-level performance framework. The Council uses three corporate scorecards which keep sight of activities that are important in terms of customer care and corporate standards; statutory and regulatory measures; and focused improvement areas. Measures held in the corporate performance system are updated as soon as new data is available and the corporate scorecards are automatically updated to reflect the new data. This information is available to the public via the Council's website.
- **Transformation Board** - The Transformation Board is responsible for agreeing, overseeing and leading on the delivery of the Council's Transformation Programme. Programme and project benefits are clearly defined and agreed by the board and progress and performance are reported and analysed monthly at meetings with key decisions being made to ensure the delivery of the programme.
- **Health and Safety Framework** - The Corporate Health and Safety Team provides support and advice to managers and other employees of the Council including, monitoring of incidents, accidents, claims and complaints. Training is developed in response to certain incidents and complaints. Council Health and Safety policies are designed to protect and enhance the welfare of staff and are actively promoted and monitored.
- **North East LEP** - Northumberland is a key partner of the North East Local Enterprise Partnership (North East LEP). The LEP is a public, private and education sector partnership and is responsible for promoting and developing economic growth in the local authority areas of County Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland. The LEP produces the NE Strategic Economic Plan, which acts as a blueprint for the activities that need to take place to improve the north east economy, including Northumberland.
- **North of Tyne Combined Authority** - Bringing together the communities of Newcastle, North Tyneside and Northumberland, devolution and the creation of the North of Tyne Combined Authority enables targeted investment where it is needed most across the three local authority areas and provides a stronger connection between economic growth and providing people with the skills, education and confidence to benefit from the opportunities that will follow.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Why this is important:

The Council achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that the Council has to make to ensure intended outcomes are achieved. The Council needs robust decision-making mechanisms to ensure that its defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

How we meet this principle:

- **Corporate Risk Register** - The Council has a legal duty under the Accounts and Audit Regulations 2015 to maintain a sound system of internal control, including effective arrangements for the management of risk. A risk hierarchy has been established within the County Council in which risk is managed at corporate, service strategic and operational levels. This includes assessing the likelihood of risks materialising, and the impact if they were to materialise, along with controls established or necessary to introduce to mitigate the risk at each level in the hierarchy, in addition to project risks. Risks are reviewed at each level in the hierarchy on an established periodic basis.
- **Service Statements** - Annual Service Statements are prepared by each Head of Service. They include key information on the services' operational activities, resources, priorities and performance. Collectively, they set out how the council is delivering its corporate plan. Service Plans and priorities are regularly reviewed to reflect shared values and vision.
- **Cabinet, Overview and Scrutiny Committee** - Key decisions of services are considered by the Council's Cabinet as required, and as such are subject to pre-scrutiny by the relevant Overview and Scrutiny Committee. Delegated decision reports are prepared for all significant decisions.
- **Budget Monitoring Activities** - Led by Corporate Finance, the council has a well established process of monitoring income and expenditure, with key budget holders and decision makers taking corrective action to ensure budgetary control. Budget holders hold monthly budget monitoring sessions in partnership with Finance Business Partners to monitor budgets and ensure robust financial planning and management.
- **Annual Performance Appraisals and 6 Monthly Review Process** - Continuing development of staff is fundamental in the services we provide, starting with effective Induction for new Members and staff and thereafter annual objective setting via the annual appraisal process which also looks at continued training for

work related activities and statutory and mandatory training. Self assessment of individuals against the organisational core values, competencies and behavioural success factors are built in to the annual performance management and appraisal process.

- **Performance Management Framework** - The Council's corporate performance management arrangements include the corporate plan, service statements and a high-level performance framework. The Council uses three corporate scorecards which keep sight of activities that are important in terms of customer care and corporate standards; statutory and regulatory measures; and focused improvement areas. Measures held in the corporate performance system are updated as soon as new data is available and the corporate scorecards are automatically updated to reflect the new data. This information is available to the public via the Council's website.
- **Workforce Committee** - The Council has a well-established monthly directorate level scrutiny of workforce performance dashboards with a deep dive conducted bi-monthly within the Workforce Committee mechanism.
- **Scheme of Delegation** - The council's Scheme of Delegation sets out how different types of planning applications are determined. The vast majority of applications are determined through the authorisation of planning officer's recommendations by senior members of staff. These decisions are made under 'delegated powers'.

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it**Why this is important:**

The Council needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods. The Council must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which the Council operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in the Council is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

How we meet this principle:

- **Staff Induction, Annual Performance Appraisals and 6 Monthly Review Process** - Continuing development of staff is fundamental in the services we provide, starting with effective Induction for new Members and staff and thereafter annual objective setting via the annual appraisal process which also looks at continued training for work related activities and statutory and mandatory training. Self assessment of individuals against the organisational core values, competencies and behavioural success factors are built in to the annual performance management and appraisal process. Employees have access to update courses and information briefings on new legislation through the Policy Digest and Chief Executive Briefings.
- **Officer Code of Conduct and Members Code of Conduct** - The policy provides a guide to managers and employees on what the Council considers appropriate in relation to conduct. The policy embraces the seven principles of public life which were drawn up by the Nolan Committee and endorsed by Parliament.
- **Human Resources and Organisational Development Strategy** - The HR/OD strategy has been redrafted to align with the corporate plan providing prioritised targeted themes and action plans to improve employee engagement through the 'Enabling' and 'Engaging workstreams. Further work has also been undertaken to align these workstreams to the 8 transformation workstreams powered by the Executive Team.
- **Centralised Recruitment** - The recruitment service led by the HR Team ensures that the appropriate level of professional oversight and support is offered, to ensure we operate a high quality, safe and efficient recruitment service helping to attract the right people. HR policies and procedures are developed incorporating relevant guidance on equalities and diversity requirements, safer recruitment, and employment checks.
- **Job Descriptions** - Job descriptions are in place for council employees which have been correctly evaluated using the agreed Job Evaluation criteria and processes. Job descriptions for Members have been revised and Members are directly supported by dedicated Member support staff who oversee and update the signing of Acceptance of Office, Declarations of Interest, personal information forms and DBS clearance where required.
- **Leadership and Development Programme** - From Level 3 - Level 7, providing accredited development and chartered professional status for leaders and managers across the organisation.
- **Apprenticeship Scheme** - Apprenticeship pathways are identified, procured and offered to support workforce development and promote succession planning and talent management opportunities. Funding from the Apprenticeship Levy is used to support employees to acquire professional qualifications.

- **Traineeships and supported internships** are utilised to help develop talent, build capacity and capability whilst supporting key strategic priorities within the Corporate Plan.
- **Northumberland Youth Cabinet** - The Northumberland Youth Cabinet is an elected body of 11 to 19-year-olds, representing the views of young people across Northumberland. The youth cabinet takes issues on a local level to decision makers, in order to influence change. They have a backing of young people to take forward their ideas and turn them into campaigns. The Youth Cabinet develop projects based on issues they campaigned for in their election manifestos. These issues include topics such as young people and democracy.
- **Business Continuity Planning** - The Council prepares and plans for emergencies to help protect and support communities when emergencies occur. In order to do this, the Council identifies, examines and records key risks and prepares appropriate emergency response plans, trains staff and tests these arrangements. The work is coordinated by the Civil Contingencies Team based at Northumberland Fire and Rescue Service headquarters and is conducted in collaboration with multi-agency partners who share the Council's objectives in community protection.
- **Annual Staff Survey and Action Plans** – The Council's Annual Staff Survey measures the level of engagement and satisfaction of all employees and determines employees' understanding of, and belief in, the Council mission, vision and values, organisational objectives and elected Members priorities. Results of each survey are analysed; trends are identified and subsequent action plans are developed for delivery in advance of the following year's survey.
- **Monthly Business Leadership Team (BLT) Events** - Senior Managers in the service attend BLT events which focus on Corporate initiatives and keep managers up to date with corporate issues.
- **Cabinet, Overview and Scrutiny Committee** - Key decisions of services are considered by the Council's Cabinet as required, and as such are subject to pre-scrutiny by the relevant Overview and Scrutiny Committee. Delegated decision reports are prepared for all significant decisions.
- **Scheme of Delegation** - The Council's Scheme of Delegation sets out how different types of planning
 - applications are determined. The vast majority of applications are determined through the authorisation of planning officer's recommendations by senior members of staff. These decisions are made under 'delegated powers'.
- **Health and Safety Framework** - The Corporate Health and Safety Team provides support and advice to managers and other employees of the Council including, monitoring of incidents, accidents, claims and complaints. Training is developed in response to certain incidents and complaints. Council Health and

Safety policies are designed to protect and enhance the welfare of staff and are actively promoted and monitored.

- **Wellbeing** - The Council demonstrates a commitment to ensuring the health and wellbeing of its employees and has received 'Continuing Excellence' in the North East Better Health at Work Awards (the highest option) which recognises actions in addressing health issues within the workplace. The workplace Health and Wellbeing provision offers employees:
 - (a) Manager-led occupational health referral system
 - (b) Shared occupational health service with Northumbria Healthcare NHS Trust which offers various services including a qualified psychologist and a physiotherapist
 - (c) Personal counselling helpline available for all staff to access
 - (d) Public Health service with a staff member responsible for Workplace Health
 - (e) A non-denominational Faith and Chaplaincy/Independent Listening Service
 - (f) Mandatory stress awareness training for all staff
 - (g) Stress Management training

Principle F: Managing risks and performance through robust internal control and strong public financial management

Why this is important:

The Council needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

How we meet this principle:

- **Internal Audit (Shared Service)** - The Internal Audit team is statutorily required by the Accounts and Audit Regulations 2015 to undertake an effective internal audit to evaluate the effectiveness of risk management, control and governance processes throughout the Council. Internal audit is defined as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Compliance with the Public Sector Internal Audit Standards is mandatory for all Internal Audit service providers in local government, including the shared Internal Audit service. As required by the Public Sector Internal Audit Standards, the Internal Audit service reports functionally to the Audit Committee which fulfils the role of the 'Board' under those Standards. Under the Accounts and Audit Regulations 2015, Internal Audit has a statutory right of access to all information necessary for the purposes of internal audit.
- **External Audit of Financial Statements** - Each year the External Auditor audits the Council's financial statements and presents their findings and opinions to the Audit Committee in an 'Audit Results Report'. This ensures that the Audit Committee can receive and consider the Audit Results Report when considering approval of the County Council's accounts, prior to the statutory deadline each year.
- **Annual Governance Statement** - Recommendations in the Annual Governance Statement inform positive improvement actions within the Council's governance arrangements. The Corporate Governance Improvement plan is included as part of the AGS and the Service Level Governance Improvement Plans are reported to the Audit Committee.
- **Corporate Risk Register** - The Council has a legal duty under the Accounts and Audit Regulations 2015 to maintain a sound system of internal control, including effective arrangements for the management of risk. A risk hierarchy has been established within the County Council in which risk is managed at corporate, service strategic and operational levels. This includes assessing the likelihood of risks materialising, and the impact if they were to materialise, along with controls established or necessary to introduce to mitigate the risk at each level in the hierarchy, in addition to project risks. Risks are reviewed at each level in the hierarchy on an established periodic basis.
- **Business Continuity** - The Council prepares and plans for emergencies to help protect and support communities when emergencies occur. In order to do this, the Council identifies, examines and records key risks and prepares appropriate emergency response plans, trains staff and tests these arrangements. The work is coordinated by the Civil Contingencies Team based at Northumberland Fire and Rescue Service headquarters and is conducted in collaboration with multi-agency partners who share the Council's objectives in community protection.
- **Northumberland County Council Constitution** - The Council Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that they are efficient, transparent and accountable to local people. Some processes are required by law, while others are specific to Northumberland County Council.

- **Transparency** - The Council is compliant with the Local Government Transparency Code 2015. Required data is published on the County Councils web site.
- **Transformation Board** – The Transformation Board is responsible for agreeing, overseeing and leading on the delivery of the Council’s Transformation Programme. Programme and project benefits are clearly defined and agreed by the board. Progress, performance and risks are reported and analysed monthly at meetings with key decisions being made to ensure the delivery of the programme.
- **Performance Management Framework** - Our corporate performance management arrangements include the corporate plan, service statements and a high-level performance framework. The Council uses three corporate scorecards which keep sight of activities that are important in terms of customer care and corporate standards; statutory and regulatory measures; and focused improvement areas. Measures held in the corporate performance system are updated as soon as new data is available and the corporate scorecards are automatically updated to reflect the new data. This information is available to the public via the Council’s website.

- **Data Quality Policy** – The purpose of the Data Quality Policy is to set out the Council’s approach to managing and improving data quality across the organisation. It covers all Council data across all services and functions. The policy is aimed at managers but is relevant to all employees.
- **Workforce Committee** – The Council has a well-established monthly directorate level scrutiny of workforce performance dashboards with a deep dive conducted bi-monthly within the Workforce Committee mechanism.
- **Budget Monitoring Activities** - Led by Corporate Finance, the Council has a well-established process of monitoring income and expenditure, with key budget holders and decision makers taking corrective action to ensure budgetary control.
- **Cabinet, Overview and Scrutiny Committee** - Key decisions of services are considered by the Council’s Cabinet as required, and as such are subject to

pre-scrutiny by the relevant Overview and Scrutiny Committee. Delegated decision reports are prepared for all significant decisions.

- **Medium Term Financial Plan (MTFP)** - The Council has a long established process of operating a medium term approach to its financial planning. A key step to this process is a review of the plan at least on an annual basis and the approval of a detailed budget and Council Tax level for the coming year. In doing this, the Council takes a proactive approach and considers future year demands on services and resources and establishes its firm proposals for the coming year with due regard to prudent financial management in the medium term.
- **Shared Procurement Service** - The Council's Procurement service provides a sustainable professional procurement service which adds value to Council stakeholders and supports delivery of cost improvement programmes for each stakeholder. The team engages with suppliers to negotiate the best contract or purchase, based on a balance of achieving efficiency savings and meeting the social, economic and environmental goals of the Council. Procurement procedures are documented in the Procurement Regulations. The Council promotes sustainable procurement with the following criteria being the main target areas:
 - a) Investment in communities
 - b) Ensuring good value for money
 - c) Impact of community business
 - d) Socially responsible decisions
 - e) Community resilience
 - f) Volunteers
 - g) Reduce demand for public services
 - h) Fairness and Transparency
- **Committee Meetings** - Agenda, minutes of Committees and any associated reports with recommendations to the Executive are available via the County Council's website
- **Anti-fraud and corruption policies** - Northumberland County Council have a dedicated corporate fraud team, who investigate fraud and irregularity allegations. As well as a dedicated web page the Council has a number of supporting policies including the Anti Money Laundering Policy, Bribery and Corruption Policy and Counter Fraud Policy. The council complies with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA 2014). The Council participates in the National Fraud Initiative data matching exercise to assist in the prevention and detection of fraud.
- **Safeguarding** - The Council has frameworks in place in relation to child and adult safeguarding.
Schemes of Delegation - The council's Scheme of Delegation sets out how different types of planning applications are determined. The vast majority of applications are determined through the authorisation of planning officer's recommendations by senior members of staff and decisions are made under 'delegated powers'.

Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

Why this is important:

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the Council plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

How we meet this principle:

- **Annual Governance Statement** - The Annual Governance Statement sets out the Council's governance framework and the results of the reviews of effectiveness of the Council's arrangements. The AGS includes areas for improvement and is considered by the Audit Committee.
- **Internal Audit** (Shared Service) - The Internal Audit team is statutorily required by the Accounts and Audit Regulations 2015 to undertake an effective internal audit to evaluate the effectiveness of risk management, control and governance processes throughout the Council. Internal audit is defined as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Compliance with the Public Sector Internal Audit Standards is mandatory for all Internal Audit service providers in local government, including the shared Internal Audit service. As required by the Public Sector Internal Audit Standards, the Internal Audit service reports functionally to the Audit Committee which fulfils the role of the 'Board' under those Standards. Under the Accounts and Audit Regulations 2015, Internal Audit has a statutory right of access to all information necessary for the purposes of internal audit. Internal Audit report to the Audit Committee on the key outcomes of Internal Audits completed on a bi-annual basis with a summary of audits undertaken, opinion levels, good practice identified, issues identified and actions taken since the audit was completed. In addition to this they also provide the Audit

Committee with details of evidence checking undertaken by them to ensure that recommendations stated by management as implemented have actually been undertaken. Internal Audit also has responsibility for investigating possible irregularities. The aim is to give assurance to management and Members that certain processes operate in an efficient and effective manner and ensure the integrity of transactions.

- **Financial Statements Publication** - Annual Financial Statements are compiled, published to timetable and included on the Council's website. This includes the External Auditors audit report on the Council's financial statements and arrangements for securing Value for Money.
- **Performance Management Framework** - Our corporate performance management arrangements include the corporate plan, service statements and a high-level performance framework. The Council uses three corporate scorecards which keep sight of activities that are important in terms of customer care and corporate standards; statutory and regulatory measures; and focused improvement areas. Measures held in the corporate performance system are updated as soon as new data is available and the corporate scorecards are automatically updated to reflect the new data. This information is available to the public via the Council's website.
- **Transformation Board** – The Transformation Board is responsible for agreeing, overseeing and leading on the delivery of the Council's Transformation Programme. Programme and project benefits are clearly defined and agreed by the board and progress and performance are reported and analysed monthly at meetings with key decisions being made to ensure the delivery of the programme.
- **Information Governance (FOI, EIR, SAR, Data Protection, GDPR and Supporting Policies)** – The Council holds a huge amount of information, including sensitive personal data. This data needs to be handled in a discreet manner in order to protect people's identities, reputations and privacy, as well as keeping within legal requirements. There are many regulations that define how information and data need to be handled and protected including: The Data Protection Act 1998 (DPA) and GDPR and The Freedom of Information Act 2000. The Council has an appointed Information Governance Officer and ensures that it conforms to all legal and statutory requirements, holds all information securely, holds all personal information confidentially, obtains information fairly and lawfully, records information accurately and reliably, uses information effectively and ethically, shares information appropriately and lawfully, makes available non-confidential information wherever possible to the public via the Council's website (Open Data) and reviews and disposes of information and records no longer required securely.
- **Cabinet, Overview and Scrutiny Committee** - Key decisions of services are considered by the Council's Cabinet as required, and as such are subject to pre-scrutiny by the relevant Overview and Scrutiny Committee. Delegated decision reports are prepared for all significant decisions.

- **Annual Equality Information Report and Equality Impact Assessment Procedure** - The current equality information report shows what the Council believes are the key equality issues, what we have in place already, and what else is required. The report gives a summary of the main issues and the appendices provide more detail. Equality Impact Assessments are carried out for budget savings proposals and changes to Council services.
- ☐ **Northumberland County Council Website** - The Council has a vital role in communicating and interacting with Northumberland residents and visitors. As well as holding a significant amount of information including service specific webpages, residents can access services and report a problem through the Council 'Top Tasks' feature. Webpages are updated on a regular basis and include key information on school closures, highways activities and bin collections. Committee agendas, reports and minutes are published on the Council's website.
- **Anti-fraud and corruption policies** - Northumberland County Council has a dedicated corporate fraud team, who investigate fraud and irregularity allegations. As well as a dedicated web page the Council has a number of supporting policies including the Anti Money Laundering Policy, Bribery and Corruption Policy and Counter Fraud Policy. The Council complies with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA 2014). The Council participates in the National Fraud Initiative data matching exercise to assist in the prevention and detection of fraud.

MONITORING AND REVIEW

Section 6-Annual Governance Statement

Each year the Council is required to publish a Governance Statement. The **Annual Governance Statement** [\(INSERT LINK\)](#) provides an overall assessment of the Council's corporate governance arrangements and an appraisal of the key controls in place to manage the Council's principal governance risks, together with proposed improvements that will be made. This governance review process helps inform any amendments required to this Code of Corporate Governance.

The Annual Governance Statement will be published as part of the Council's Annual Statement of Accounts and will be reviewed by our External Auditors as part of their annual audit process.

The **Council** as a whole is responsible for agreeing the Constitution, which underpins the Council's governance arrangements. Through appropriate appointments to its committees, the Council can ensure that governance is in place throughout the organisation, and is operating effectively.

Our **Audit Committee** is a key component of Northumberland County Council's corporate governance arrangements. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of our Audit Committee is to provide independent assurance to those charged with governance of the adequacy of the risk management framework and the internal control environment.

It provides independent review of Northumberland County Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

The Audit Committee's responsibilities with regards to governance, risk and control are:

- a) To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
- b) To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances,

taking into account internal audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.

- c) To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- d) To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
- e) To monitor the effective development and operation of risk management in the Council.
- f) To monitor progress in addressing risk-related issues reported to the Committee.
- g) To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- h) To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
- i) To monitor the counter-fraud strategy, actions and resources.

The Council also has four **Overview and Scrutiny Committees** who support the work of the cabinet and the council as a whole. They allow citizens to have a greater say in council matters by holding inquiries into matters of local concern.

Overview and scrutiny committees also monitor the decisions of the Cabinet. The scrutiny process allows for a decision made by the cabinet, but not yet implemented, to be 'called in'. This enables them to consider whether the decision is appropriate. Members may recommend the cabinet reconsider the decision. They may also be consulted by the Cabinet or the Council on forthcoming decisions and the development of policy.

Overview and scrutiny committees must report annually to the council on their workings and make recommendations for future work programmes and amended working methods if appropriate.

The **Standards Committee** has responsibility for ensuring adherence to the Code of Conduct for Members, in line with the Localism Act 2011, by:

- a) Promoting and maintaining high standards of conduct by Members, town and parish Members, co-opted Members and church and parent governor representatives.
- b) Assisting the Members, town and parish councillors, co-opted Members and church and parent governor representatives to observe the Members Code of Conduct.

- c) Advising the Council on the adoption or revision of the Members Code of Conduct.
- d) Monitoring the operation of the Members Code of Conduct.
- e) Advising, training or arranging to train Members, town and parish Members, co-opted Members and church and parent governor representatives on matters relating to the Members Code of Conduct.
- f) Granting dispensations to Members, town and parish councillors, co-opted Members, church and parent governor representatives from requirements relating to Disclosable Pecuniary Interests set out in the Members Code of Conduct.
- g) Assessing and reviewing complaints about Members and conducting determinations' hearings.
- h) Granting exemptions for politically restricted posts.

The Council's **Internal Audit** Service plays a key role in the assessment of the control environment, and will make suggestions for improvement where necessary. The Service operates in accordance with the Accounts and Audit Regulations 2015, the Public Sector Internal Audit Standards (2017) and the related Local Government Application Note (2019).

Following wide consultation with stakeholders and assessment of risk, a Strategic Audit Plan is presented annually to the Audit Committee to consider and review the planned work and proposed coverage of Internal Audit.

Preparation of a Strategic Audit Plan ensures that Internal Audit resources are deployed in areas that will provide optimum benefit and value to the Authority. This is key to Internal Audit achieving its objectives as an independent assurance function for the Authority and to provide an independent and objective opinion on the adequacy and effectiveness of the framework of governance, risk management and control.

The **Head of Internal Audit** is required to provide an independent opinion on the overall adequacy of and effectiveness of the Council's governance, risk and control framework and therefore the extent to which the Council can rely on it.

The Council's **Monitoring Officer** has responsibility for ensuring that the Council acts within its legal powers at all times. The Monitoring Officer has responsibility for promoting and maintaining high standards of conduct and reporting any actual or potential breaches of the law or administration to the full Council and/or to the Policy Board as set out in Section 5 (1) of the Local Government and Housing Act 1989.

The Council's **Section 151 Officer** is responsible for ensuring the proper administration of the Council's financial affairs, and has a duty to report formally any adverse matters, a requirement which is set out in the Constitution.

The **Head of Paid Service** is responsible for the corporate and overall strategic management of the Council's staff in accordance with Section 4 of the Local Government and Housing Act 1989.

The **External Auditors** review and report on the Council's financial statements, providing an opinion on the accounts and use of resources, concluding on the arrangements in place for securing economy, efficiency and effectiveness in the use of resources (the value for money conclusion). External Audit also review the Annual Governance Statement to assess if it accurately reflects their understanding of the Council.

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Section 7- Monitoring Officer Protocol

General Introduction to Statutory Responsibilities

The Monitoring Officer is a statutory appointment under Section 5 of the Local Government and Housing Act 1989. This Protocol provides some general information on how those statutory requirements will be discharged at Northumberland County Council.

The current responsibilities of the Monitoring Officer role rest with the Director of Law and Governance who undertakes to discharge their statutory responsibilities with a positive determination and in a manner that enhances the overall reputation of the Council. In doing so, they will also safeguard, so far as is possible, Members and Officers whilst acting in their official capacities, from legal difficulties and/or criminal sanctions.

The main functions of the Monitoring Officer at Northumberland County Council are:

- 1) To report to the Council and to the Cabinet in any case where they are of the opinion that any proposal or decision of the authority has given rise to or is likely to or would give rise to any illegality, maladministration or breach of statutory code under Sections 5 and 5A of the Local Government and Housing Act 1989; (LGHA 89)
- 2) To investigate any matter, which they have reason to believe may constitute, or where they have received an allegation that a matter may constitute, a reportable incident under Sections 5 and 5A of the LGHA 89;
- 3) To act as the principal adviser to the authority's Standards Committee;
- 4) To maintain the register of Members interests;
- 5) To act as the Proper Officer for the preparation, publication and retention of records of decisions taken by or on behalf of the Council and the Cabinet;
- 6) To have responsibility for responding to complaints to the Local Government Ombudsman
- 7) To undertake, with others, investigations in accordance with the Council's Whistleblowing procedures
- 8) To act as Proper Officer for the Data Protection Act 1998 and the Freedom of Information Act 2000

In general terms, the Monitoring Officer's ability to discharge these duties and responsibilities will depend, to a large extent, on Members and Officers:

- 1) complying with the law (including any relevant Codes of Conduct);
- 2) complying with any General Guidance issued, from time to time, by the Standards Committee and the Monitoring Officer;
- 3) making lawful and proportionate decisions; and
- 4) complying with the Council's Constitution and standing orders
- 5) generally, not taking action that would bring the Council, their offices or professions into disrepute
- 6) communicating effectively with the Monitoring Officer and seeking advice on any issues relating to constitutional or ethical matters.

The main statutory references for the Monitoring Officer's functions are set out in Appendix 1.

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Working arrangements

It is important that Members and Officers work together to promote the corporate health of the Council. The Monitoring Officer plays a key role in this and it is vital therefore, that Members and Officers work with the Monitoring Officer (and the staff) to enable the Monitoring Officer to discharge their statutory responsibilities and *other duties*.

The following arrangements and understandings between the Monitoring Officer, Members and Chief Officers are designed to ensure the effective discharge of the Council's business and functions. The Monitoring Officer will:

- 1) be alerted by Members and Officers to any issue(s) that may become of concern to the Council, including, in particular issues around legal powers to do something or not, ethical standards, probity, propriety, procedural or other constitutional issues that are likely to (or do) arise;
- 2) have advance notice (including receiving agendas, minutes, reports and related papers) of all relevant meetings of the Council at which a binding decision of the Council may be made (including a failure to take a decision where one should have been taken) at or before the Council, Cabinet, Committee meetings and/or Strategic Directorate (or equivalent arrangements);
- 3) have the right to attend any meeting of the Council (including the right to be heard) before any binding decision is taken by the Council (including a failure to take a decision where one should have been taken) at or before the Council, Cabinet, Committee meetings and/or Group (or equivalent arrangements);
- 4) in carrying out any investigation(s) have unqualified access to any information held by the Council and to any Member or officer who can assist in the discharge of their functions;
- 5) ensure the other statutory officers (Head of Paid Service and the Section 151 Officer or their deputy) are kept up-to-date with relevant information regarding any legal, ethical standards, probity, propriety, procedural or other constitutional issues that are likely to (or do) arise;
- 6) meet regularly with the Head of Paid Service and the Section 151 Officer or their deputy to consider and recommend action in connection with Corporate Governance issues and other matters of concern regarding any legal, ethical standards, probity, propriety, procedural or other constitutional issues that are likely to (or do) arise;
- 7) report to the Council, from time to time, on the Constitution and any necessary or desirable changes following consultation, in particular, with the Leader of the Council, the Head of Paid Service and Section 151 Officer or their deputy;
- 8) in accordance with statutory requirements, make a report to the Council, as necessary on the staff, accommodation and resources s/he requires to discharge their statutory functions;

- 9)** have an appropriate relationship with the Leader, Deputy Leader and the Chair of the Council, Standards Committee and Scrutiny Committees with a view to ensuring the effective and efficient discharge of Council business;
- 10)** develop effective working liaison and relationship with the External Auditor and the Local Government Ombudsman (including having the authority, on behalf of the Council, to complain to them, refer any breaches to them or give and receive any relevant information, whether confidential or otherwise, through appropriate protocols, if necessary) and settle any compensation payments for alleged or actual maladministration found against the Council in consultation with the Head of Paid Service and the appropriate Head of Service;
- 11)** maintain and keep up-to-date relevant statutory registers for the declaration of Members interests, gifts and hospitality;
- 12)** give informal advice and undertake relevant enquiries into allegations of misconduct regarding Members;
- 13)** in consultation, as necessary, with the Leader of the Council, Cabinet, and the Standards Committee, defer the making of a formal report under Section 5 Local Government and Housing Act 1989 where another investigative body is involved;
- 14)** undertake all statutory Monitoring Officer functions in respect of any Parish or Town Council, and make arrangements to ensure effective communication between their office and the Clerk to those Councils within Northumberland on Monitoring Officer and Standards Committee issues;
- 15)** subject to the approval of the Standards Committee, be responsible for preparing any training programme for Members on ethical standards and Code of Conduct issues;
- 16)** advise on all applications from Council employees (or prospective employees) for exemption from political restriction in respect of their posts, and where appropriate sign the certificate of opinion required by the independent adjudicator;
- 17)** appoint a deputy and keep them briefed on any relevant issues that they may be required to deal with in the absence of the Monitoring Officer. The Deputy will only act in the absence of the Monitoring Officer if urgent action is required which cannot await the return of the Monitoring Officer.

To ensure the effective and efficient discharge of the arrangements set out in paragraph 5 above, Members and Officers will report any breaches of statutory duty or Council policies or procedures and other vices or constitutional concerns to the Monitoring Officer, as soon as practicable.

The Monitoring Officer will seek to resolve potential reportable incidents by avoiding the illegality etc., or by identifying alternative and legitimate means of achieving the objective of the proposal.

Where the Monitoring Officer receives a complaint of a potential reportable incident, they shall in appropriate cases seek to resolve the matter amicably, by securing that any illegality, failure of process or breach of code is rectified, that the complainant is informed

of the rectification, with or without a compensation payment and/or apology. However, it is recognised that the Monitoring Officer may determine that the matter is of such importance that a statutory report is the only appropriate response.

In appropriate cases, the Monitoring Officer may rely upon existing processes within the authority (such as internal appeals procedures or insurance arrangements) to resolve any potential reportable incident, but may intervene in such processes to identify that the particular matter is a potential reportable incident and to ensure the satisfactory resolution of the issue.

In appropriate cases, and to secure the rapid resolution of a potential reportable incident or avoid a separate statutory report, the Monitoring Officer shall be entitled to add their written advice to the report of any other officer of the authority.

Notwithstanding the above, the Monitoring Officer retains the right in all cases to make a statutory report where, after consultation with the Head of Paid Service and the Section 151 Officer or their deputy, they are of the opinion that this is necessary in order to respond properly to a reportable incident. In addition, in appropriate cases, the Monitoring Officer may refer matters to the Police for investigation.

The Monitoring Officer is available for Members and Officers to consult on any issues of the Council's legal powers, possible maladministration, impropriety and probity issues, or general advice on the constitutional arrangements (e.g. Standing Orders, policy framework, terms of reference, scheme of delegations etc).

To ensure the effective and efficient discharge of this Protocol, the Section 151 Officer or their deputy will ensure adequate insurance and indemnity arrangements are in place to protect and safeguard the interests of the Council and the proper discharge of the Monitoring Officer role.

Appendix 1 Monitoring Officer Protocol

Summary of Main Monitoring Officer Functions

Description	Source
1. Report on contraventions or likely contraventions of any enactment or rule of law	Section 5 Local Government and Housing Act 1989
2. Report on any maladministration or injustice where Ombudsman has carried out an investigation	Section 5 Local Government and Housing Act 1989
3. Appointment of Deputy	Section 5 Local Government and Housing Act 1989
4. Report on resources	Section 5 Local Government and Housing Act 1989
5. Receive copies of whistleblowing and allegations of misconduct	Code of Conduct for Members and Co-opted Members of Northumberland County Council
6. Investigate alleged Member misconduct in compliance with arrangements adopted by the Council	Localism Act 2011, Chapter 7, section 28
7. Establish and maintain registers of Members interests and gifts and hospitality	Localism Act 2011, Chapter 7 section 29 and Code of Conduct for Members and Co-opted Members of Northumberland County Council
8. Advice to Members on interpretation of Code	Code of Conduct for Members and Co-opted Members and regulations
9. Key role in promoting and maintaining high standards of conduct through support to the Standards Committee	Localism Act 2011, Chapter 7 and government guidance
10. Ethical framework functions in relation to Parish and Town Councils	Localism Act 2011, Chapter 7
11. Compensation for maladministration	Section 92 LGA 2000

Description	Source
12. Advice on vires issues, maladministration, financial impropriety, probity and policy framework and budget issues to all Members	

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Part 8

Relationships with partners

This Part explains how the Council engages with other bodies directly relevant to its work.

Contents

Sections

1. Introduction	
2. Framework for governance of local authority controlled or influenced companies	
3. Compact with the community, voluntary and faith sector(s)	

Introduction

The Council has relationships with many other public, private and third sector bodies within the boundaries of the County and beyond it.

The Council holds a “general power of competence”, which brings with it the right to enter into arrangements, agreements or partnerships with other organisations to further its work.

The way that the Council works with its partners will always reflect its priorities in supporting and representing the needs of the people of Northumberland.

The nature of the relationship between the council and its partners will reflect local needs, and will look different in every case. For example:

- Relationships with statutory partners like the NHS. This may involve the joint setting of priorities in key service areas and some budget sharing for service provision, for example;
- Funding of third sector / voluntary organisations. The Council may have service level agreements or grant funding relationships with bodies who do work in the local community (some of which may be local charities);
- Contracts for the provision of certain “outsourced” services;
- Relationships with companies or other commercial ventures where the Council holds ownership or a similar interest.

Some of these bodies are described as “outside bodies” to whom the Council nominates an individual to sit on a Board or other governing body.

Where the Council has a formal role in the governance of partners or other outside bodies, it will:

- Ensure that it is clear what the Council (and councillors’, and officers’) roles

are in respect of partner bodies – especially if a representative of the Council has a position on the governing body of such an organisation, and where conflicts of interest may arise;

- Ensure that governance arrangements meet the needs and expectations of the Council through transparent, regular reporting to formal council bodies (such as Audit) on important, relevant activities;
- Ensure, specifically, that financial exposure to partners’ activities is understood and managed appropriately;
- Ensure that risks around partnership working are properly recorded and treated in the authority’s corporate risk register, paying particular regard to necessary action where the needs and objectives of the Council and one or more of its partners may diverge;
- Manage any contractual arrangements appropriately and in so doing recognise and proactively deal with conflicts of interest, or potential conflicts of interest.

These requirements are not exhaustive, and should be read in the conjunction with Part 6 on Governance and Culture, particularly in respect of the Council’s commitments to its values and behaviours framework and the importance of the Nolan Principles.

Some principal accountabilities and relationships are as follows:

Body	Relationship / function
Advance Northumberland	Advance is a company wholly-owned by the Council which is focused on regeneration in Northumberland. More information can be found in the section below on company governance.
International	The Council operates a consultancy that provides services to a number of external organisations. More information can be found in the section below on company governance.
Combined Authorities	<p>The Council is a constituent member of the North of Tyne Combined Authority. Until 2018, the Council was a constituent member of the North East Combined Authority.</p> <p>From 2024 the Council will be a constituent member of the North East Mayoral Combined Authority, which will take the place of both previously-existing CAs and involve the election of a directly-elected “metro mayor”.</p> <p>CAs hold responsibility for strategic planning functions, for strategic transport planning (and some operational transport functions) and for the delivery of key actions agreed with Government as part of a “devolution deal”.</p>

<p>Cumbria and Northumberland Integrated Care System (incorporating ICB and ICP)</p>	<p>Placed on a statutory footing by the Health and Care Act 2022, Integrated Care Systems are responsible for the co-ordination and commissioning of health and care services across Northumberland, and some neighbouring areas. The ICS has replaced Clinical Commissioning Groups (CCGs) in leading on the commissioning of local NHS services.</p> <p>The Council is represented on the Integrated Care Partnership, which is a body designed to bring a wider range of voices and perspectives into the way that NHS services are designed and commissioned.</p>
<p>Other health and care bodies</p>	<p>There may be commissioned care providers, and providers of specialist (for example, tertiary) support and care services to local people. Some of these providers may be based, and may provide their services, outside of the County, but residents of the County may still use them.</p> <p>There is also a local Healthwatch body for the area which acts to support and advocate for the interests of local users of health and care services.</p>
<p>Northumbria Police</p>	<p>The police service locally operates under the oversight of a Police and Crime Commissioner, who holds to account a Chief Constable, who has responsibility for operational policing. The PCC is themselves held to account by a Police and Crime Panel, consisting of local councillors.</p> <p>The Council has a role, alongside a range of other partners, on the Community Safety Partnership.</p>
<p>Parish and town councils</p>	<p>Sometimes called “first tier” or “community” councils, parishes and town councils have a vital role in supporting local people at the most local level.</p> <p>Parish and town councils have a role in the organisation of local events, some community safety activities, and some environmental services.</p> <p>They are democratic institutions and have a range of powers, some of which may have been conferred by the Crown through Charter.</p>

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Part 8
Section 2

Council Interests in Local Authority Controlled or Influenced Companies

1. Introduction

1. It is understood that any company wholly or part-owned by the County Council will need sufficient freedom to achieve its objectives in order to thrive. The Council also needs to balance this freedom, however, with retaining effective oversight of the company, thereby protecting its investment and ensuring that trading activities are carried out lawfully and in accordance with the authority's ethos and values and continue to support the Council's priorities.
2. The Council must consider how the governance arrangements established to underpin its companies will reflect the principles of good governance and can both align with the expectations for private sector companies, allowing the company the freedom to succeed, and the expectations for a publicly owned entity, such as transparency and reflecting the Council's values and ambitions, in ensuring adequate links are maintained between Council and Company. In this, the Council is guided by best practice guides such as the CIPFA & Solace Framework and the LLG example code of governance for local authority interests in companies.
3. In response, in December 2022, the Cabinet approved a set of principles and expectations in relation to the governance of the Council's interests in companies, including to establish a committee or meeting of the cabinet to act as the shareholder committee.
4. This is the basis of a full code of corporate governance of local authority interests in companies to developed by the Cabinet Shareholder Committee and agreed in due course.
5. In this, it is understood that, within this arrangement, there are four distinct key roles to be considered:
 1. **The executive level decision-maker** – The body or person to make those decisions required of the shareholder of a company as set out in a shareholder, loan or other contractual agreement between the shareholder(s) and the company (known as reserved matters) and when voting at a company's general meeting.

2. **The Controlling Shareholder Representative (CSR)** – NCC has a clear CSR role profile, approved by Cabinet in July 2022, the main purpose of which is to protect the interests of the Council as shareholder and act as a conduit between the Shareholder and the Company.
3. **Overview and Scrutiny Committee** – The role of scrutiny is to consider the actions of the executive, not the company, in how the executive is fulfilling its shareholder function of developing the company or holding it to account.
4. **Audit Committee** – The audit function has a role in respect of combined or other form of accounts presented by a company depending on how the company's accounts may affect those of the Council.

2. COUNCIL-OWNED COMPANY GOVERNANCE FRAMEWORK (Agreed by Cabinet 13th December 2022)

1. The Council has a shareholding as established in one or more companies to further the social and economic policies of the Council. These were established through the agreement of a business case and are run according to one or more shareholder agreements between the Council and the company concerned.
2. Whilst local authority legislation recognises six forms of companies in which local authorities may have an interest⁹, a local authority company generally exists in three forms, which are:
 - a. A local authority trading company, which is established and operates for a commercial purpose (sometimes referred to as a LATCo);
 - b. A local authority company, which is established and operates in a way to comply with the rules for public contracts between entities within the public sector (often referred to as a Teckal company); or
 - c. A company limited by guarantee, not share capital, and is often also established as a community interest company or a charity.
3. What all of these companies have in common, if the Council's shareholding or influence is above a certain level, is that they are known as 'local authority regulated companies' and must abide by a number of legislative requirements if they are to avoid any expenditure in relation to the company being declared as unlawful when audited. These requirements include such matters as payment for any services provided by the Council, access to information, auditors and the company declaring on their website

⁹ Part V Local Government & Housing Act 1989

and in correspondence that they are a local authority regulated company, owned by Northumberland County Council¹⁰. There are additional requirements where the Council's intention is to trade for a commercial purpose, including the content of the business plan for its establishment¹¹. The reasons for this, as set out when the framework for local authority companies was established, as being that when a company is effectively under the control of a local authority, the most significant controls that Parliament has laid down for the conduct of local authorities should apply to that company.

4. It is to be recognised that a local authority regulated company, however, is a separate legal entity. Likewise, its board of directors have an overriding duty to the company and not the Council. The company must be given the freedom to undertake its operations to its advantage and in furtherance of its business plan, whilst acting in the interests of the Council as ultimate shareholder. The Council, therefore, needs to hold the company to account, not to manage its work in detail.
5. This balance is achieved through the Shareholder Agreement. This is an agreement that sets out the relationship between Council and company through which the company has the freedoms to operate, recognising that it is a separate legal entity from the Council, subject to the Council retaining decision making and oversight

through a series of 'reserved matters' which only the Council can decide upon as shareholder. These will normally include the primary decisions for

- ☐ entering or agreeing to vary the shareholder agreement;
- ☐ appointing directors to the board;
- ☐ agreeing the strategic business plan of the company and any variations to it; and
- ☐ decisions of investment and financing, including primary contracts, over a certain set amount.

6. As well as in exercising its shares and vote through the shareholder representative, the Council's Leader and Cabinet are responsible for the decision making in respect of the reserved matters, together with decisions concerning investment and contracts between the Council and the company.
7. It is the intention of this Framework that the Council's responsibility for exercising these company functions will in the future be conducted by a Shareholder Committee (or Shareholder Board) of the Cabinet, which will include both the consideration of reserved matters and also in holding a local authority company to account in respect of its performance against its strategic or business plan, the social or financial returns on investment provided back to the shareholder/investor by the company and any contract it may have with the Council. In doing so, it is recognised that:

- a. A Shareholder Cabinet Committee will act in accordance with Executive Procedure Rules and meet in public except where the business is exempt from

¹⁰ The Local Authorities (Companies) Order 1995

¹¹ Local Government Act 2003, Localism Act 2011 and the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009

the press and public in the opinion of the Council's proper officer and the meeting.

- b.** A Shareholder Cabinet Committee may also meet in an informal setting as a working group (or in a board form) to consider and discuss matters, including those of a confidential commercial nature, and to make recommendations to any formal meeting.
- c.** The Council's Overview and Scrutiny Committee has a role in scrutinising these functions as carried out by the Shareholder Cabinet Committee and wider executive, in respect of which it is noted that a local authority regulated company is under a duty to provide information to allow the Committee to undertake that role.

8. Within this framework, there are a set of expectations that the Council has of its companies. These include that the company:

a. Will:

- (i)** meet the standards set by the UK Corporate Governance Code;
- (ii)** comply with those requirements demanded of it by local government legislation, governance and audit and accounting standards; and
- (iii)** have regard to the Council's Code of Corporate Governance.

b. Have a unified board of between five to ten directors, containing at least 50% of whom, excluding the chair, shall be independent non-executive directors, recommended for appointment through open competition against roles descriptions

c. Have appointed to the Board at least one director who shall be an officer of the Council and, where there are justifiable reasons for appointment, at least one elected Member in respect of whom such appointment shall:

- (i)** only be so long as they are an employee or elected Member respectively;
- (ii)** be remunerated for such services by the Council through their respective normal employment or special responsibility allowance under the Members Allowances Scheme;
- (iii)** have the costs of their services (as with all services by the Council to the company) met by the company in an arrangement for payment to the Council;
- (iv)** have in place suitable safeguards within the Council's governance arrangements for any conflict of interest that arises from their overriding requirement role to act in the best interests of the company; and

- (v) have maintained suitable indemnities and insurances by both the Council and the company
- d. Have in place an arrangement for the provision of company secretarial, human resource, audit or other services to the company by the Council
- e. Ensure that its Business Plan is to be presented annually for Shareholder approval which should cover a three year period and shall address the Shareholder's priorities as set out in the NCC Corporate Plan, NCC Economic Strategy or other plan as notified by the Council as Shareholder.

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Shareholder Cabinet Committee Terms of Reference

(a) Purpose

The Shareholder Cabinet Committee is the executive's decision maker in relation to matters concerning the Council's interests in companies and in the exercise of the executive responsibility for the Council's functions as corporate shareholder in a company or group of companies.

(b) Meetings and Membership

The Shareholder Cabinet Committee shall meet at least twice per year or on such occasions as may be determined by the Leader or proper officer and will consist of Members of the Cabinet, being such Members as may be appointed from time to time by the Leader. For the committee to be considered quorate three Members outlined below must be present. Subject to any conflicts of interest, this shall be in default:

- the Leader (or other Cabinet Member appointed by the Leader for this purpose);
- Cabinet Member with portfolio for finance and resources; and
- Cabinet Member(s) with portfolio for most closely associated with the company or companies concerned with the items of business

(c) Terms of Reference:

The Shareholder Cabinet Committee will exercise responsibility for the Cabinet's functions in respect of:

1. The Council's approach to membership of a company or companies, including
 - a. evaluation of potential new opportunities to deliver social and financial returns on investment through company holdings;
 - b. approval of comprehensive statements (business cases) to establish a new company, company membership or joint venture;
 - c. sale or liquidation of Council interests in companies;
 - d. the adoption of investment or contractual strategies in relation to council held company memberships;
 - e. the provision or requirement of services to or by a company; and
 - f. the governance framework and over-arching approach to company memberships.
2. Decisions concerning the evaluation, monitoring or acting upon:
 - a. the financial and social returns on investment (be that shareholding, loans or direct investment); and

- b.** risks and opportunities arising from any shareholding in a company or companies, including contracts or financial investments in respect of such companies.

- 3.** Decisions concerning the performance of a company in relation to its Business Plan and, in particular, the company's performance:
 - a.** in financial matters
 - b.** against the social goals of the company as set out in the company's Objects, Business Case or Business Plan; and

 - c.** against the values of the Council.

- 4.** All decisions reserved to the Council for shareholder approval, such as (but not limited to):
 - a.** Varying Articles of Association
 - b.** Varying ownership and structure
 - c.** Variations to shares (number of, rights, etc.)
 - d.** Entering contracts that:
 - (i)** have a material effect on Council business (including other companies within the group)
 - (ii)** are outside of the business plan or do not relate to the business
 - (iii)** significant in relation to the size of the business, the business plan, etc.

 - e.** Material legal proceedings outside of ordinary business
 - f.** Adopting and amending business plans each year and strategic plans (3 years)
 - g.** Appointment, removal and the remuneration of directors (Members of the company board)

 - h.** Selection of the chair of the board

 - i.** Appointment of auditors

 - j.** Issue of dividends as more particularly set out in a company's Articles of Association or Shareholder Agreement.

5. Other matters as may be referred to the Cabinet Committee for consideration by the CSR, s.151 officer, monitoring officer or chief executive

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Part 9

Procedure Rules (Standing Orders)

This Part sets out the rules that the Council will follow when making decisions.

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5. Overview & Scrutiny Procedure Rules	
6. Employment Procedure Rules	

Part 9 Section 1

Council Procedure Rules

2 Annual Meeting of the Council

2.1 Timing and business

In a year when there is an ordinary election of Members, the annual meeting will take place within 21 days of the retirement of the outgoing Members. In any other year, the annual meeting will take place in March, April or May.

The annual meeting will:

- (i) elect a person to preside if the Chair of Council is not present;
- (ii) elect the Chair of the Council;
- (iii) appoint the Deputy-Chair of the Council;
- (iv) approve the minutes of the last meeting;
- (v) receive any announcements from the Chair and/or head of the paid service;
- (vi) elect the Leader (in the event of there being a vacancy or when the meeting is taking place in the year of whole Council elections);
- (vii) be notified by the Leader of the number of Members to be appointed to the Cabinet, those Members names and their intended portfolio of responsibilities;
- (viii) appoint a licensing committee (to be established under the Licensing Act 2003), a Health and Wellbeing Board (to be established under the Health and Social Care Act 2012), at least one overview and scrutiny committee and such other committees as the Council considers appropriate to deal with matters which are neither reserved to the Council nor are executive functions (as set out in (to insert hyperlinks and remove reference to 'Part X' of this Constitution);
- (ix) receive amendments to the Leader's scheme of delegation of executive functions (to be set out at (to insert hyperlinks and remove reference to 'Part X' of this Constitution);
- (x) agree the scheme of delegation or such part of it as the Constitution determines it is for the Council to agree (to be set out in (to insert hyperlinks and remove reference to 'Part X' of this Constitution);
- (xi) approve a programme of ordinary meetings of the Council for the year; and
- (xii) consider any business set out in the summons and notice convening the meeting.

2.2 Selection of Members on Committees and Outside Bodies

At the annual meeting, the council meeting will:

- (i) decide which committees to establish for the municipal year;
- (ii) decide the size and terms of reference for those committees;

- (iii) decide the allocation of seats (and substitutes) to political groups for appointment in accordance with the political balance rules;
- (iv) receive nominations of Members to serve on each other committee and outside body; and
- (v) appoint to those committees and outside bodies except where appointment to those bodies has been delegated by the Council or is exercisable only by the executive;
- (vi) appoint the chair and vice-chair of each committee, other than those which are to be appointed by another body or which the Council has determined should be appointed by the committee itself.

3 Ordinary Meetings

Ordinary meetings of the Council will take place in accordance with a programme decided at the Council's annual meeting. Ordinary meetings will:

- (i) elect a person to preside if the Chair and vice Chair are not present;
- (ii) approve the minutes of the last meeting;
- (iii) receive any declarations of interest from Members;
- (iv) receive any announcements from the Chair, Leader, Members of the Cabinet, a chair of an overview and scrutiny committee or the Head of Paid Service (normally these should be limited to no more than three minutes);
- (v) receive questions provided on notice from, and provide answers to, the public in accordance with Standing Order 10;
- (vi) consider petitions in accordance with the Council's petition scheme in accordance with Standing Order 11;
- (vii) receive questions from, and provide answers to, Members of the Council in accordance with Standing Order 12;
- (viii) deal with any business from the last Council meeting;
- (ix) receive reports from the Cabinet, Cabinet Members (portfolio holders) and the Council's committees and receive questions and answers on any of those reports;
- (x) receive reports about and receive questions and answers on the business of joint arrangements and external organisations;
- (xi) consider motions received from Members in accordance with Standing Order 13; and
- (xii) consider any other business specified in the summons to the meeting, including consideration of proposals from the Cabinet in relation to the Council's budget and policy framework and reports of the overview and scrutiny committees for debate.

4 Extraordinary Meetings

4.1 Calling extraordinary meetings

Those listed below may request the monitoring officer to call Council meetings in addition to ordinary meetings:

- (i) the Council by resolution;
- (ii) the Chair of the Council;
- (iii) the monitoring officer or the head of paid service or chief finance (s.151) officer in exercise of their statutory powers; and
- (iv) any five Members of the Council if they have signed a requisition presented to the Chair of the Council and they have refused to call a meeting or has failed to call a meeting within seven days of the presentation of the requisition.

4.2 Business

The business to be conducted at an extraordinary meeting shall be restricted to the item of business contained in the request for the extraordinary meeting and there shall be no consideration of previous minutes or reports from committees etc. except that the Chair may at their absolute discretion permit other items of business to be conducted for the efficient discharge of the Council's business.

5 Appointment of Substitute Members of Committees and Sub-committees

5.1 Allocation

As well as allocating seats on committees and sub-committees, the Council will allocate seats in the same manner for substitute Members.

5.2 Number

For each committee or sub-committee, the Council will appoint the same number of substitutes in respect of each political group as that group holds ordinary seats on that committee or sub-committee, up to a maximum of 50% (as may be rounded up to the nearest whole person).

5.3 Powers and duties

Substitute Members will have all the powers and duties of any ordinary Member of the committee but will not be able to exercise any special powers or duties exercisable by the Member for whom they are substituting.

5.4 Substitution

Substitute Members may attend meetings in that capacity only:

- (i) to take the place of the ordinary Member for whom they are the designated substitute;
- (ii) where the ordinary Member will be absent for the whole of the meeting; and

- (iii) after notifying the monitoring officer by **4 p.m. on the day before** the meeting of the intended substitution.

5.5 Time and Place of Meetings

The time and place of meetings will be determined by the monitoring officer and notified in the summons.

5.5.1 Notice of and Summons to Meetings

- (a) The monitoring officer will give notice to the public of the time and place of any meeting in accordance with the Access to Information Rules. At least five clear days before a meeting, the monitoring officer will send a summons signed by them by electronic means, where the Member has so consented, or by leaving it at or sending it by post to the Members usual place of residence or to a different address where the Member has specified that different address.
- (b) The summons will give the date, time and place of each meeting and specify the business to be transacted (the agenda), and will be accompanied by such reports as are available.
- (c) The order of business to be taken at the meeting as set out in the agenda may be changed by the meeting or at the discretion of the Chair.

5.5.2 Chair of Meeting

The person presiding at the meeting may exercise any power or duty of the Chair. Where these rules apply to committee and sub-committee meetings, references to the Chair also include the Chair of committees and sub-committees.

5.5.3 Quorum

The quorum of a meeting will be one quarter of the whole number of Members. During any meeting if the Chair counts the number of Members present and declares there is not a quorum present, then the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed by the Chair. If they do not fix a date, the remaining business will be considered at the next ordinary meeting.

5.5.4 Duration of Meeting

Unless the majority of Members present vote for the meeting to continue, any meeting that has lasted for three hours will adjourn immediately. Remaining business will be considered at a time and date fixed by the Chair. If they do not fix a date, the remaining business will be considered at the next ordinary meeting.

5.5.5 Questions by the Public

(a) General

Members of the public may ask questions of the Cabinet at ordinary meetings of the Council.

The total time allocated for Questions by the Public shall be limited to **ten** minutes

(b) Order of questions

Questions will be asked in the order notice of them was received, except that the Chair may group together similar questions.

(c) Notice of questions

A question may only be asked if notice has been given by delivering it in writing or by electronic mail to the monitoring officer no later than midday **five** working days before the day of the meeting. Each question must give the name and address of the questioner and must name the Members of the Council to whom it is to be put. A question may be edited by the monitoring officer as they consider necessary, in consultation with the Chair, to bring the question into proper form and to ensure brevity.

(d) Number of questions

At any one meeting no person may submit more than **one** question and no more than **two** such questions may be asked on behalf of one organisation.

(e) Scope of questions

- ☐ The monitoring officer may reject a question if it:
- ☐ is not about a matter for which the local authority has a responsibility or which affects the Council's area;
- ☐ is illegal, improper, defamatory, frivolous or offensive;
- ☐ is substantially the same as a question which has been put at a meeting of the Council in the past six months; or
- ☐ requires the disclosure of confidential or exempt information.

(f) Record of questions

The monitoring officer will enter each question in a book open to public inspection and will immediately send a copy of the question to the Member to whom it is to be put. Rejected questions will include reasons for rejection.

Copies of all questions will be circulated to all Members and will be made available to the public attending the meeting.

(g) Asking the question at the meeting

The Chair will invite the questioner to put the question to the Member named in the notice. **Two** minutes are allowed for putting the question. If a questioner who has submitted a written question is unable to be present, they may ask the Chair to put the question on their behalf. The Chair may ask the question on the questioner's behalf, indicate that a written reply will be given or decide, in the absence of the questioner, that the question will not be dealt with.

(h) Supplemental question

A questioner who has put a question in person may also put one supplementary question without notice to the Member who has replied to his or her original question. A supplementary question must arise directly out of the original question or the reply. The Chair may reject a supplementary question on any of the grounds in Rule 10.5 above. **One** minute is allowed for putting the supplementary question.

(i) Answers

Every question shall be put and answered without discussion, but the person to whom the question has been put may decline to answer. An answer may take the form of:

- a. a direct oral answer, for which **five** minutes are allowed for answering a question and **two** minutes are allowed for answering a supplementary question;
- b. where the information requested is contained in a publication of the Council, a reference to that publication; or
- c. a written answer to be provided later to the questioner, where the reply cannot conveniently be given orally or that there has been insufficient time available to receive the question, in which circumstance the Member questioned will arrange for the written response to be provided to the questioner and circulated to all Members.
- d. Any question which cannot be dealt with during public question time, either because of lack of time or because of the non-attendance of the Member to whom it was to be put, will be dealt with by a written answer.

(j) Reference of question to Cabinet or a committee

Unless the Chair decides otherwise, no discussion will take place on any question, but any Member may move that a matter raised by a question

be referred to the Cabinet or the appropriate committee or sub-committee. Once seconded, such a motion will be voted on without discussion.

5.5.6 Petitions

Petitions may be presented to the Council if provided to the monitoring officer no later than ten working days before the meeting, at the discretion of the Chair. The person presenting the petition will be allowed to address the meeting briefly (not exceeding one minute) to outline the aims of the petition. The Chair will refer the matter to another appropriate body of the Council within whose terms of reference it falls without discussion and in accordance with the Council's petition scheme, detailed, unless a relevant item appears elsewhere on the Agenda.

5.5.7 Questions by MEMBERS

(a) On reports of the Cabinet or committees

A Member of the Council may ask the Leader or chair of a committee a question without notice upon an item of the report of the Cabinet or a committee when that item is being received or under consideration by the Council.

(b) Questions on notice at full Council

Subject to Rule 12.4, a Member of the Council may ask:

- ☐ the Chair;
- ☐ a Member of the Cabinet; or
- ☐ the chair of any committee or sub-committee

a question on any matter in relation to which the Council has powers or duties or which affects the area.

The total time allocated for questions on notice by Members shall be limited to twenty minutes.

(c) Questions on notice at committees and sub-committees

Subject to Rule 12.4, a Member of a committee or sub-committee may ask the Chair of it a question on any matter in relation to which the Council has powers or duties or which affect the area and which falls within the terms of reference of that committee or sub-committee.

(d) Notice of questions

A Member may only ask a question under Rule 12.2 or 12.3 if:

- a. they have given notice in writing of the question to the monitoring officer by midday **five** working days before the day of the meeting; or
- b. the question relates to urgent matters, they have the consent of the Chair to whom the question is to be put and the content of the question is given to the monitoring officer by a minimum of **one hour** before the meeting; and
- c. the monitoring officer has not rejected the question for reason that it:
 - ☐ is not about a matter for which the local authority has a responsibility or which affects the Council's area;
 - ☐ is illegal, improper, defamatory, frivolous or offensive;
 - ☐ is substantially the same as a question which has been put at a meeting of the Council in the past six months; or
 - ☐ requires the disclosure of confidential or exempt information.

(e) Response

An answer may take the form of:

- a. a direct oral answer of up to **five** minutes and which response should be brief, succinct and to the point;
- b. where the desired information is in a publication of the Council or other published work, a reference to that publication; or
- c. a written answer to be provided later to the questioner, where the reply cannot conveniently be given orally or that there has been insufficient time available to receive the question, in which circumstance the Member questioned will arrange for the written response to be provided to the questioner. A copy of any written reply will be attached to the minutes of the meeting and a copy published on the internet.

(f) Supplementary question

A Member asking a question under Rule 12.2 or 12.3 may ask one supplementary question, of up to **one** minute, without notice of the Member to whom the first question was asked. The supplemental question must arise directly out of the original question or the reply, and does not introduce any new subject matter.

The supplementary question will be asked and answered orally, but the person to whom the supplementary question has been asked will have up to **two** minutes to answer or may decline to answer.

5.5.8 Motions on Notice

(a) Notice

Except for motions which can be moved without notice under Rule 14, written notice of every motion, signed by a Member or Members, must be delivered to the monitoring officer not later than **noon on the fourteenth day** before the date of the meeting. These will be entered in a book open to public inspection.

(b) Motion set out in agenda

Motions for which notice has been given will be listed on the agenda in the order in which notice was received, unless the Member giving notice states, in writing, that they propose to move it to a later meeting or withdraw it.

(c) Amendments to Motions on Notice

All amendments to motions on notice must be delivered to the monitoring officer in their initial form **by 10.00am three working days** before the date of the meeting and must comply with the requirements of Procedure Rule 15.6.

The Member submitting the amendment must then confirm in writing to the Monitoring Officer by **noon on one** working day before the meeting whether the amendment is to go forward, or notify the monitoring officer of any changes to the amendment. If no withdrawal, confirmation or change is received by the monitoring officer, it will be assumed that the amendment is to be considered in its initial form.

The Chair may allow amendments, or alterations to amendments, without notice where, in their absolute discretion, they consider it to be conducive or otherwise necessary to the good administration of the business of the Council to do so.

(d) Scope

Motions must be about matters for which the Council has a responsibility or which affect the area. Motions should identify how the Council might be able to deliver a particular outcome or use its influence to achieve the same.

- ☐ If the monitoring officer considers a motion or an amendment to a motion:

- ② is not about a matter for which the local authority has a responsibility, or which affects the Council's area;
- ② is illegal, improper, defamatory, frivolous or offensive;
- ② is substantially the same as a question which has been put at a meeting of the Council in the past six months; or
- ② requires the disclosure of confidential or exempt information

they will inform the Chair who will then decide whether or not to reject the motion.

5.5.9 Number of Motions on Agenda

There shall be a maximum of three motions on notice at each meeting, those to be taken, where the number received exceeds the maximum number permitted, to be determined by the order in which they were received unless a Member giving notice of a motion which is to be otherwise taken states, in writing not later than noon on the ninth day before the date of the meeting, that they propose to move it to a later meeting or withdraw it.

5.5.10 Motions Without Notice

The following motions may be moved without notice:

- a. to appoint a chair of the meeting at which the motion is moved;
- b. in relation to the accuracy of the minutes;
- c. to change the order of business in the agenda;
- d. to refer something to an appropriate body or individual;
- e. to appoint a committee or Member arising from an item on the summons for the meeting;
- f. to receive reports or adoption of recommendations of committees or officers and any resolutions following from them;
- g. to withdraw a motion;
- h. to amend a motion;
- i. to proceed to the next business;
- j. that the question be now put;
- k. to adjourn a debate;
- l. to adjourn a meeting;

- m. that the meeting continue beyond three hours in duration
- n. to suspend a particular council procedure rule;
- o. to exclude the public and press in accordance with the Access to Information Rules;
- p. to not hear further a Member named under Rule 21.3 or to exclude them from the meeting under Rule 22.4; and
- q. to give the consent of the Council where its consent is required by this Constitution.

5.5.11 Rules of Debate

(a) No speeches until motion seconded

No speeches may be made after the mover has moved a proposal and explained the purpose of it until the motion has been seconded.

(b) Right to require motion in writing

Unless notice of the motion has already been given, the Chair may require it to be written down and handed to them before it is discussed.

(c) Secunder's speech

When seconding a motion or amendment, a Member may reserve their speech until later in the debate.

(d) Content and length of speeches

Speeches must be directed to the question under discussion or to a personal explanation or point of order. The proposer of a motion may speak for up to **five** minutes. No other speech may exceed **three** minutes without the consent of the Chair. Different speech lengths may be set in respect of a budget decision meeting in which circumstance a speech shall not exceed six minutes.

(e) When a Member may speak again

A Member who has spoken on a motion may not speak again whilst it is the subject of debate, except:

- a. to speak once on an amendment moved by another Member;
- b. to move a further amendment if the motion has been amended since they last spoke;
- c. if their first speech was on an amendment moved by another Member, to speak on the main issue (whether or not the amendment on which he/she spoke was carried);

- d. in exercise of a right of reply;
- e. on a point of order; and
- f. by way of personal explanation.

(f) Amendments to motions

- a. An amendment to a motion must be relevant to the motion and will either be:
 - i. to refer the matter to an appropriate body or individual for consideration or reconsideration;
 - ii. to leave out words;
 - iii. to leave out words and insert or add others; or
 - iv. to insert or add words.as long as the effect of (ii) to (iv) is not to negate the motion.
- b. Only one amendment may be moved and discussed at any one time. No further amendment may be moved until the amendment under discussion has been disposed of. The Chair may, however, permit two or more amendments to be discussed (but not voted upon) together if they consider this would facilitate the good administration of the Council's business.
- c. If an amendment is not carried, other amendments to the original motion may be moved.
- d. If an amendment is carried, the motion as amended takes the place of the original motion. This becomes the substantive motion to which any further amendments are moved.
- e. After an amendment has been carried, the Chair will read out the amended motion before accepting any further amendments, or if there are none, put it to the vote.

(g) Alteration of motion

- a. A Member may alter a motion of which they have given notice with the consent of the meeting. The meeting's consent will be signified without discussion.
- b. A Member may alter a motion which he/she has moved without notice with the consent of both the meeting and the seconder. The meeting's consent will be signified without discussion.
- c. Only alterations which could be made as an amendment may be made.

(h) Withdrawal of motion

A Member may withdraw a motion which he/she has moved with the consent of both the meeting and the seconder. The meeting's consent will be signified without discussion. No Member may speak on the motion after the mover has asked permission to withdraw it unless permission is refused.

(i) Right of reply

The mover of a motion has a right to reply at the end of the debate on the motion, immediately before it is put to the vote.

If an amendment is moved, the mover of the original motion has the right of reply at the close of the debate on the amendment, but may not otherwise speak on it.

The mover of the amendment has no right of reply to the debate on his or her amendment.

(j) Motions which may be moved during debate

When a motion is under debate, no other motion may be moved except the following procedural motions:

- a. to withdraw a motion;
- b. to amend a motion;
- c. to proceed to the next business;
- d. that the question be now put;
- e. to adjourn a debate;
- f. to adjourn a meeting;
- g. that the meeting continue beyond the duration and closure procedure set out at Rule 9 above;
- h. to exclude the public and press in accordance with the Access to Information Rules; and
- i. to not hear further a Member named under Rule 21.3 or to exclude them from the meeting under Rule 21.4.

(k) Closure motions

- a. A Member may move, without comment, the following motions at the end of a speech of another Member:
 - i. to proceed to the next business;

- ii. that the question be now put;
 - iii. to adjourn a debate; or
 - iv. to adjourn a meeting.
- b. If a motion to proceed to next business is seconded and the Chair thinks the item has been sufficiently discussed, they will give the mover of the original motion a right of reply and then put the procedural motion to the vote.
- c. If a motion that the question be now put is seconded and the Chair thinks the item has been sufficiently discussed, they will put the procedural motion to the vote. If it is passed they will give the mover of the original motion a right of reply before putting his/her motion to the vote.
- d. If a motion to adjourn the debate or to adjourn the meeting is seconded and the Chair thinks the item has not been sufficiently discussed and cannot reasonably be so discussed on that occasion, they will put the procedural motion to the vote without giving the mover of the original motion the right of reply.

(l) Point of order

A Member may raise a point of order at any time. The Chair will hear them immediately. A point of order may only relate to an alleged breach of these Council Rules of Procedure or the law. The Member must indicate the rule or law and the way in which he/she considers it has been broken. The ruling of the Chair on the matter will be final.

(m) Personal explanation

A Member may make a personal explanation at any time. A personal explanation may only relate to some material part of an earlier speech by the Member which may appear to have been misunderstood in the present debate. The ruling of the Chair on the admissibility of a personal explanation will be final.

(n) Matters affecting persons employed by the Council

If any question arises at a meeting of the Council as to the appointment, promotion, dismissal, salary, superannuation or conditions of service, or as to the conduct, of any person employed by the Council, that question shall not be discussed until the Council, committee or sub-committee has decided whether or not the power of exclusion of the public under the Access to Information Rules should be exercised.

5.5.12 Previous Decisions and Motions

(a) Motion to rescind a previous decision

A motion or amendment to rescind a decision made at a meeting of Council within the past six months cannot be moved unless the notice of motion is signed by at least **n** Members.

(b) Motion similar to one previously rejected

A motion or amendment in similar terms to one that has been rejected at a meeting of Council in the past six months cannot be moved unless the notice of motion or amendment is signed by at least **nine** Members. Once the motion or amendment is dealt with, no one can propose a similar motion or amendment for six months.

5.5.13 Voting

(a) Majority

Unless this Constitution provides otherwise, any matter will be decided by a simple majority of those Members voting and present in the room at the time the question was put.

(b) Chair's casting vote

If there are equal numbers of votes for and against, the Chair will have a second or casting vote. There will be no restriction on how the Chair chooses to exercise a casting vote.

(c) Show of hands

Unless a ballot or recorded vote is demanded the Chair will take the vote by use of the electronic voting system or, if there is no dissent, by the affirmation of the meeting.

The Chair may decide at any time to discontinue use of the electronic voting system if satisfied that it is not working correctly. If the Chair considers that there has been any malfunction of the equipment or any incorrect use of it, the Chair may require or allow the vote to be retaken, either electronically or by show of hands.

Where the electronic voting system is not working correctly or is otherwise unavailable, the Chair will take the vote by show of hands.

(d) Recorded vote

If **one fifth** of Members present at the meeting demand it, the names for and against the motion or amendment or abstaining from voting will be taken down in writing and entered into the minutes.

(This standing order will apply automatically in respect of a vote taken at a Budget Decision Meeting of the Council in accordance with the Budget and Procedure Rules of this Constitution.)

(e) Right to require individual vote to be recorded

Where any Member requests it immediately after the vote is taken, their vote will be so recorded in the minutes to show whether they voted for or against the motion or abstained from voting.

(f) Voting on appointments

If there are more than two people nominated for any position to be filled and there is not a clear majority of votes in favour of one person, then the name of the person with the least number of votes will be taken off the list and a new vote taken. The process will continue until there is a majority of votes for one person.

This process includes the election to office of the Leader and of the Chair which is by election by Council.

5.5.14 Minutes

(a) Signing the minutes

The Chair will sign the minutes of the proceedings at the next suitable meeting. The Chair will move that the minutes of the previous meeting be signed as a correct record. The only part of the minutes that can be discussed is their accuracy.

(b) No requirement to sign minutes of previous meeting at extraordinary meeting

Where in relation to any meeting, the next meeting for the purpose of signing the minutes is a meeting called under paragraph 3 of schedule 12 to the Local Government Act 1972 (an Extraordinary Meeting), then the next following meeting (being a meeting called otherwise than under that paragraph) will be treated as a suitable meeting for the purposes of paragraph 41(1) and (2) of schedule 12 relating to signing of minutes.

(c) Form of minutes

Minutes will contain all motions and amendments in the exact form and order the Chair put them.

5.5.15 Record of Attendance

All Members present during the whole or part of a meeting must sign their names on the attendance sheets before the conclusion of every meeting to assist with the record of attendance.

Wherever practicable to do so, the minutes shall also record the names of all those officers in attendance during the whole or part of the meeting.

5.5.16 Exclusion of Public

Members of the public and press may only be excluded either in accordance with the Access to Information Rules in Part 4 of this Constitution or Rule 22 (Disturbance by Public).

5.5.17 MEMBERS Conduct

(a) Standing to speak

When a Member speaks at full Council they must stand (where reasonably able to do so) and address the meeting through the Chair. If more than one Member stands, the Chair will ask one to speak and the others must sit. Other Members must remain seated whilst a Member is speaking unless they wish to make a point of order or a point of personal explanation.

(b) Chair standing

When the Chair stands during a debate, any Member speaking at the time must stop and sit down. The meeting must be silent.

(c) Member not to be heard further

If a Member persistently disregards the ruling of the Chair by behaving improperly or offensively or deliberately obstructs business, the Chair may move that the Member be not heard further. If seconded, the motion will be voted on without discussion.

(d) Member to leave the meeting

If the Member continues to behave improperly after such a motion is carried, the Chair may move that either the Member leaves the meeting or that the meeting is adjourned for a specified period. If seconded, the motion will be voted on without discussion.

(e) General disturbance

If there is a general disturbance making orderly business impossible, the Chair may adjourn the meeting for as long as he/she thinks necessary.

5.5.18 Disturbance by Public

(a) Removal of member of the public

If a member of the public interrupts proceedings, the Chair will warn the person concerned. If they continue to interrupt, the Chair will order their removal from the meeting room.

(b) Clearance of part of meeting room

If there is a general disturbance in any part of the meeting room open to the public, the Chair may call for that part to be cleared.

5.5.19 Recording of Meetings

While a meeting of the Council is open to the public, any person present is permitted to report the proceedings, in respect of which:

- a. 'reporting' means:
 - (i) filming, photographing or making an audio recording of the proceedings at the meeting;
 - (ii) using any other means for enabling persons not present to see or hear proceedings at the meeting as it takes place or later; or
 - (iii) reporting or providing commentary on proceedings at the meeting orally (but not whilst present in the meeting) or in writing, so that the report or commentary is available to other persons as the meeting takes place or later and any communication method, including the internet, may be used to publish, post or otherwise share the report;
- b. a person who attends a meeting for the purpose of reporting on the meeting will, so far as practicable, be afforded reasonable facilities for doing so;
- c. where the person reporting or providing the commentary is present at the meeting, oral reporting or oral commentary on the meeting as it takes place is not permitted;
- d. any such reporting so undertaken is without prejudice to the Chair's power of exclusion to suppress or prevent disorderly conduct or other misbehaviour at a meeting, including that the meeting should not be disrupted by, for example, the use of flash photography or intrusive equipment; and
- e. any person recording a meeting will be requested to focus on recording Members, officers and the public who are directly involved in the conduct of the meeting, such that no recording should take place of children, vulnerable persons or other members of the public who actively object to being filmed.

5.5.20 Suspension and Amendment of Council Procedure Rules

(a) Suspension

All of these Council Rules of Procedure, except Rule 17.5 (Right to require individual vote to be recorded), 18.2 (Minutes at an extraordinary meeting) and 23 (Recording of meetings), may be suspended by motion on notice or without notice if at least one half of the whole number of Members of the Council are present. Suspension can only be for the duration of the meeting.

(b) Amendment

Any motion to add to, vary or revoke these Council Rules of Procedure will, when proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Council.

5.5.21 Application to Committees and Sub-committees

All the Council Rules of Procedure apply to meetings of full Council

All the Council Rules of Procedure apply to meetings of committees and sub-committees **except** rules 1-4 (meetings and business of full Council), 10 (questions by the public) and 21 (standing to speak).

A Panel or Sub-Committee may regulate, where necessary, its own procedures to deal with any matter arising in connection with its duties when acting as a tribunal, provided that the procedures remain in accordance with the principles set out at Article 13 of this Constitution. This includes that, subject to any statutory rules or procedures detailed elsewhere in the Constitution, a Panel that is acting as a tribunal is permitted, when all evidence has been submitted and speakers (if any) have finished, to hold discussion in the presence of the speakers and, as appropriate and in compliance with the Access to information Procedure Rules, the public and press, but that the decision making may thereafter be taken in private adjournment. It is expected that decisions will then normally be announced to those present and remaining post-adjournment, at least in summary form, before a decision is issued in writing

Meetings of the Cabinet are subject to separate Executive Procedure Rules as set out in (to insert hyperlinks and remove reference to 'Part X' of this Constitution).

Part 9
Section 2

ACCESS TO INFORMATION PROCEDURE RULES

6 SCOPE

- 6.1 These rules cover all meetings of the Council and its committees, sub-committees, advisory panels, the Cabinet (together called meetings) and (where specified) executive decisions made by Cabinet Members and Key Decisions made by officers.
- 6.2 These rules also cover Members' rights of access to information.

7 ADDITIONAL RIGHTS TO INFORMATION

- 2.1 The public's rights to access information include:
- 7.1.1 The right for a member of the public to access personal information that the Council holds about them, by making a "subject access request";
- 7.1.2 The right to make a request to the Council to provide information under the Freedom of Information Act;
- 7.1.3 The right to access certain papers relating to the Council's formal business, which the Council is obliged to produce and publish.
- 7.2 The difference between "documents" and "information" is that information is contained in documents. In respect of certain matters the Council is obliged to produce information (for example, in response to valid requests under the Freedom of Information Act); in other circumstances the law requires that the Council follow rules around the publication of documents.

Subject access requests

- 7.3 Legislation provides the right of access, commonly referred to as subject access, gives individuals the right to obtain a copy of their personal data, as well as other supplementary information. It helps individuals to understand how and why the Council is using their data, and check it is being done lawfully.
- 7.4 Further information about data protection and subject access requests can be found on the Council's internet pages on [Data protection](#)

Freedom of Information requests

- 7.5 Legislation provides public access to information held by public authorities, including the Council. It does this in two ways:
- 7.5.1 public authorities are obliged to publish certain information about their activities; and

7.5.2 members of the public are entitled to request information from public authorities.

7.6 Information about the Council's policies covering data protection, freedom of information, environmental information regulations and records managements can be found on the Council's internet pages and in particular, there are sections on:

7.6.1 How to make a [Freedom of information](#) request; and

7.6.2 How to make an [Environmental information](#) request

7.7 These rules do not affect any more specific rights to information contained elsewhere in this Constitution or the law.

3. RIGHTS TO ATTEND MEETINGS

3.1 Members of the public may attend all meetings subject only to the exceptions in these rules.

4 NOTICES OF MEETINGS

4.1 The Council will give at least five clear days' notice of any meeting by posting details of the meeting on its website and at the County Hall, Morpeth.

4.2 Members entitled to attend a meeting, will receive a summons giving five clear working days' notice to attend and specifying the business proposed to be transacted at the meeting. Except in the case of business required by law to be transacted at the Annual Meeting of the Council, or other business brought before the meeting as a matter of urgency in accordance with the Constitution, no business shall be transacted at a meeting other than that specified in the summons.

5 PUBLIC ACCESS TO AGENDA AND REPORTS BEFORE A MEETING

5.1 The Council will make copies of the agenda and reports open to the public available for inspection at the County Hall, Morpeth and on its website at least five clear days before the meeting.

5.2 An item may be added to an agenda after it has been published provided that the Chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency (as an urgent item), and the urgency reasons shall be recorded in the minutes.

5.3 Where an urgent item is added to an agenda, copies of the item (or of the revised agenda), and the copies of any report for the meeting relating to the urgent item, shall be sent to Members and made open to inspection and published on the Council's web site from the time the item is added to the agenda

5.4 This rule does not require the publication of exempt or confidential information (as defined in rule 10).

6 SUPPLY OF COPIES OF DOCUMENTS FOR MEETINGS

- 6.1 The Council will supply copies to any person of:
- 6.1.1 any agenda and reports which are open to public inspection;
 - 6.1.2 any further statements or particulars, if any, as are necessary to indicate the nature of the items in the agenda; and
 - 6.1.3 if the Monitoring Officer thinks fit, copies of any other documents supplied to Members in connection with an item.

6.2 Copies of the digital agendas of Cabinet meetings will be circulated to all Members.

6.3 The Council will make available for the use of members of the public present at meetings, a reasonable number of copies of the agenda and of those reports which are open to the public.

7 REPORTING OF MEETINGS BY THE PRESS AND PUBLIC

- 7.1 Any member of the press or public attending a public meeting of the Council may record the proceedings and report them to others. 'Reporting' means filming, photographing, making an audio recording or some other such method of recording proceedings and then reporting or providing a commentary on those proceedings, orally or in writing. A person attending the meeting may use any appropriate communication method, including the Internet, to publish or share the recorded material. This would include the use of social media.
- 7.2 Any person wishing to record a public meeting is not required to give the Council prior notice although they are encouraged to do so in order that reasonable facilities can be provided.
- 7.3 No one is entitled to record or report the proceedings of a meeting if the meeting has moved into private session to consider confidential or exempt business. In such circumstances, the public and press would, as now, be required to leave the meeting and to deactivate and/or remove any recording or communications equipment.
- 7.4 Any person recording or reporting a meeting may not use flash photography or intrusive lighting, or move around the room, or ask any of the participants at the meeting to repeat something they have said. They may not cause excessive noise when installing or moving equipment. They may not give an oral commentary during the meeting. All of these activities would serve to disrupt proceedings and anyone acting in a disruptive manner may be excluded from the meeting.
- 7.5 Any person recording or reporting a meeting may not film any member of the public who remains in the public gallery.
- 7.6 Anyone wishing to record or report on meetings should be warned at the outset that the law of defamation will apply, as well as the law relating to public order offences. They should also be reminded that freedom of speech should be exercised with personal and social responsibility, showing respect and tolerance towards the views of others. The Chair or person presiding at the meeting would be expected to give this advice with the support of officers.

8 PUBLIC ACCESS TO MINUTES ETC. AFTER THE MEETING

8.1 The Council will make available copies of the following for six years after a meeting:

- 8.1.1 the minutes of the meeting excluding any part of the minutes of proceedings when the meeting was not open to the public or which disclose exempt or confidential information (as defined in rule 10);
- 8.1.2 a summary of any proceedings not open to the public where the minutes open to inspection would not provide a reasonably fair and coherent record;
- 8.1.3 the agenda for the meeting; and
- 8.1.4 reports relating to items when the meeting was open to the public.

9 PUBLIC ACCESS TO BACKGROUND PAPERS

List of background papers

9.1 The report author will set out in every report a list of those documents (called background papers) relating to the subject matter of the report which in their opinion:

- 9.1.1 disclose any facts or matters on which the report or an important part of the report is based; and
- 9.1.2 which have been relied on to a material extent in preparing the report,

but does not include published works or those which disclose exempt or confidential information (as defined in rule 10) and in respect of Cabinet reports, the advice of a political advisor.

Public inspection of background papers

9.2 The Council will make available for public inspection for six years after the date of the meeting one copy of each of the documents on the list of background papers.

10 EXCLUSION OF ACCESS BY THE PRESS AND PUBLIC TO MEETINGS

Confidential information - requirement to exclude the press and public

10.1 The press and public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.

Exempt information - discretion to exclude press and public

10.2 The press and public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed, provided:

- 10.2.1 the meeting resolves so to exclude the press and public, and that resolution identifies the proceedings or part of the proceedings to which it applies;
- 10.2.2 that resolution states, by reference to the descriptions in Schedule 12A to the Local Government Act 1972, the description of the exempt information giving rise to the exclusion of the public; and
- 10.2.3 that resolution states, by reference to reasons given in a relevant report or otherwise, in all the circumstances of the case, that the public interest in maintaining the exemption outweighs the public interest in disclosing the information,
- 10.3 Where the meeting will determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the Human Rights Act 1998 establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in Article 6.

Meaning of confidential information

- 10.4 Confidential information means information given to the Council by a Government Department on terms which forbid its public disclosure or information which cannot be publicly disclosed by reason of a Court Standing Order or any enactment.

Meaning of Exempt Information

- 10.5 Exempt information means information falling within the following descriptions (subject to any qualifications):

	Description	Qualification
1.	Information relating to any individual	Information within paragraph 1 is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
2.	Information which is likely to reveal the identity of an individual.	Information within paragraph 2 is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
3.	Information relating to the financial or business affairs of any particular person (including the authority holding that information).	Information within paragraph 3 is not exempt information if it is required to be registered under- (a) the Companies Act 2006; (b) the Friendly Societies Act 1974;

	Description	Qualification
		<p>(c) the Friendly Societies Act 1992;</p> <p>(d) the Co-operative and Community Benefit Societies Act 2014;</p> <p>(e) the Building Societies Act 1986; or</p> <p>(f) the Charities Act 2011.</p> <p>Subject to the above, information within paragraph 3 is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>
4.	Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.	Information within paragraph 4 is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
5.	Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.	Information within paragraph 5 is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
6.	<p>Information which reveals that the authority proposes –</p> <p>a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or</p> <p>b) to make an order or direction under any enactment.</p>	Information within paragraph 6 is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

	Description	Qualification
7.	Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.	Information within paragraph 7 is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

- 10.6 Information is not exempt information if it relates to proposed development for which the local planning authority may grant itself planning permission pursuant to regulation 3 of the Town and Country Planning General Regulations 1992.

EXCLUSION OF ACCESS BY THE PUBLIC TO REPORTS

- 10.7 If the Monitoring Officer thinks fit, the Council may exclude access by the public to reports which in their opinion relate to items during which, in accordance with this rule 10, the meeting is likely not to be open to the public. Such reports will be marked “Not for publication” together with the category of information likely to be disclosed.

11 KEY DECISIONS

- 11.1 Certain executive decisions will be Key Decisions. Key Decisions are defined in the Glossary.

12 APPLICATION OF STANDING ORDERS TO THE CABINET

- 12.1 Rules 12 – 24 of these Procedure Rules apply to the Cabinet and its committees. If the Cabinet or a committee of the Cabinet meet to take a Key Decision, then it must also comply with Rules 1 – 11 unless Rule 16 (general exception) or Rule 17 (special urgency) apply.

13 PROCEDURE BEFORE TAKING KEY DECISIONS

- 13.1 Subject to Rule 15 (general exception) and Rule 16 (special urgency) of these Procedure Rules, a Key Decision may not be taken unless:

- 13.1.1 a notice (called here a Forward Plan) has been published in connection with the matter in question;
- 13.1.2 at least 28 days have elapsed since the publication of the Forward Plan; and
- 13.1.3 where the decision is to be taken at a meeting of the Cabinet or its committees, notice of the meeting has been given in accordance with Rule 4 (notice of meetings) of these Procedure Rules.

14 THE FORWARD PLAN OF KEY DECISIONS

Period of Forward Plan

- 14.1 Forward plans will be prepared by the Leader to cover a minimum period of one calendar month (longer where this is possible) beginning with the first day of any month. They will contain outstanding matters from the previous forward plan.

Content of Forward Plan

- 14.2 The Forward Plan will contain matters which the Leader has reason to believe will be subject of a Key Decision to be taken by the Cabinet , a Cabinet Member, a committee of the Cabinet, officers or under joint arrangements in the course of the discharge of an executive function during the period covered by the plan. The Forward Plan must be published at least 28 clear days before the start of the period covered and made available to the relevant Overview & Scrutiny Committee. It will describe the following particulars in so far as the information is available or might reasonably be obtained:
- 14.2.1 the matter in respect of which a decision is to be made;
 - 14.2.2 where the decision taker is an individual, their name and title, if any and where the decision taker is a body, its name and details of membership;
 - 14.2.3 the date on which, or the period within which, the decision will be taken;
 - 14.2.4 the identity of the principal groups whom the decision taker proposes to consult before taking the decision;
 - 14.2.5 the means by which any such consultation is proposed to be undertaken;
 - 14.2.6 the steps any person might take who wishes to make representations to the Cabinet or decision taker about the matter in respect of which the decision is to be made, and the date by which those steps must be taken;
 - 14.2.7 a list of the documents submitted to the decision taker for consideration in relation to the matter; and
 - 14.2.8 where the decision is to be taken in private the reasons for this.

Publication and availability of Forward Plan

- 14.3 The Forward Plan will be published on the Council's website and will be made available for inspection at the Council's registered office.
- 14.4 In respect of meetings to be held in private, the additional requirements of Cabinet Procedure Rules (Notice of Private Meetings of the Cabinet) of this Part 3, Section 2 will apply

15 GENERAL EXCEPTION

- 15.1 If a matter which is likely to be a Key Decision has not been included in the Forward Plan, then subject to Rule 16 (Special Urgency), the decision may still be taken if:
- 15.1.1 the decision must be taken by such a date that it is impracticable to defer the decision;

- 15.1.2 the Proper Officer has informed the Chair of a relevant Overview & Scrutiny Committee, or if there is no such person, each member of that committee in writing, by notice, of the matter to which the decision is to be made;
- 15.1.3 The Proper Officer has made copies of that notice available to the public at the registered office of the Council; and
- 15.1.4 at least 5 clear days have elapsed since the Proper Officer complied their obligations under this paragraph.
- 15.1.5 The Council shall publish details of the reasons why it was impracticable to publish a notice of a decision in a Forward Plan in advance of the decision.

16 SPECIAL URGENCY

- 16.1 If, by virtue of the date by which a decision must be taken, Rule 16 (General Exception) cannot be followed, then the decision can only be taken if the decision taker (if an individual) or the Chair of the body making the decision, obtains the agreement of the Chair of the relevant Overview & Scrutiny Committee that the taking of the decision cannot be reasonably deferred and the decision is urgent.
- 16.2 If there is no Chair of a relevant Overview & Scrutiny Committee, or if the Chair of the relevant Overview & Scrutiny Committee is unable to act, then the agreement of the Chair of the Council, or in their absence the Vice Chair will suffice.
- 16.3 As soon as reasonably practicable after agreement has been given the decision maker must make available a notice setting out the reasons for urgency and why the decision cannot be reasonably deferred and publish that notice on the Council's website.

17 PROCEDURE PRIOR TO PRIVATE MEETINGS

- 17.1 A private meeting may not take place unless:
 - 17.1.1 At least 28 clear days before the scheduled meeting a notice (the Forward Plan) has been made available for inspection by the public at the designated office and on the website;
 - 17.1.2 At least 5 clear days before the scheduled meeting a further notice has been made available for inspection by the public at the designated office and on the website which shall include:
 - (a) a statement of the reasons for the meeting to be held in private;
 - (b) details of any representations received about why the meeting should be open to the public; and
 - (c) a statement of the decision-making body's response to any representations received.

- 17.2 If a private meeting must take place with such urgency that neither the 28 day notice nor the five day further notice requirements can be met, the private meeting may take place if the decision-making body obtains agreement from the chair of the relevant Overview and Scrutiny Committee or, if the chair of that Overview and Scrutiny committee is unable to act, then the agreement of the Chair of the Council will suffice.

18 REPORTS TO COUNCIL

When the Overview & Scrutiny Committee can require a report

- 18.1 Where an executive decision has been made and was not treated as a Key Decision and the relevant Overview & Scrutiny Committee thinks that it should have been treated as a Key Decision the relevant Overview & Scrutiny Committee may require the Cabinet to submit a report to the Council within such reasonable time as the Overview & Scrutiny Committee specifies. The power to require a report rests with the Overview & Scrutiny Committee but is also delegated to the Monitoring Officer who shall require such a report on behalf of the Overview & Scrutiny Committee when so requested by the Chair of the Overview & Scrutiny Committee or any 5 Members. Alternatively, the requirement may be raised by resolution passed at a meeting of the relevant Overview & Scrutiny Committee.

The Cabinet's report to Council

- 18.2 The Cabinet will prepare a report for submission to the next available meeting of the Council. However, if the next meeting of the Council is within 7 days of receipt of the resolution of the Overview & Scrutiny Committee, then the report may be submitted to the meeting after that. The report to Council will set out particulars of the decision, the individual or body making the decision, and if the Leader is of the opinion that it was not a Key Decision, the reasons for that opinion.

Quarterly reports on special urgency decisions

- 18.3 In any event the Leader will submit quarterly reports to the Council on the executive decisions taken in the circumstances set out in Rule 16 (Special Urgency) in the preceding three months. The report will include the number of decisions so taken and a summary of the matters in respect of which those decisions were taken.

19 DECISIONS MADE BY AN INDIVIDUAL CABINET MEMBERS OR AN OFFICER

- 19.1 Where an individual Cabinet Member intends to make an executive decision or an officer intends to make an executive decision that is a Key Decision, the requirements of rules 12–24 shall apply.
- 19.2 An executive decision to be made by an individual Cabinet Member, or a Key Decision by an officer, may then only be taken:
- 19.2.1 at a time and place that will be agreed with the relevant Director (or nominee) and the relevant report author (or nominee) is in attendance when the decision is taken; and

- 19.2.2 on consideration of a report by the relevant officer(s), which shall contain as a minimum:
- (a) a recommended decision;
 - (b) a presentation of reasons for the recommendation being put forward
 - (c) details of any other options considered for recommendation and why those options were rejected;
 - (d) details of any consultation undertaken or proposed including, in respect of consultation undertaken, the nature and extent of the consultation undertaken with stakeholders and the overview and scrutiny committees and the outcome of that consultation;
 - (e) a consideration of the financial and legal issues pertaining to the matter, and such other matters as governance chief officers (the head of paid service, s.151 officer or monitoring officer) may require, including risk, staffing or equalities implications; plus
 - (f) a list compiled of any Background Papers to the report in accordance with Rule 9 above.

19.3 As soon as reasonably practicable after either an executive decision has been made by an individual Cabinet Member or a Key Decision has been taken by an officer, that Cabinet Member or decision-making officer will prepare, or instruct the Proper Officer to prepare, a written statement to form a Decision Notice to contain:

19.3.1 a record of the decision including the date it was made;

19.3.2 a record of the reasons for the decision;

19.3.3 details of any alternative options considered and rejected by the member when making the decision;

19.3.4 a record of any conflict of interest declared by any Member who is consulted by the Cabinet Member which relates to the decision; and

19.3.5 in respect of any declared conflict of interest, a note of dispensation granted

19.3.6 This does not require the disclosure of exempt or confidential information, or advice from a political adviser or assistant.

20 NON-KEY DECISIONS MADE BY AN OFFICER

20.1 Where an officer is to make any decision other than a non-Key Decision, the decision-making officer shall produce a written statement to form a Decision Notice where that decision would otherwise be taken by the Executive, a Committee of the Cabinet or an individual Cabinet Member, if an executive decision, or would otherwise have been taken by the Council, or a committee, sub-committee of the Council or a joint committee in which the Council participates, but it has been

delegated to an officer under delegated powers from one of those decision-making bodies either:

- 20.1.1 under a specific express authorisation; or
- 20.1.2 under a general authorisation to officers (a Scheme of Delegation) to take such decisions and the effect of the decision is to—
 - (a) grant a permission or licence;
 - (b) affect the rights of an individual; or
 - (c) award a contract or incur expenditure which, in either case, materially affects the Council's financial position, for which purposes is taken to be a financial saving or expenditure of more than £100,000 (and less than £500,000) other than expenditure on individual children's or adult social care packages.

20.2 A Decision Notice, or other appropriate form of record where relevant to the form of that decision, to be made by a decision-making officer shall contain a minimum of the following information:

- 20.2.1 the date the decision was taken;
- 20.2.2 a record of the decision taken along with reasons for the decision;
- 20.2.3 details of alternative options, if any, considered and rejected; and
- 20.2.4 where made under an express delegation, the names of any Member of the relevant delegating body who has declared a conflict of interest in relation to the decision.

21 RECORD OF DECISIONS

21.1 As soon as reasonably practicable after any meeting of the Cabinet or committee of the Cabinet at which an executive decision was made, the Proper Officer will produce a written statement of every decision taken and make it available for inspection by the public at the Council's offices and on the Council's website. The minutes of the meeting will be regarded as the written statement of these decisions.

21.2 The statement must include:

- 21.2.1 a record of the decision including the date it was made
- 21.2.2 a record of the reasons for the decision
- 21.2.3 details of any alternative options considered and rejected at the meeting; and
- 21.2.4 a record of any conflict of interest relating to the matter decided which is declared by an Cabinet Member present at the meeting and, in respect of any declared conflict of interest, a note of any dispensation granted.

21.3 A Decision Notice in respect of:

21.3.1 an executive decision (under Rule 19)

(a) made by a Cabinet Member;

(b) that is a Key Decision made by an officer; or

21.3.2 a non-key executive decision or other decisions made by an officer (under Rule 20)

will be made available by the Proper Officer for inspection by members of the public, as soon as is reasonably practicable, at the offices of the Council and on the Council's website.

22 OVERVIEW & SCRUTINY COMMITTEE ACCESS TO DOCUMENTS

22.1 Members of the Overview & Scrutiny Committee are entitled to receive documents or any part of a document that contains exempt or confidential information where that information is relevant to an action or decision the Overview & Scrutiny Committee are scrutinising or intend to scrutinise.

23 ADDITIONAL RIGHTS OF ACCESS FOR MEMBERS

23.1 Members of a committee or decision-making body of the Council or of the Cabinet are automatically provided with, and entitled to receive, copies of confidential or exempt reports of that body.

24 RIGHTS OF MEMBERS – “NEED TO KNOW”

24.1 In addition, Members will be entitled to access to documents and to attend the confidential part of meetings of Committees and sub-committees and public meetings of the Cabinet (even though they are not a member of those bodies) where they can demonstrate a “need to know” in order to perform their duties as Members.

24.2 Subject to Rule 24.3 below, the circumstances where a “need to know” may be treated as arising will include:

24.2.1 Where the matter relates to a sub-committee of a committee of which the Member is a member;

24.2.2 Where the matter relates to a committee of the Cabinet where the Member is a Cabinet Member;

24.2.3 Where the matter is within the remit of the Audit or Overview & Scrutiny Committee of which the Member is a member;

24.2.4 Where the Council is required to approve the decisions or recommendations of committees, sub-committees or the Cabinet;

24.2.5 Where the matter has been delegated to a committee or sub-committee, but significantly affects the reputation of the whole Council;

- 24.2.6 Where the matter relates specifically to a Member's own ward; and
- 24.2.7 In relation to exempt material within a report on a decision that has been called in for consideration by Overview and Scrutiny Committee and a Member has signed a call-in notice and that Member has indicated that they wish to address the Overview and Scrutiny Committee as part of the call-in process.
- 24.3 There will not be a "need to know" if a Member is acting in bad faith or in pursuance of a personal pecuniary or non-pecuniary interest or merely out of curiosity.
- 24.4 A Member wishing to see confidential or exempt Council, committee, sub-committee or Cabinet documents or to attend the confidential part of a meeting should make a written application to the Monitoring Officer giving five clear days' notice, setting out the reasons and information in support of their claim to have a "need to know", and why the document and/or attendance at the meeting is necessary in order to enable the Member properly to perform their duties.
- 24.5 The determination as to whether or not a "need to know" has been demonstrated will be made by the Monitoring Officer based upon officer advice which may include legal advice.
- 24.6 Once a determination has been made, this will be communicated to the Member who has made the claim.

A. APPENDED PROTOCOL ON MEMBER & OFFICER RELATIONS ON THE PROVISION OF INFORMATION

- A.1 Members should be provided with adequate information about services or functions upon which they may be called upon to make or scrutinise decisions, or which affect their constituents. In the normal course of events, this information will be made routinely available by officers in the form of reports, departmental plans, updates etc. Members are encouraged to make use of existing sources of information wherever possible.

Members of the Cabinet, Chair and Vice Chair

- A.2 Members of the Cabinet, Chair and Vice Chair have additional responsibilities, entailing different relationships and more regular contact with officers
- A.3 In order for them to discharge their responsibilities as Cabinet members, portfolio holders will be briefed by Directors on service issues, proposals and policy development. Directors may from time to time nominate other officers to attend these meetings. Directors may also brief committee chairmen on matters relevant to the terms of reference of the committee. These informal meetings may be on a one off or regular basis, in accordance with the requirements of the Member concerned.

Local Division Members

- A.4 Officers should keep Members apprised of developments that are relevant to their role as a local Division Member.

- A.5 Division Members should be kept up to date with all major policy developments, public consultations and proposed changes to service delivery affecting their Division.
- A.6 Any Member may ask the relevant Director to provide him or her with such factual information, explanation and advice about the Department's functions as he or she may reasonably need in order to assist him/her in discharging his or her role as a member of the Council or acting for and on behalf of the Council as an appointed representative to another body. These requests will be met where the Member has a legal right to the information. If that right arises under the Freedom of Information Act, the Member shall not be required to make a formal FOI request.
- A.7 All such information should be provided in accordance with the Member Enquiry Process. Where there are established alternative procedures, the enquiry will be put through those procedures and not dealt with as a Member Enquiry.
- A.8 Where a Member requests a service on behalf of a constituent that will be dealt with as a 'service request' by the appropriate service team.
- A.9 Any requests for information made by political group assistants on behalf of members of their group should be treated in exactly the same way as if those Members had made the request themselves. The political group assistants, when making such requests should clearly indicate on which Member's behalf they are acting.

Briefings to political groups

- A.10 The Leader of the Council or any group Leader of other political group may request the Chief Executive or relevant Director to prepare a briefing or written report on any matter relating to the authority for consideration by the group. Such requests must be reasonable and should not seek confidential or personal information. In considering such a request, officers should be mindful of the need to support members by providing factual information. However if an officer deems the nature of the request to be unreasonable the request will be referred to the Chief Executive for determination, were necessary in consultation with the Leader(s) of the political group(s).
- A.11 Officer reports to political groups will be limited to a statement of material facts and identification of options and the merits and demerits of such options for the authority. Reports will not deal with any political implications of the matter or any option and officers will not make any recommendation to a political group.
- A.12 Any briefing offered to or requested by a party group will be offered to any other party groups. Where possible such briefings should be to all or a combination of party groups.

Officer attendance at political group meetings

- A.13 The Leader of the Council or any group Leader of other political group may request the Chief Executive or relevant Director to attend a meeting of the group to advise on any matter relating to the authority.

- A.14 Attendance at a meeting of a political group should be on the basis of equality of access, and members and officers should avoid officers being exposed to political discussions when delivering a briefing. Officers may decline to attend or provide a representative where they are of the opinion that the particular issue is of such a political nature that it would be inappropriate to attend.
- A.15 Any briefing offered to or requested by a party group will be offered to any other party groups. Where possible such briefings should be to all or a combination of party groups. No officer of the Council shall attend any political group meeting which includes non- Members.
- A.16 Officers' advice to political groups will be limited to a statement of material facts and identification of options and the merits and demerits of such options for the authority. Advice will not deal with any political implications of the matter or any option and officers will not make any recommendation to a political group.
- A.17 Officers will request the confidentiality of any matter which they are privy to in the course of attending a political group meeting.

Members' Access to Reports and background papers

- A.18 Access to Cabinet, Committee or Sub-Committee papers and other documents or information is governed by:-
- A.18.1 Local Government Acts 1972-2000 (particularly Schedule 12A);
 - A.18.2 Relevant case law;
 - A.18.3 Access to Information Standing Orders;
 - A.18.4 Freedom of Information legislation; or
 - A.18.5 Data Protection legislation.
- A.19 The rights of Members can be summarised as follows:
- A.19.1 Members generally enjoy the same access rights as members of the public in respect of public papers;
 - A.19.2 Members of the appropriate Cabinet, Committee or Sub-Committees will have a good reason for access to all exempt information on the Cabinet, Committee, Sub-Committee agenda under the common law "Need to Know" principles;
 - A.19.3 Members of the Overview and Scrutiny Committee will have a prima facie "Need to Know" where they require access to exempt Cabinet agenda items as part of their scrutiny function provided the subject matter relates to an action or decision that the member is reviewing or scrutinising as part of the agreed scrutiny work programme;
 - A.19.4 All other Members who require access to confidential/exempt Cabinet, Committee or Sub-Committee documentation will need to request disclosure

under the Freedom of Information Act 2000 or demonstrate a “Need to Know”.

- A.20 It is important to note that these rights only apply where Members are clearly carrying out their role as elected representatives. Where any Member has a disclosable pecuniary interest or a personal and prejudicial interest in a matter the Member will only be entitled to the same access as would be the case for a private individual, i.e. to inspect the reports, minutes and background papers relating to the public part of the Cabinet, Committee or Sub-Committee Agenda. In these circumstances, the Member must make it clear that s/he is acting in his/her private capacity and not as a member of the Council.
- A.21 More information can be found in the Access to Information Standing Orders at Part 3 of this Constitution.

Confidential/Exempt Information

- A.22 Whilst members of the Council have the same rights as the public in seeking and obtaining public documents or information under Freedom of Information legislation, this is not the case in relation to exempt and confidential information.
- A.23 Confidential information is information:
- A.23.1 furnished to the Council by a Government Department on terms which forbid the disclosure of the information to the public, or
- A.23.2 which may not be disclosed by or under any enactment or by a Court Order.
- A.24 Exempt information is information to which the public may be excluded subject to certain qualifications. The categories of exempt information are set out in Schedule 12A to the Local Government Act 1972 and are reproduced in the Access to Information Standing Orders at (to insert hyperlinks and remove reference to ‘Part X’ of this Constitution. There may be some occasions when information may fall within one or more of the categories, but it is nevertheless in the public interest to disclose it under Freedom of Information legislation, without infringing personal rights or damaging the Council’s position. If there is doubt in relation to individual items then they should be kept confidential until the Cabinet, Committee or Sub-Committee has taken a view as to whether they should be treated as exempt or not. More information can be found in the Access to Information Procedure Rules at (to insert hyperlinks and remove reference to ‘Part X’ of this Constitution.

Use of Council Information – Confidentiality

- A.25 Standing Orders and specific local procedures (e.g. on contracts) require Members and officers to maintain confidentiality in certain circumstances. Officers are bound by their contracts of employment and any breach of confidentiality will almost certainly lead to disciplinary action. Officers must distinguish between assisting an elected representative in the course of the Member’s Council business and dealing with the same person as a client or customer, e.g. a Housing Benefit claimant. In the latter case, officers will treat the member with the same degree of helpfulness, courtesy and confidentiality as would be afforded to any other member of the public

in the same situation, and interpret the relevant rules and procedures as they would for any other client or customer.

- A.26 Equally, any Council information provided to a Member on the basis of a 'Need to Know' must only be used by the Member for the purpose for which it was provided, i.e. in connection with the proper performance of the Member's duties as an elected representative of the Council. Confidential or exempt information provided to Members may be discussed in the private session of Committee meetings or in private meetings of appropriate members and officers. However, it should not be discussed with, or released to, any other persons. Any information that is provided should be clearly marked as confidential before it is released to Members.
- A.27 Members abusing this trust may find themselves the subject of a complaint that they have contravened the Code of Conduct for Members.
- A.28 Information disclosed privately or private discussions held during exempt Committee sessions, informal briefings or group meetings should not be disclosed by Members or officers to any person not already privy to that information.

Part 9
Section 3

Budget and Policy Framework Procedure Rules

1. The framework for Cabinet decisions

- 1.1. The Council will be responsible for the adoption of a Plan or Strategy that forms part of its Policy Framework and for the adoption of its Budget [as set out in].
- 1.2. In broad terms, it is the responsibility of the Cabinet of first formulating or preparing any Plan or Strategy whose adoption or approval is a matter for determination by a meeting of the full Council and for the preparation of the Budget estimates, for submission to full Council for their consideration. It is then the responsibility of a meeting of full Council to either give of instructions requiring the Cabinet to reconsider any draft Plan or Strategy submitted, to make any amendments to the
- 1.3. Once a Plan or Strategy forming part of the Policy Framework or the Budget is in place, it will be the responsibility of the Cabinet to implement it.

2. Process for developing the Policy Framework

- 2.1. The process by which the Budget and Policy Framework shall be developed and revised is:
 - 2.1.1. The Cabinet will publicise through the Forward Plan and other methods a timetable for making proposals to the Council for the adoption of the Budget or any Plan or Strategy that forms part of the Policy Framework, and its arrangements for consultation after publication of those initial proposals. The chairs of Overview and Scrutiny Committees will also be notified.
 - 2.1.2. At the end of the consultation period, the Cabinet will draw up firm proposals having regard to the responses to that consultation. If a relevant Overview and Scrutiny Committee wishes to respond to the Cabinet in that consultation process then it may do so. As the Overview and Scrutiny Committees have responsibility for fixing their own work programme, it is open to the Overview and Scrutiny Committee to investigate, research or report in detail with policy recommendations before the end of the consultation period.
 - 2.1.3. The Cabinet will take any response from an Overview and Scrutiny Committee into account in drawing up firm proposals for submission to the Council. The Cabinet's report to Council will reflect the comments made by consultees and the Cabinet's response.
 - 2.1.4. Once the Cabinet has approved the firm proposals, they shall be referred at the earliest opportunity to the Council for decision.

3. Adoption of a Plan or Strategy

- 3.1.** Where, following consideration of a draft Plan or Strategy forming a part of the Policy Framework submitted by the Cabinet, the Council has no objections to it, the Council may make a decision to adopt or approve the Plan or Strategy and which may be of immediate effect.
- 3.2.** Where, following consideration of that draft Plan or Strategy, the Council has any objections to it, the Council must take the action set out in Rule 3.3 below.
- 3.3.** Subject to Rule 3.6 below, before the Council:
- 3.3.1.** amends the draft Plan or Strategy;
 - 3.3.2.** approves, for the purpose of its submission to the Secretary of State or any Minister of the Crown for their approval, any Plan or Strategy (whether or not in the form of a draft) of which any part is required to be so submitted; or
 - 3.3.3.** adopts (with or without modification) the Plan or Strategy,
- it must inform the Leader of the Council of any objections which it has to the draft Plan or Strategy and must give to them instructions requiring the Cabinet to reconsider, in the light of those objections, the draft Plan or Strategy submitted to it.
- 3.4.** Where the Council gives instructions in accordance with Rule 3.3, it must specify a period of at least five working days beginning on the day after the date on which the Leader of the Council receives the instructions on behalf of the Cabinet within which the Leader of the Council may:
- 3.4.1.** submit a revision of the draft Plan or Strategy as amended by the Cabinet (the “revised draft Plan or Strategy”) with the Executive’s reasons for any amendments made to the draft Plan or Strategy, to the Council for the Council’s consideration; or
 - 3.4.2.** inform the Council of any disagreement that the Cabinet has with any of the Council’s objections and the Cabinet’s reasons for any such disagreement.
- 3.5.** When the period specified by the Council, referred to in Rule 3.4 has expired, the Council must, when:
- 3.5.1.** amending the draft Plan or Strategy or, if there is one, the revised draft Plan or Strategy;
 - 3.5.2.** approving, for the purpose of its submission to the Secretary of State or any Minister of the Crown for their approval, any Plan or Strategy (whether or not in the form of a draft or revised draft) of which any part is required to be so submitted; or

3.5.3. adopting (with or without modification) the Plan or Strategy; take into account any amendments made to the draft Plan or Strategy that are included in any revised draft Plan or Strategy, the Cabinet's reasons for those amendments, any disagreement that the Cabinet has with any of the Council's objections and the Cabinet's reasons for that disagreement, which the Leader of the Council submitted to the Council, or informed the Council of, within the period specified.

3.6. Where an amendment to a draft Plan or Strategy has been submitted, the Leader may indicate on behalf of the Cabinet that they accept the amendment. In these circumstances, the amendment will be regarded as incorporated in the draft strategy before Council and not (for the purposes of rule 3.2 to 3.5 above) as an objection to it.

4. Adoption of the Budget

4.1. These Rules 4.2 to 4.5 do not apply to estimates and calculations submitted by the Cabinet to the Council where the estimates and calculations were drawn up by the Cabinet on or after 8th February in any financial year. In such circumstances Rule 8.6 shall apply.

4.2. Where, in any financial year, the Cabinet submits to the Council for its consideration in relation to the following financial year:

4.2.1. estimates of the amounts to be aggregated in making a calculation (whether originally or by way of substitute) in accordance with any of sections 31A, 31B, 34 to 36A, 42A, 42B, 45 to 49, 52ZF, 52ZJ of the Local Government Finance Act 1992;

4.2.2. estimates of other amounts to be used for the purposes of such a calculation;

4.2.3. estimates of such a calculation; or

4.2.4. amounts required to be stated in a precept under s40 of the Local Government Finance Act 1992, and, following consideration of those estimates or amounts, the Council has any objections to them, it must take the action set out in Rule 4.3.

4.3. Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in Rule 4.2.1), or issues a precept under s40 of the Local Government Finance Act 1992, it must inform the Leader of any objections which it has to the Cabinet's estimates or amounts and must give to them instructions requiring the Executive to reconsider, in the light of those objections, those estimates and amounts in accordance with the Council's requirements.

4.4. Where the Council gives instructions in accordance with Rule 4.3, it must specify a period of at least five working days beginning on the day after the date on which

the Leader receives the instructions on behalf of the Cabinet within which the Leader may:

- 4.4.1. submit a revision of the estimates or amounts as amended by the Cabinet (“revised estimates or amounts”), which have been reconsidered in accordance with the Council’s requirements, with the Cabinet’s reasons for any amendments made to the estimates or amounts, to the Council for the Council’s consideration; or
 - 4.4.2. inform the Council of any disagreement that the Cabinet has with any of the Council’s objections and the Cabinet’s reasons for any such disagreement.
- 4.5. When the period specified by the Council, referred to in paragraph 4.4 has expired, the Council must, when making calculations (whether originally or by way of substitute) in accordance with the sections referred to in Rule 4.2.1) take into account:
 - 4.5.1. any amendments to the estimates or amounts that are included in any revised estimates or amounts;
 - 4.5.2. the Cabinet’s reasons for those amendments;
 - 4.5.3. any disagreements that the Cabinet has with any of the Council’s objections, and
 - 4.5.4. the Cabinet’s reasons for that disagreement, which the Leader submitted to the Council, or informed the Council of, within the period specified.
- 4.6. Where estimates and calculations are drawn up by the Cabinet on or after 8th February in any financial year and are submitted to the Council for their consideration, the procedure in Rules 4.2 to 4.5 will not apply. In these circumstances the estimates and calculations will be submitted to the Overview & Scrutiny Committee, together with amendments submitted. Where the Overview & Scrutiny Committee has any objection to the estimates and calculations, it will report such objections to the Council, the Leader and the appropriate Cabinet Member. The Leader and/or the appropriate Cabinet Member will report to the Council whether they agree or disagree with any objection of the Overview & Scrutiny Committee.

5. Decisions Outside of the Budget or Policy Framework

- 5.1. Subject to the provisions of Rules 6 to 8, the Cabinet, committees of the Cabinet, individual Cabinet Members and any officers, Local Area Committee’s or joint arrangements discharging executive functions may only take decisions which are in line with the Budget and Policy Framework. If any of these bodies or persons wishes to make a decision which is contrary to a Policy or Strategy forming part of the policy framework, or contrary to or not wholly in accordance with the Budget as adopted or approved by Council, then that decision may only be taken by the Council.

5.2. If the Cabinet, committees of the Cabinet, individual Cabinet Members and officers want to make such a decision, they shall take advice from the Monitoring Officer and/or the Section 151 Officer as to whether the decision they want to make would be contrary to the Policy or Strategy, or contrary to or not wholly in accordance with the budget. If the advice of either of those officers is that the decision would not be in line with the existing Budget or Policy or Strategy forming part of the policy framework, then the decision must be referred by that body or person to the Council for decision.

6. Urgent Decisions Outside of the Budget or Policy Framework

6.1. The Cabinet, a committee of the Cabinet, an individual Cabinet Member or an officer may take a decision which is contrary to a Policy or Strategy forming part of the Policy Framework or contrary to or not wholly in accordance with the Budget if the decision is a matter of urgency. However, the decision may only be taken if:

6.1.1. it is not practical to convene a quorate meeting of the full Council; and;

6.1.2. the Chair of the relevant Overview & Scrutiny Committee (or in their absence the Chair of the Council or, in the absence of both, the Vice Chair of the Council) agrees that the decision is a matter of urgency.

6.2. The reasons why it is not practical to convene a quorate meeting of full Council and the chair of the relevant Overview and Scrutiny Committee's consent to the decision being taken as a matter of urgency must be noted on the record of the decision. In the absence of the chair of a relevant Overview and Scrutiny Committee the consent of the chair of the Council, and in the absence of both, the vice-chair will be sufficient.

6.3. Following the decision, the decision taker will provide a full report to the next available Council meeting explaining the decision, the reasons for it, why it was not practical to convene a quorate meeting of Council and why the decision was treated as a matter of urgency.

7. Virement and In-Year Changes to the Budget

7.1. The Cabinet may not determine a matter that is contrary to, or not wholly in accordance with, the authority's budget or the plan or strategy for the time being approved or adopted by the authority in relation to their borrowing or capital expenditure if not authorised by these Rules or by a meeting of the Council

7.2. Steps taken by the Cabinet, a committee of the Cabinet an individual Cabinet Member or an officer to implement Council policy shall not exceed those budgets allocated to each budget heading, subject to Rules 7.3 to 7.5 below.

7.3. Such bodies or individuals shall be entitled to vire across budget headings as following limits

7.3.1. Sums up to and including £250,000 (revenue or capital) may be vired upon the approval of the relevant Chief Officer in consultation with the S.151 Officer.

7.3.2. Sums over £250,000 and up to and including £500,000 revenue or £2M capital may be vired upon the approval of Cabinet on the recommendation of the relevant Chief Officer and advice of the S.151 Officer.

7.3.3. The virement of sums across budget heads for over (more than) £500,000 revenue or £2M capital shall require the approval of the full Council.

Further detail may be set out in the Finance Procedure Rules. Should any limits or provisions recorded above conflict or differ in any way with those set out in the Finance Procedure Rules, these rules as set out in the Budget & Policy Framework Procedure Rules shall prevail.

7.4. The Chief Executive may exercise any of the powers of the Executive under 7.2 and 7.3, in consultation with the Leader and the S.151 Officer and/or the Monitoring Officer where the Chief Executive considers that the legal or financial position of the Council or the interests of the members of the public of the Council's area would be prejudiced if the matter were not determined before the next scheduled Cabinet meeting. The Chief Executive will report any such decision to the Chair of Overview & Scrutiny and the next meeting of the Cabinet.

8. In-Year Changes to a Policy or Strategy Forming a part of the Policy Framework

8.1. The responsibility for agreeing the policy framework lies with the Council, and decisions by the Cabinet, a committee of the Cabinet an individual Cabinet Member or an officer, Local Area Committee's or joint arrangements discharging executive functions must be in line with it.

8.2. No changes to any Policy or Strategy which make up the policy framework may be made by those bodies or individuals except those changes:

8.2.1. which will result in the closure or discontinuance of a service or part of service to meet a budgetary constraint;

8.2.2. necessary to ensure compliance with the law, ministerial direction or government guidance;

8.2.3. where the existing policy document is silent on the matter under consideration; or

8.2.4. which relate to policy in relation to schools, where the proposed change is agreed by the Schools Forum.

9. Call-In of Decisions Outside The Budget or Policy Framework

9.1. Where an Overview & Scrutiny Committee is of the opinion that a Cabinet decision is, or if made would be, contrary to the policy framework, or contrary to or not wholly in accordance with the Council's budget, then it shall seek advice from the Monitoring Officer and/or S.151 Officer.

9.2. In respect of functions which are the responsibility of the Cabinet, the Monitoring Officer's report and/or S.151 Officer's report shall be to the Cabinet with a copy to

every Member. Regardless of whether the decision is delegated or not, the Cabinet must consider the report of the relevant officer and decide what action to take in respect of the report. Where the advice concluded that there was a departure from the Budget or Policy Framework, the Cabinet must report to Council on the action it intends taking. Where there was no such departure, the Cabinet must report to the Overview & Scrutiny Committee on any action to be taken.

9.3. If the decision has yet to be made, or has been made but not yet implemented, and the advice from the Monitoring Officer and/or the S.151 Officer is that the decision is or would be contrary to the policy framework or contrary to or not wholly in accordance with the budget, the Overview & Scrutiny Committee may refer the matter to Council. In such cases, no further action will be taken in respect of the decision or its implementation until Council has met and considered the matter. At the meeting it will receive a report of the decision or proposals and the advice of the Monitoring Officer and/or the S.151 Officer. The Council may either:

- 9.3.1.** endorse a decision or proposal of the Cabinet decision taker as falling within the existing budget and policy framework. In this case no further action is required, save that the decision of the Council be minuted and circulated to all Members in the normal way;
- 9.3.2.** amend the Council's Finance Procedure Rules or policy concerned to encompass the decision or proposal of the body or individual responsible for that Cabinet function and agree to the decision with immediate effect. In this case, no further action is required save that the decision of the Council be minuted and circulated to all Members in the normal way; or
- 9.3.3.** where the Council accepts that the decision or proposal is contrary to the policy framework or contrary to or not wholly in accordance with the budget, and does not amend the existing framework to accommodate it, require the Cabinet to reconsider the matter in accordance with the advice of either the Monitoring Officer and/or S.151 Officer.

Part 9 Section 4

Executive Procedure Rules

1. How does the Cabinet operate?

1.1. Who may make executive decisions?

The arrangements for the discharge of executive functions may be set out in the Cabinet arrangements adopted by the Council. If they are not set out there, then the Leader may decide how they are to be exercised. In either case, the arrangements or the Leader may provide for Cabinet functions to be discharged by:

- (1) the Cabinet as a whole;
- (2) a committee of the Cabinet;
- (3) an individual Member of the Cabinet;
- (4) an officer;
- (5) a Local Area Committee;
- (6) joint arrangements; or
- (7) another local council.

1.2. Delegation by the Leader

At the annual meeting of the Council, the Leader will present to the Council a written record of delegations they have made for inclusion in the Council's scheme of delegation at **(to insert hyperlinks and remove reference to 'Part 3')** to this Constitution. The document presented by the Leader will contain the following information about executive functions in relation to the coming year:

- (1) the extent of any council delegated to Cabinet Members individually, including details of the limitation on their Council;
- (2) the terms of reference and constitution of such Cabinet committees as the Leader appoints and the names of Cabinet Members appointed to them;
- (3) the nature and extent of any delegation of executive functions to Local Area Committee's, any other council or any joint arrangements and the names of those Cabinet Members appointed to any joint committee for the coming year, and

- (4)** the nature and extent of any delegation to officers with details of any limitation on that delegation, and the title of the officer to whom the delegation is made.

1.3. Sub-delegation of executive functions

- (1)** Where the Cabinet, a committee of the Cabinet or an individual Member of the Cabinet is responsible for an executive function, they may delegate further to a Local Area Committee, joint arrangements or an officer.
- (2)** Unless the Council directs otherwise, if the Council delegates functions to the Cabinet, then the Cabinet may delegate further to a committee of the Cabinet or to an officer.
- (3)** Unless the Leader directs otherwise, a committee of the Cabinet to whom functions have been delegated by the Leader may delegate further to an officer.
- (4)** Even where executive functions have been delegated, that fact does not prevent the discharge of delegated functions by the person or body who delegated.

1.4. The Council's scheme of delegation and executive functions

- (1)** Subject to (2) below, the Council's scheme of delegation will be subject to adoption by the Council and may only be amended by the Council. Council cannot amend the Cabinet's scheme of delegation.
- (2)** If the Leader is able to decide whether to delegate executive functions, they may amend the scheme of delegation relating to executive functions at any time during the year. To do so, the Leader must give written notice to the Head of Paid Service and to the person, body or committee concerned. The notice must set out the extent of the amendment to the scheme of delegation, and whether it entails the withdrawal of delegation from any person, body, committee or the Cabinet as a whole. The Head of Paid Service will present a report to the next ordinary meeting of the Council setting out the changes made by the Leader.
- (3)** Where the Leader seeks to withdraw delegation from a committee, notice will be deemed to be served on that committee when the Leader has served it on its chair.

1.5. Conflicts of Interest

- (1)** Where the Leader has a conflict of interest this should be dealt with as set out in the Council's Code of Conduct for Members in Part 6 of this Constitution.

- (2) If every Member of the Cabinet has a conflict of interest this should be dealt with as set out in the Council's Code of Conduct for Members in Part 6 of this Constitution.
- (3) If the exercise of an executive function has been delegated to a committee of the Cabinet, an individual Member or an officer, and a conflict of interest arises, then the function will be exercised in the first instance by the person or body by whom the delegation was made, and otherwise as set out in the Council's Code of Conduct for Members in Part 6 of this Constitution.

1.6. Cabinet meetings – when and where

The Cabinet will meet at least ten times per year at times to be agreed by the Leader. The Cabinet shall meet at the Council's main offices or another location to be agreed by the Leader.

1.7. Meetings of the Cabinet.

The Access to Information Rules of Procedure of this Constitution set out the requirements covering public and private meetings. Other than the legal requirements, consideration should also be given to any principles of decision-making set out in Article 13 of this Constitution.

1.8. Quorum

The quorum for a meeting of the Cabinet, or a committee of it, shall be three, being any two Members of the Cabinet, together with the Leader or the Deputy Leader.

1.9. How are decisions to be taken by the Cabinet?

- (1) Cabinet decisions which have been delegated to the Cabinet as a whole will be taken at a meeting convened in accordance with the Access to Information Rules of Procedure Appendix 3 of the Constitution.
- (2) Where Cabinet decisions are delegated to a committee of the Cabinet, the rules applying to Cabinet decisions taken by them shall be the same as those applying to those taken by the Cabinet as a whole.

2. How are Cabinet meetings conducted?

2.1. Who presides?

If the Leader is present, they will preside. In their absence the Deputy Leader will preside, and in their absence then a person appointed to do so by those present shall preside.

2.2. Who may attend?

- (1)** all Members of the Cabinet and the Chair;
- (2)** such officers as are specified in Rule 21 of the Access to Information Rules of Procedure, and
- (3)** Members of the press and public provided unless an agenda item is confidential
- (4)** such other persons as the Leader or the Cabinet may invite to attend

2.3. What business?

At each meeting of the Cabinet the following business will be conducted:

- (1)** consideration of the minutes of the last meeting;
- (2)** declarations of interest, if any;
- (3)** matters referred to the Cabinet (whether by an Overview and Scrutiny Committee or by the Council) for reconsideration by the Cabinet in accordance with the provisions contained in the Overview and Scrutiny Rules of Procedure or the Budget and Policy Framework Rules of Procedure set out in Part 5 of this Constitution;
- (4)** consideration of reports and recommendations from Overview and Scrutiny Committees; and
- (5)** matters set out in the agenda for the meeting, and which shall indicate which are key decisions and which are not in accordance with the Access to Information Rules of Procedure set out in Appendix 3 of this Constitution.

2.4. Consultation

All reports to the Cabinet from any Member of the Cabinet or an officer on proposals relating to the budget and policy framework, must contain details of the nature and extent of consultation with stakeholders and relevant Overview and Scrutiny Committees, and the outcome of that consultation. Reports about other matters will set out the details and outcome of consultation as appropriate. The level of consultation required will be appropriate to the nature of the matter under consideration.

2.5. Who can put items on the Cabinet agenda?

- 2.5.1.** The Leader will decide upon the schedule for the meetings of the Cabinet. They may put on the agenda of any Cabinet meeting any matter which they

wish, whether or not authority has been delegated to the Cabinet, a committee of it or any Member or officer in respect of that matter. The Head of Paid Service will comply with the Leader's requests in this respect.

- 2.5.2.** Any Member of the Cabinet may require the Head of Paid Service to make sure that an item is placed on the agenda of the next available meeting of the Cabinet for consideration. If they receive such a request the Head of Paid Service will comply.
- 2.5.3.** The Head of Paid Service will make sure that an item is placed on the agenda of the next available meeting of the Cabinet where a relevant Overview and Scrutiny Committee or the full Council have resolved that an item be considered by the Cabinet. However, there may only be up to two such items on any one agenda.
- 2.5.4.** There will be a standing item on the agenda of each meeting of the Cabinet for matters referred by Overview and Scrutiny Committees. However there may only be up to three such items per Cabinet meeting.
- 2.5.5.** Any Member of the Council may ask the Leader to put an item on the agenda of a Cabinet meeting for consideration, and if the Leader agrees, the item will be considered at the next available meeting of the Cabinet. The notice of the meeting will give the name of the Member who asked for the item to be considered. This individual will be invited to attend the meeting, whether or not it is a public meeting. However, there may only be up to two such items per Cabinet meeting.
- 2.5.6.** The Head of Paid Service, the Monitoring Officer and/or the Chief Financial Officer (or their deputy) may include an item for consideration on the agenda of a Cabinet meeting and may require the Head of Paid Service to call such a meeting in pursuance of their statutory duties. In other circumstances, where any two of the Head of Paid Service, Chief Finance Officer (or their/her deputy) and Monitoring Officer are of the opinion that a meeting of the Cabinet needs to be called to consider a matter that requires a decision, they may jointly include an item on the agenda of a Cabinet meeting. If there is no meeting of the Cabinet soon enough to deal with the issue in question, then the person(s) entitled to include an item on the agenda may also require that a meeting be convened at which the matter will be considered.

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DRAFT CONSTITUTION

Part 9
Section 5

Overview and Scrutiny Procedure Rules

1. Introduction

1. This Part sets out the role and functions of the Council's overview and scrutiny committees. These committees have a responsibility for holding the Cabinet to account for its decisions. They also have a responsibility to look at matters of importance to the area and the area's inhabitants.
2. The Council's scrutiny committees can require the attendance of Cabinet members and certain senior Council officers – they can also require the attendance of certain NHS staff. They can also require that certain information held by the Council is provided to them. Finally, scrutiny committees can require a response from the Cabinet and certain NHS bodies to the recommendations that it makes.
3. The agendas of scrutiny committees are developed entirely independently of the Council's Cabinet, and are based on a transparent process of prioritisation which is set out in this Part in more detail, and separately in the Executive-Scrutiny Protocol.
4. At Northumberland, scrutiny committees have a range of core tasks. These include:
 - To contribute to policy development on critical matters;
 - To investigate matters of interest and concern to the wider community – particularly if they relate to complex, cross-cutting and high profile challenges;
 - To keep under review the performance and financial position of the authority, and the authority's performance in engaging with partners, especially with regard to its commercial activity.
5. These arrangements are set out in more detail in section xxx on the role of overview and scrutiny.
6. In carrying out these tasks, scrutiny also looks at how the Council works with its external partners.
7. Some scrutiny business is carried out in formal committees, but committees can also set up informal "task and finish" groups to investigate certain issues in more detail.

8. The meetings of scrutiny committees are held in public – the detailed rules for how these meetings are run are set out in Part XX.

9. There are **in development** two Protocols which set out more detail on scrutiny's roles:

- The Executive-Scrutiny Protocol, which provides more detail around how the scrutiny function will work with Cabinet in such a way that its independence is maintained;
- A Protocol on Financial Oversight, Financial Management and Scrutiny. There are duties for scrutiny committees, the Audit Committee, and other parts of the Council in ensuring that financial matters are subject to rigorous and consistent oversight. This Protocol provides detail on how that works in practice – in particular, ensuring that the duties of various councillor bodies with regard to this issue do not overlap. There are also a set of Financial Procedure Rules relevant to this issue.

2. The role of overview and scrutiny at Northumberland

Northumberland has adopted a set of core tasks for its scrutiny function which reflect both the statutory powers set out above and the specific needs of the Council's governance framework. These core tasks are:

- To contribute to policy development on critical matters;
- To investigate matters of interest and concern to the wider community – particularly if they relate to complex, cross-cutting and high profile challenges;
- To keep under review the performance and financial position of the authority, and the authority's performance in engaging with partners, especially with regard to its commercial activity.

To contribute to policy development on critical matters

This means that scrutiny committees will identify, through the work programming process described below, critical priorities for the Council and the area that it serves, and seek to undertake work to inform future decision-making on that topic.

To investigate matters of interest and concern to the wider community

Councillors will use their unique insight as elected representatives, supported by officer advice and information, as well (where necessary) as direct input from the public, to identify those issues which may be of significant interest and concern to a large number of people across the area, or a small proportion of people who have particular vulnerabilities and/or possess protected characteristics under the Equality Act.

Matters of interest and concern to those living within a small geographical area will usually be considered by Local Area Councils, unless the relevant scrutiny and the relevant LAC agree that those matters highlight a wider systemic issue that requires a corporate response.

To keep under review the performance and financial position of the authority

Scrutiny committees will have a shared responsibility with Cabinet, Council and the Audit and Accounts Committee for review and monitoring of the Council's financial position, particular with regard to how financial performance has an impact on service performance. Scrutiny committees will, in selecting items for consideration on agendas, have regard to financial and performance information in line with Section X below.

More information can be found in the Protocol on Financial Oversight, Financial Management and Scrutiny.

3. The powers held by overview and scrutiny committees

In order to carry out its role and “core tasks”, scrutiny has various powers, provided by legislation.

Sections 9F (and the following sections) of the Local Government Act 2000 require that councils operating “executive arrangements” have at least one overview and scrutiny committee. Northumberland has chosen to appoint 4 overview and scrutiny committees, whose structure is set out in section xx below.

Scrutiny has the power to make reports or recommendations on matters which affect the area or the inhabitants of the area. In fulfilling this broad function – which is clarified in the section below on scrutiny's role – scrutiny has various powers in relation to the Council and Cabinet, and in relation to other partner organisations.

Powers in respect of the Council

Overview and scrutiny committees have the power to scrutinise decisions made by the Council or Cabinet. In Northumberland, they will carry out this function in accordance with the role set out in the next section.

In carrying out its role and functions, scrutiny committees may:

- Require the attendance of members and officers to attend. In Northumberland, this means that, where notice is given, the Leader, members of Cabinet, and members of the Council's Senior Leadership Team will attend meetings of overview and scrutiny committees where this is required.
- Require the provision of information held by the authority. In Northumberland, this means that:
 - officers will draft reports for submission to scrutiny committee meetings which meet requirements set out by the Chair of the relevant committee;
 - officers will provide information to individual members of scrutiny committees which reflects the rights laid out in the Member Access to Information Protocol.
- Require a response from Cabinet to recommendations. Where a committee makes recommendations the Cabinet is under an obligation to respond within eight weeks. The response will be made at a meeting of Cabinet and will take the form specified by the scrutiny committee itself.

An overview and scrutiny committee has the right to scrutinise decisions which have been made, but not implemented. This power is called “call-in”. It is described in more detail in Part X.

Powers in respect of other partners

The Council works with a range of other local and national organisations. More information on these partners can be found in Part X of the constitution. Scrutiny has powers and obligations in relation to some of these partners. They include:

- The power to carry out review and scrutiny of the health service in the local area, as set out in Chapter 3 of the National Health Service Act 2006 and relevant Regulations and guidance. The officers of certain health and care bodies are obliged to attend before an overview and scrutiny committee to answer questions;
- The obligation to carry out scrutiny of the county’s Community Safety Partnership, which is carried out by the Communities and Place Overview and Scrutiny Committee, as set out in sections 19 and 20 of the Police and Justice Act 2006, and statutory guidance;
- The power to undertake review of flood risk management, which includes the power to make requests for information from risk management authorities. These powers are set out in s9FH of the Local Government Act 2000.

Scrutiny may invite any person to give evidence but other than those specified above, invitees are not obliged to attend.

4. Values and behaviours

Scrutiny’s role at Northumberland is also informed by the Council’s values and behaviours. This means that scrutiny committees, in carrying out their work, will pay a keen regard to the way in which people in positions of authority carry out their work, and will exhibit these behaviours in how scrutiny operates as well. In practice this means that scrutiny committees, and in particular their chairs, will:

- Have a focus on customers / residents, by seeking to listen to and understand their needs and ensuring that the scrutiny function is responsive to those needs by centring them in recommendations that scrutiny makes;
- Frame their work around ensuring that they contribute to the Council’s success – recognising that strong and robust scrutiny is a way of strengthening the quality of decision-making;
- Contribute – through policy development in particular – to a clear and compelling vision and ambition for the council which is focused on long term, strategic thinking;
- Problem solve, providing independently-led insight for the benefit of the authority on complex matters, using scrutiny’s innate ability to cut through complexity and find the decisions right for the Council and area even if they are politically challenging;
- Support the council to be open and honest about the Council’s challenges and decisions, in a no-blame atmosphere – and following through by supporting officers and members to tackle difficult business issues and to develop and maintain self-awareness, and to reflect upon shortcomings where necessary;

- Focus on the importance of culture, relationships and collaboration – within, and outside, the council – in investigating topics and delivering recommendations.

These values are variously built into the ways of working for scrutiny committees laid out below.

The Party Whip

Scrutiny is a political space, where matters of political contention are discussed. It is appropriate and expected that councillors will express opinions and views that reflect their political standpoint and therefore the agreed standpoint of the political party of which they may be a member.

The express use of the “party whip”, as a tool of political management, is however strongly discouraged. The “whip” is a mechanism by which a member can be instructed to vote in a specific way where non-compliance with that instruction can render the member subject to a sanction imposed within the political group of which they are a member.

If such an instruction is given the member must declare the existence of the “whip” and the nature of it before the commencement of the committee’s deliberations on the matter. The declaration, and the detail of the whipping arrangements, shall be recorded in the minutes of the meeting.

5. The structure of Northumberland’s overview and scrutiny committees

The Council has four overview and scrutiny committees.

- Corporate Services and Economic Growth Overview and Scrutiny Committee;
- Communities and Place Overview and Scrutiny Committee;
- Family and Children’s Services Overview and Scrutiny Committee;
- Health and Wellbeing Overview and Scrutiny Committee.

Rules of procedure have been drafted which lay out how scrutiny committees will be convened, arrangements for attendance and speaking rights for councillors, council officers and members of the public. These are set out in Part X of the Constitution.

Frequency of meetings

These committees will meet at least 6 times a year. The Chair of an overview and scrutiny committee may call an extraordinary meeting of a committee if they consider it necessary or appropriate, in the context of scrutiny’s role and core tasks and having regard to the advice of the Monitoring Officer.

Joint committees

From time to time cross-border issues may be of such importance that they demand the establishment of temporary or permanent scrutiny arrangements with another council. In considering the necessity of this work, chairs of scrutiny committees will have regard to:

- The advice of the Monitoring Officer;

- The need for such work to add clear value for the people of Northumberland;
- The presence of other cross-border scrutiny arrangements, such as the Northumbria Police and Crime Panel and the overview and scrutiny committee of the North of Tyne Combined Authority.

In the case of a substantial variation to local health and care services which, by law, is of such a nature that requires the establishment of a joint committee, the Monitoring Officer will advise councillors on the operating arrangements for that committee, including facilitating agreement on hosting arrangements and the nomination of councillors to sit on it.

Task and finish groups

Task and finish groups may be established to investigate and explore future policy options for a topic or issue for which the council has whole or partial responsibility.

When agreed as part of the scrutiny function's work programming arrangements, and when the allotted time for the establishment of the task and finish group arrives, the procedure should be as follows:

- The agreement by the committee of the scope of the review and the membership of the group. The scope will set out the question or questions to be answered, the way in which evidence will be gathered to reach that outcome (and from whom), the councillors nominated to form part of the group, the names of any co-optees and officer support arrangements;
- Evidence-gathering, following the methods set out in section xx below. Task and finish work may be carried out both in private and in public;
- The preparation of a report, and recommendations, for submission to the commissioning committee. Reports will be short and contain a limited number of recommendations. The report submitted by the task group to the committee will be the one agreed to by the majority of members of that group;
- Consideration of the report by the commissioning committee and submission of the report and recommendations to the relevant recipients. The committee should not normally make any amendment to the report submitted to them.

The membership of task and finish groups can include any member of the Council not currently a Cabinet member, or a Cabinet Assistant. Groups will usually number no more than six councillors, as far as possible politically balanced. The committee commissioning the review will determine if non-councillors should be invited to participate as co-optees. This may be relevant if certain individuals can bring recognised expertise to the work of a task and finish group. Co-optees may be individuals who have publicly campaigned on a given issue, but in their role on a task and finish group they will be expected to act with an open mind, and to conform to behavioural expectations similar to those put to members.

Arrangements for the scoping and membership of task and finish groups will in all cases be determined by the committee which commissions them.

6. Who sits on the overview and scrutiny committees

The membership, and Chairs, of overview and scrutiny committees will be determined by Council at its Annual General Meeting, subject to any in-year changes and substitutions confirmed by the Monitoring Officer.

Councillors

All councillors, except members of the Cabinet, may be members of an Overview and Scrutiny Committee. However, no member may be involved in scrutinising a decision in which they have been directly involved.

Co-optees

The power exists for scrutiny committees to “co-opt” people who are not councillors to sit on scrutiny committees.

With the exception of statutory education co-optees, described below, any person co-opted to sit on a scrutiny committee will be a member of that committee, but without the right to vote. Co-option may take place only in accordance with a scheme agreed by Council.

The Family and Children’s Services Committee will have among its membership five co-optees, who may exercise the right to vote on any matter that relates to the Council’s education functions, but not on any other matter. These five co-optees will be representatives of the following groups and organisations:

- The Church of England Diocese of Newcastle;
- The Roman Catholic Diocese of Hexham and Newcastle;
- Two parent governor representatives, elected by the parent governors of maintained primary and secondary schools serving children residing in the county council’s area. The Monitoring Officer will arrange for the periodic election of these individuals in line with Government guidance;
- One representative of other faiths and denominations, to be determined by the Monitoring Officer in consultation with the Council’s Standing Advisory Council on Religious Education (SACRE).

7. The role of Chairs of overview and scrutiny committees

Chairs of overview and scrutiny committees have a role, individually and collectively, to:

- Preserve and champion the independence of the scrutiny function from the executive;
- Ensure that scrutiny is looking at the right things, in the right way, at the right time;
- Ensure that scrutiny is a collaborative working environment which benefits from the experience and viewpoints of a range of councillors;
- Ensure that scrutiny activity is planned and carried out in a way which conforms to the Council’s agreed values and behaviours;
- Ensure that scrutiny is visible to the public and drawing on public insight and views;

- Ensure that councillors sitting on scrutiny committees individually and collectively have the skills and capabilities to carry out their roles;
- Work in a mutually supportive manner with officers, in accordance with the Member-Officer Protocol and the Council's agreed values and behaviours.

8. The ways in which the overview and scrutiny function will work

The work of the Council's scrutiny function will be focused and directed to those areas where the function's unique capabilities are best able to add value to the work of the Council and the lives of its residents.

To that end, scrutiny committees between them have adopted the following ways of working.

<p>Carrying out work on subjects where member-led scrutiny can add value</p>	<p>This objective will be met through the delivery of a comprehensive and focused work programme.</p> <p>Scrutiny committees will individually agree a rolling work programme, which will be aligned across the whole scrutiny function through liaison between committee chairs. The work programme will be informed by scrutiny's "core tasks"</p> <p>Scrutiny committees will agree a common set of criteria that will be used to determine where an issue should be placed on a future agenda with reference to available evidence on the matter in question. These criteria may change from year to year to ensure that scrutiny's work reflects the council's, and local people's, priorities.</p> <p>Overall, the work programme for committees individually and collectively will focus on:</p> <ul style="list-style-type: none"> • Forthcoming policy development, with such matters usually being identified well ahead of time; • Review of performance, and finance, issues in-year, with particular matters of concern being escalated to committee by exception. <p>Committees will not usually carry out the scrutiny of decisions shortly before they are submitted to Cabinet ("pre-decision scrutiny"). Chairs will however have the discretion to place such matters on the work programme where the subject matter is high profile and contentious.</p>
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<p>Carrying out work using methods most likely to deliver a consistent high impact</p>	<p>Scrutiny committees have a range of methods at their disposal to conduct their work, and to gather evidence.</p> <p>Where the work programme is being developed, decisions as to whether certain items are placed on the programme will need to bear in mind what method or methods will deliver the greatest impact.</p> <p>Usual methods will include:</p> <ul style="list-style-type: none"> • Considering an item on an ordinary agenda of a scrutiny committee meeting. This may be one of several items or the sole item on the agenda. The rules of procedure on scrutiny at Part X set out the arrangements for this form of evidence-gathering in more detail; • Convening a joint meeting with another scrutiny committee of the county council. If the work programme demands it, joint meetings of multiple committees may be convened to review cross-cutting topics. Joint meetings with scrutiny committees of other authorities may also be convened – and joint committees of more than one authority may also be established, subject to rules set out in section xxx; • Establishing a standing sub-committee to take responsibility for a portion of the parent committee’s terms of reference. The establishment of sub-committees will happen further to the advice of the Monitoring Officer and will be subject to the agreement of full Council given the overall effects on overall political proportionality; • Establishing a task and finish group. Task and finish groups are informal, time limited bodies established by a committee to undertake a specific, defined investigation and to report back to that committee before being disbanded. Detailed arrangements for the establishment of task and finish groups are set out in section xxx. • Establishing a standing panel. The Corporate Services and Economic Growth Overview and Scrutiny Committee may, at the start of the

	<p>municipal year, determine whether to establish a standing panel to transact duties relating to the scrutiny of the budget development process. This panel will operate further to arrangements set out in the Protocol on Financial Oversight, Financial Management and Scrutiny and the Executive-Scrutiny Protocol;</p>
<p>Gathering evidence from a wide range of sources so as to gain as full an understanding as possible of an issue prior to making recommendations</p>	<p>Evidence to support scrutiny activity may derive from:</p> <ul style="list-style-type: none"> • Desktop research. Officers supporting scrutiny committees may undertake research on behalf of those committees, and councillors may also be tasked by the committee to undertake research; • Officer reports. Reports on matters for information, or for noting, will not be submitted to scrutiny committees for consideration. Where an officer report is proposed or requested for a given meeting it should be to answer a specific question and/or to support the scrutiny committee to reach, or recommend, a specific outcome. General reports “for information” can be submitted to councillors directly, outside of the ordinary committee cycle, and used in support of the work programming process described above; • Officer or executive member attendance at formal meetings. Officers or executive members may be required to attend meetings to give evidence and/or to be held to account for decisions, or performance, for which they are responsible. “No blame” does not mean “no accountability”, and scrutiny committees should carry out this work constructively but vigorously. More information on this power is set out in the Executive-Scrutiny Protocol; • Public meetings. In order to investigate a matter on the work programme a scrutiny committee may convene a meeting to take evidence directly

	<p>from the public. The design of this process should have regard to the need to maximise accessibility for those identified as key stakeholders for such evidence-gathering;</p> <ul style="list-style-type: none"> • Site visits. In transacting work (particularly task and finish groups) councillors will want to carry out in-person visits to places within, and occasionally outside, the county.
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9. CALL-IN

- 9.1 Call-in should only be used in exceptional circumstances. These are where members of the appropriate Overview and Scrutiny Committee have evidence which suggests that the decision making person or body did not take the decision in accordance with the principles set out in Article 13 (Decision Making).
- 9.2 When a decision is made by the Cabinet, an individual member of the Cabinet or a committee of the Cabinet, or a key decision is made by an officer with delegated authority from the Cabinet, or a Local Area Committee, or under joint arrangements, the decision notice shall be published, including where possible by electronic means, and shall be available at the main offices of the Council normally within 2 working days of being made. All Members will be sent a copy of the notice within the same timescale, by the person responsible for publishing the decision.
- 9.3 That notice will bear the date on which it is published and will specify that the decision will come into force, and may be implemented, unless the powers of call-in have been exercised or a period of five days from the date of the notice have elapsed whichever is the sooner.
- 9.4 If during that period, the Proper Officer receives a valid call-in notice, they, in consultation with the Chair or Deputy-Chair of the Council, or in their absence, the Monitoring Officer, shall call a meeting of the committee on such date as they may determine, where possible after consultation with the chair of the committee, and in any case within 5 days of the decision to call-in.

The call in notice must be signed by either;

- the Chair or Vice-Chair of the relevant scrutiny committee or
- five signatories (comprising non-executive members or, in the case of education matters, any non-Council members with voting rights in respect of the matter in question).

A clear reason for the call-in must be stated on the notice, with due regard to the principles of decision making contained in Article 13, and the completed form must be forwarded to

the Proper Officer by noon on the fifth day following the publication of the relevant decision notice.

- 9.5 If, having considered the decision, the Overview and Scrutiny Committee is still concerned about it, then it may refer it back to the decision making person or body for reconsideration, setting out in writing the nature of its concerns or refer the matter to full Council. If referred to the decision maker, they shall then reconsider within a further five working days, amending the decision or not, before adopting a final decision.
- 9.6 If following an objection to the decision, the Overview and Scrutiny Committee does not meet in the period set out above, or does meet but does not refer the matter back to the decision making person or body, the decision shall take effect on the date of the overview and scrutiny meeting, or the expiry of the period, in which the Overview and Scrutiny Committee should have been held whichever is the earlier.
- 9.7 If the matter was referred to full Council and the Council does not object to a decision which has been made, then no further action is necessary and the decision will be effective in accordance with the provision below. However, if the Council does object, it has no locus to make decisions in respect of an executive decision unless it is contrary to the policy framework, or contrary to or not wholly consistent with the budget. Unless that is the case, the Council will refer any decision to which it objects back to the decision making person or body, together with the Council's views on the decision. That decision making body or person shall choose whether to amend the decision or not before reaching a final decision and implementing it. Where the decision was taken by the Cabinet as a whole or a committee of it, a meeting will be convened to reconsider within five working days of the Council request. Where the decision was made by an individual, the individual will reconsider within 5 working days of the Council request.
- 9.8 If the Council does not meet, or if it does but does not refer the decision back to the decision making body or person, the decision will become effective on the date of the Council meeting or expiry of the period in which the Council meeting should have been held, whichever is the earlier.
- 9.9 Where an executive decision has been taken by a Local Area Committee, then the right of call-in shall extend to any other Local Area Committee which resolves to refer a decision which has been made but not implemented to a relevant Overview and Scrutiny Committee for consideration in accordance with these provisions. A Local Area Committee may only request the Proper Officer to call-in the decision if it is of the opinion that the decision will have an adverse effect on the area to which it relates. All other provisions relating to call in shall apply as if the call in had been exercised by members of a relevant Overview and Scrutiny Committee.

9.10 Exceptions

In order to ensure that call-in is not abused, nor causes unreasonable delay, the Council may resolve to place limits on the number or categories of matters which may be the subject of call in.

9.11 Call-In and Urgency

The call-in procedure set out above shall not apply where the decision being taken by the Cabinet is urgent. A decision will be urgent if any delay likely to be caused by the call in process would seriously prejudice the Council's or the public's interests. The record of the decision, and notice by which it is made public shall state whether in the opinion of the decision making person or body, the decision is an urgent one, and therefore not subject to call-in. The Business Chair of the Council must agree both that the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency. In the absence of the Business Chair, the Deputy Business Chair consent shall be required. In the absence of both, the head of paid service or their nominee's consent shall be required. Decisions taken as a matter of urgency must be reported to the next available meeting of the Council, together with the reasons for urgency.

9.12 The operation of the provisions relating to call-in and urgency shall be monitored annually, and a report submitted to Council with proposals for review if necessary

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DRAFT CONSTITUTION

Part 9
Section 6

Employment Procedure Rules

1. Purpose

- 1.1.** These Rules set out the procedural rules dealing with the appointment and dismissal of staff. This includes mandatory standing orders required by statute.

2. Recruitment and Appointment

All staff to be appointed on merit

- 2.1.** Subject to those exceptions set out in section 7 of the Local Government and Housing Act 1989, every appointment of a person to a paid office or employment under the Authority (an officer of the Council) shall be made on merit.

Declarations

- 2.2.** Any candidate for any designation or appointment with the Council who knows that they are related to a Member or employee of the Council shall, when making an application, disclose, in writing, that relationship. A person who deliberately fails to disclose such a relationship shall be disqualified from designation or appointment and, if designated or appointed, shall be liable to dismissal.
- 2.3.** Every Member and employee of the Council shall disclose any relationship known to them to exist between themselves and any person they know is a candidate for a designation or appointment by the Council.

Seeking support for appointment

- 2.4.** Any candidate for designation or appointment who directly or indirectly seeks the support of a Member or officer of the Council in any designation or appointment shall be disqualified and, if designated or appointed, shall be liable to dismissal. A Member shall not solicit for any person in respect of any designation or appointment with the Council but may give a written testimonial of a candidate's ability, experience or character.
- 2.5.** Persons shall be deemed to be related to a candidate or officer if they are a spouse, civil partner, partner (i.e. Member of a couple living together) parent, parent-in-law, grandparent, child, step-parent stepchild, adopted child, grandchild, child of partner, brother, sister, uncle, aunt, nephew or niece or the spouse or partner of any of the preceding persons. This list is indicative, and a judgement will be made based on the closeness of the relationship.
- 2.6.** No candidate so related to a Member or senior officer will be appointed without the authority of the relevant Chief Officer or an officer nominated by them.

3. Recruitment of Chief Officers and Deputy Chief Officers

- 3.1.** A Chief Officer and a Deputy Chief Officer means those officers of the Council as defined by Part 1 of the Localism Act 2011
- 3.2.** Where the Council proposes to appoint a Chief Officer or Deputy Chief Officer, and it is not proposed that the appointment be made exclusively from among their existing officers, the Council will:
 - 3.2.1.** draw up a statement specifying the duties of the post concerned and a specification of the qualifications or qualities to be sought in the person to be appointed;
 - 3.2.2.** make arrangements for the post to be advertised in such a way as is likely to bring it to the attention of persons who are qualified to apply for it; and
 - 3.2.3.** make arrangements for a copy of the statement mentioned in paragraph above to be sent to any person on request.
- 3.3.** Where a post has been advertised as above, the Council will interview all qualified applicants for the post or select a short-list of such qualified applicants and interview those included on the short-list.
- 3.4.** Where the Council is of the view that there is no suitable candidate, it will re-advertise the post.

4. Appointment of Chief Officers and Deputy Chief Officers

- 4.1.** Where the Council proposes to appoint to a Chief Officer position a committee or sub-committee of the Council will oversee the arrangements for the filling of the vacancy and may appoint a sub-committee for this purpose (Appointment Panel). The Committee or the Appointment Panel sub-committee exercising responsibility for this function must include at least one Cabinet Member.
- 4.2.** The Committee, or the Appointment Panel, shall make appointments to all Chief Officer posts, (except those referred at Rule 5 below which require a report and recommendation to be made to full Council).
- 4.3.** The Committee or the Appointment Panel sub-committee may make appointments to any or all Deputy Chief Officer posts or may delegate such appointments to the Head of Paid Service.
- 4.4.** An offer of an appointment as a Chief Officer or Deputy Chief Officer must not be made by the Council, Committee, Appointments Panel or Head of Paid Service as the appointor until—

- 4.4.1.** the appointor has notified the proper officer of the name of the person to whom the appointor wishes to make the offer and any other particulars which the appointor considers are relevant to the appointment;
- 4.4.2.** the proper officer has notified every Member of the Cabinet of the authority of–
- (a)** the name of the person to whom the appointor wishes to make the offer;
 - (b)** any other particulars relevant to the appointment which the appointor has notified to the proper officer; and
 - (c)** the period within which any objection to the making of the offer is to be made by the Leader on behalf of the Cabinet to the proper officer; and
- 4.4.3.** either–
- (a)** the Leader has, within the period specified in the notice, notified the appointor that neither they, nor any other Member of the cabinet, has any objection to the making of the offer;
 - (b)** the proper officer has notified the appointor that no objection was received within that period from the Leader; or
 - (c)** the appointor is satisfied that any objection received from the Leader within that period is not material or is not well-founded.

5. Appointment of Head of Paid Service, Monitoring Officer and The Chief Finance (S.151) Officer

- 5.1.** The full Council must appoint the Head of Paid Service following consideration of a recommendation of the Staffing Committee, or Appointment Panel, as to the person to be appointed.
- 5.2.** The full Council shall appoint the Monitoring Officer and the Chief Finance (S.151) Officer following consideration of a recommendation of the Staffing Committee, or Appointment Panel, as to the person to be appointed.
- 5.3.** The procedure set out at Rule 4.4 in respect of notifying the Leader and Cabinet also applies in respect of these three posts.
- 5.4.** The full Council shall also appoint the officer designated as the Returning Officer and the Electoral Registration Officer.

5.5. Where the Council does not approve the recommendation of the Committee, it shall indicate how it wishes to proceed.

6. Disciplinary of Head of Paid Service, Monitoring Officer and The Chief Finance (S.151) Officer

6.1. The Head of Paid Service, Monitoring Officer or Chief Finance Officer and other Chief Officer(s) may be suspended whilst an investigation takes place into alleged misconduct. That suspension will be on full pay and last no longer than two months without a review of such suspension first taking place. The proceedings will be dealt with in accordance with the Council's agreed policy. The requirements of the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended) and the Model Disciplinary Procedure A (England) of the Conditions of Service Handbook of the Joint Negotiating Committee for Local Authority Chief Executives (13th October 2016) and accompanying Guidance give effect to these provisions and will be used in circumstances where disciplinary action against the Head of Paid Service, Monitoring Officer or s151 Officer is contemplated

6.2. Potential for dismissal - Disciplinary action or situations in which there is the potential to dismiss either the Head of Paid Service, Monitoring Officer or Chief Finance Officer on the grounds of misconduct and potential to dismiss for other reasons such as capability and some other substantial reason will require the involvement of an Independent Investigator. Where it results in a proposal to dismiss, it will require the involvement of an Independent Panel before the Council considers the proposal (in accordance with the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended by the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015)).

6.3. Procedure – The Head of Paid Service, the Monitoring Officer and the Chief Finance Officer (S.151 Officer) may not be dismissed by the Council unless this procedure is complied with.

6.3.1. The Council must invite relevant Independent Persons to be considered for appointment to an Independent Persons Panel, with a view to appointing at least two such persons to the Panel.

6.3.2. The “relevant Independent Persons” means any Independent Person who has been appointed by the Council or, where there are fewer than two such persons, such Independent Persons as have been appointed by another authority, or authorities, as the Council considers appropriate.

6.3.3. The Council must appoint to the Independent Persons Panel such relevant independent persons who have accepted an invitation issued in accordance with Procedure Rule 6.2 in accordance with the following priority order:

- (a) a relevant Independent Person who has been appointed by the Council and who is a local government elector;

- (b)** any other relevant Independent Person who has been appointed by the Council;
- (c)** a relevant Independent Person who has been appointed by another authority or authorities
- (d)** The Council is not required to appoint more than two relevant Independent Persons but may do so.
- (e)** The Council must appoint any Independent Persons Panel at least 20 working days before the relevant meeting.
- (f)** Before the taking of a vote at the relevant meeting on whether or not to approve such a dismissal, the Council must take into account, in particular:
 - (i)** any advice, views or recommendations of the Independent Persons Panel
 - (ii)** the conclusions of any investigation into the proposed dismissal; and
 - (iii)** any representations from the relevant officer.
- (g)** Any remuneration allowances or fees paid by the Council to an Independent Person appointed to the Independent Persons Panel must not exceed the level of remuneration, allowance or fees payable to that Independent Person in respect of that person's role as an Independent Person under the Localism Act 2011.

7. Consultation with Cabinet Members

7.1. No notice of dismissal, in relation to a Chief Officer or Deputy Chief Officer must be issued by the Council, Committee, Appointments Panel or Head of Paid Service as the dismissor until—

7.1.1. the dismissor has notified the proper officer of the name of the person to be dismissed and any other particulars which are relevant to the dismissal;

7.1.2. the proper officer has notified every Member of the Cabinet of:

(a) the name of the person to be dismissed:

(b) any other particulars relevant to the dismissal which the dismissor has notified to the proper officer; and

- (c) the period within which any objection to the proposed dismissal is to be made by the Leader on behalf of the Cabinet to the proper officer; and

7.1.3. either–

- (a) the Leader has, within the period specified in the notice, notified the dismissor that neither they, nor any other Member of the Cabinet, has any objection to the proposed dismissal;
- (b) the proper officer has notified the dismissor that no objection was received within that period from the Leader; or
- (c) the dismissor is satisfied that any objection received from the Leader within that period is not material or is not well-founded.

8. Other Officers

- 8.1.** The function of appointment or dismissal of, and taking disciplinary action against, any officer other than a Chief Officer or Deputy Chief Officer must be the responsibility of the Head of Paid Service, or their nominee.
- 8.2.** Members will not be involved in the appointment, dismissal of or taking disciplinary action against any officer other than a Chief Officer or Deputy Chief officer, except where such involvement is necessary for any investigation or inquiry into alleged misconduct, although the Council's disciplinary, capability and related procedures, as adopted from time to time, may allow a right of appeal to Members in respect of disciplinary action resulting in dismissal only.
- 8.3.** Any disciplinary action will be taken in accordance with the Council's Disciplinary Policy and Procedure, as adopted from time to time.

9. No Directions to Be Given To Persons Making Appointments or Taking Disciplinary Action

- 9.1.** Save as specifically provided for elsewhere in these Standing Orders, neither the Council nor the Cabinet or its Committees or Overview and Scrutiny meeting or an individual Member, nor any other person shall directly or indirectly:
 - 9.1.1.** give directions to any person taking any step in relation to an appointment to a post in the paid service of the Council as to the identity of the person to be appointed;
 - 9.1.2.** give directions about the taking of any disciplinary action in relation to a person in the paid service of the Council; or

- 9.1.3. otherwise interfere with the making of such an appointment or the taking of disciplinary action.

10. Statement of Pay Policy

- 10.1. A statement of the Council's pay policy will be published annually.

DRAFT CONSTITUTION

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DRAFT CONSTITUTION

Part 10

Finance and Procurement

Contents

This Part sets how the Council will manage its finance and contracts

Sections

- 1 Introduction**
- 2 Contract Standing Orders**
- 3 Financial Procedure Rules**

DRAFT CONSTITUTION

Part 10 Finance and Contract Procedure Rules

1. Introduction

- 1.1** The Constitution sets out how the Council operates, how decisions are made and the procedures that are followed.
- 1.2** Financial control within the Council is exercised via the mechanism of these Rules. The Rules are complimentary to the scheme of decision-making contained within the Constitution.
- 1.3** To conduct its business efficiently, a local authority needs to ensure that it has sound financial management policies in place and that they are strictly adhered to. Part of this process is the establishment of rules that set out the financial policies of the council. A modern council should also be committed to innovation, within the regulatory framework, providing that the necessary risk assessment and approval safeguards are in place.
- 1.4** These Rules provide clarity about the financial accountabilities of individuals – Executive Members, the Chief Executive, the Chief Legal Officer, the Section 151 Officer, other Executive Directors and Heads of Service.
- 1.5** The Finance & Contract Rules form only part of the overall framework of the Council which also includes the other Articles, Parts and Rules of the Council's Constitution.
- 1.6** The Council is moving to the increased use of electronic means for the procurement of and payment for services. Officers shall comply with directions issued by the Section 151 Officer and the Chief Legal Officer setting out how these rules are to be applied in such circumstances.
- 1.7** These Finance and Contract Rules should be read in conjunction with The Financial Procedures in Appendix 1. The Financial Procedures provide the framework for managing the Council's financial affairs and set out the controls in place and responsibilities of staff in the following five broad areas:

Financial Management;

Financial Planning;

Risk management and Control of Resources;

Financial Systems and Procedures;

External arrangements.

2. Definitions and Delegated Limits

1.8 Definitions

In the context of the Finance & Contract Rules:-

“**Executive Directors**” means the Council’s Chief Executive and all those senior officers designated as Executive directors.

“**Head of Paid Service**” means the Chief Executive or authorised deputy.

“**Chief Legal Officer**” means the Chief Legal Officer whose duties as Chief Legal Officer are set out in Article 12.03 of the Constitution or authorised deputy.

“**Head of Procurement**” means the officer designated as such by the Director of Transformation and Resources.

“**Head of Service**” means the officers designated as such by Directors

“**Equalities Legislation**” shall mean any legislation relating to race, gender, age, disability, religion and belief, and sexual orientation.

In the case of a school, all references in these rules to “**a Director**” or “**a Corporate Director**” shall be interpreted to refer to the Head teacher, and references to an “**Executive Member**”, to refer to the Governing Body of the establishment in question.

“**School**” means a school with a delegated budget in accordance with the Education Reform Act 1988 (as amended).

In order to assist users, certain officers are named in the appendices to these Rules. The relevant Corporate Director may amend such names and descriptions provided that any such changes are notified to the Chief Legal Officer in order that electronically available copies of the Constitution may be amended.

In any limits set out in these rules, the VAT element shall be ignored but only where the VAT element is recoverable by the Council.

1.9 Delegated Limits

In accordance with General Delegation 5, any officer of the Council has delegated authority within their general area of responsibility (subject to the conditions set out in the Constitution) and references to “**Executive Directors**” within these Rules apply to any such officer of the Council.

1.10 Limits for Executive Directors

Corporate Directors have the power to make decisions within the context of the agreed Budget and Policy Framework where the contractually committed expenditure will not exceed **£500,000** unless the decision has been the subject of examination under the Council’s Business Case and Risk Appraisal Processes [see Appendices 3 and 5] in which case the limit shall be **£1,000,000** [These limits shall not apply to Schools - see Article 3.3 and [Appendix 7](#).]

Executive Directors may delegate powers that can be exercised by officers within their service. The Internal Scheme of Management should be approved by the Executive Director, and should be reviewed annually to ensure that it is up to date and reflects the needs of the particular service.

1.11 Limits for Executive Members and Executive Directors

Executive Directors and the relevant Executive Member together have the power to make decisions within the context of the agreed Budget and Policy Framework where the contractually committed expenditure will not exceed **£1,000,000** unless the decision has been the subject of examination under the Council's Business Case and Risk Appraisal Processes [see Appendices 3 and 5] in which case the limit shall be **£2,000,000** [These limits shall not apply to Schools - see Article 3.3 and Appendix 7].

1.12 Reports to the Executive

A schedule of proposed decisions over these limits shall be presented to the monthly meetings of the Executive although in the case of urgency, the Leader may consent to the decision being taken and then reported to the Executive for information with reasons for the urgency being given.

1.13 Engagement of Consultants

- (a)** For the sake of clarity the Finance and Contract Rules apply to the engagement of any consultant by the Council, and any consultant who works for the Council must also comply with these Rules as if they were an Officer of the Council.
- (b)** The engagement of consultants should only take place where it can be demonstrated that the use of the consultant is necessary to obtain particular expertise or as a result of the extent of the work involved and the appointment must be demonstrated to offer value for money. The engagement of a consultant should only take place with the approval of the appropriate Executive Director and appropriate Executive Member.

For these purposes, a consultant is a firm or person who offers professional or expert advice on the provision of services by the Council and who is not an employee of the Council for the purposes of section 112 Local Government Act 1972.

3. Responsibilities

1.14 General Responsibilities

All Members and officers have a general responsibility for taking reasonable action to provide for the security and use of the resources and assets under their control, and for ensuring that the use of these resources and assets is legal, is consistent with the Council's policies, properly authorised, provides value for money and achieves best value.

1.15 Executive Director

Each Executive Director is ultimately responsible to the Council for ensuring that Financial & Contract Rules are applied and observed by his/her staff and will report to the Executive how such delegated powers have been exercised. Each Executive Director will review the degree of compliance in their respective Groups with these rules at least annually. Internal Audit will perform routine testing of the application of these Finance & Contract Rules as part of the Audit Plan.

Executive Directors are responsible for ensuring compliance with the Financial Procedures and for reporting to the Section 151 Officer any known or suspected breaches of these.

Executive Directors are responsible for ensuring that all staff in their groups are aware of and understand the existence and content of these rules and other internal regulatory documents and related guidelines and procedures, and that they comply with them. They must also ensure that staff are aware of how to access the documents, providing an adequate number of copies for reference within their groups, where a readily accessible electronic version is not available

Where any Executive Director considers that complying with these Rules in a particular situation might conflict with the achievement of value for money or the principles of best value or the best interests of the Council, he/she shall raise the issue with the Section 151 Officer and the Monitoring Officer who will, if they consider it necessary and appropriate, seek formal approval in accordance with the Constitution for a specific waiver of the Rules or an amendment to the Rules themselves.

1.16 Schools

1.16.1 Separate financial regulations for schools are included as the Northumberland Scheme for Financing Schools (Appendix 7) relating to those matters where decisions have been delegated to school governing bodies. The Section 151 Officer (in consultation with the Executive Director of Children, Young People and Education) is responsible for keeping that scheme under review and issuing updates when appropriate.

1.16.2 Schools within the remit of the Local Authority shall apply the Scheme, in the absence of express provision to the contrary. In particular Schools may only exercise the power within the limits set out in the Scheme.

1.16.3 For the convenience of users, much of the Scheme is included here as Appendix 7. This may not be altered by the Council using the procedures set out in Article 15 of the Constitution but only in accordance with the provisions of Section 48 of the

School Standards and Framework Act 1998 and any regulations or statutory guidance issued thereunder (as amended or replaced from time to time).

1.17 Section 151 Officer

The Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the council. This statutory responsibility cannot be overridden. The statutory duties arise from:

Section 151 of the Local Government Act 1972

The Local Government Finance Act 1988

The Local Government and Housing Act 1989

The Accounts and Audit Regulations 2011

The Section 151 Officer is responsible for maintaining a continuous review of these rules and submitting any additions or changes necessary to the Council for approval. The Section 151 Officer is also responsible for reporting, where appropriate, breaches of the rules to the appropriate part of Council and/or to other law enforcement bodies.

The Section 151 Officer and the Monitoring Officer have delegated authority to produce and update advice on the implementation of these rules.

The Section 151 Officer is responsible for issuing advice and guidance to underpin these rules that Members, officers and others acting on behalf of the council are required to follow. He/she will be given access to any information, which in his/her opinion is necessary to comply with his/her statutory duties and the requirements and instructions of the Council.

For the sake of clarity, it is confirmed that the powers given to the Section 151 Officer and to the Monitoring Officer under these rules shall be part of their delegated powers in addition to those in (to insert hyperlinks and remove reference to 'Part 3') of the **Constitution.**

4. Section 4 Contracts

1.18 This section of the Finance and Contract Rules support the Council's Commercial Strategy and is intended to:

- (a) secure the best value for the Council;
- (b) provide those involved in spending public money, with clear and transparent procedural
- (c) requirements to complement existing professional skills, integrity and commitment;
- (d) ensure fairness to those seeking to contract with the Council;
- (e) prevent fraud and corruption or the suspicion of it; and
- (f) ensure the Council operates within the law.

1.19 Personal Responsibilities

1.19.1 Officers undertaking procurement (i.e. contracting for works, supplies or services) should inform themselves of the Council's requirements under these Rules and corresponding Codes of Practice. If an officer is in any doubt as to their obligations, then they must seek advice from the Monitoring Officer. Officers should not undertake procurements unless they have the necessary knowledge and skills to do so.

1.19.2 All officers and Members must comply with the requirements of the Council's Code of Conduct and in particular declare any interest, which could, or be seen to, influence their judgement in any procurement or contract matters.

1.19.3 All officers must report to their manager, supervisor or other responsible senior officer any illegality, impropriety, breach of procedure or serious deficiency in procurement practices. Employees are able to do this without fear of recrimination providing they act in good faith via the Council's Whistleblowing Policy. In such circumstances managers must record and investigate such reports and take appropriate action, including referral to the Monitoring Officer in more serious cases.

1.20 Compliance

1.20.1 All procurement shall comply with:

- (a) all applicable statutory provisions;

- (b) the applicable national procurement rules (e.g. Public Contract Regulations 2015, Utilities Contract Regulations 2016 and Concession Contracts Regulations 2016);
- (c) the Council's Constitution including these Finance and Contract Rules and the Scheme of Delegation;
- (d) the Council's Procurement Codes of Practice.

1.20.2 A failure to comply with any of the provisions of these Procedure Rules or the Codes of Practice by any officer may amount to misconduct, which can result in disciplinary action being taken.

1.20.3 Members and officers are required to apply the highest standards of probity at all stages of a procurement process. Members and officers are, in particular, reminded of their responsibilities in relation to gifts and hospitality and must comply with the applicable Code of Conduct.

1.20.4 Executive Directors and managers are responsible for ensuring that employees, agency workers, consultants and agents comply with these Rules and the Procurement Codes of Practice.

1.20.5 Executive Directors and managers must ensure that any local procedures produced within their Group are fully compliant with these Rules and Procurement Codes of Practice.

1.21 General Waiver of any of the Finance and Contract Rules

1.21.1 No exemptions from any of the following provisions of these Rules shall be made except following consultation with the Head of Procurement, the appropriate Executive Member and with the written consent of the Section 151 Officer and of the Monitoring Officer, who may direct that any or all of the provisions of these Rules may be waived where they are satisfied that the exemption is justified in the special circumstances of the contract. The consent shall specify the reasons for the exemption. The Monitoring Officer and Head of Procurement shall keep a register of all such exceptions, which may be inspected by any Member of the Council.

1.22 Estimating Contract Values / Aggregation

1.22.1 Where there is a reference to the value of any contract or transaction, it shall mean its total estimated value net of VAT over the entire term of the contract, including all options, permitted extensions and variations. Where a contract does not include a total price the estimated value will be the amount of the consideration payable each month multiplied by 48.

1.22.2 Executive Directors shall have regard to the optimum packaging of works, supplies or services, particularly works, supplies or services of a similar nature, which are

likely to be carried out in connection with a particular project necessary to achieve the best value for money. A proposed contract must not be divided into separate lower value contracts to avoid the full application of these Rules, which would otherwise apply.

1.22.3 Contracts of a similar nature should not be artificially split into different parts to avoid the application of the **£10,000** minimum threshold of these Rules or the applicable UK Regulatory Threshold. At the same time, contracts of a recurring or similar nature must be aggregated and this accumulative value used. If there is doubt as to whether contracts must be aggregated, advice from the Head of Procurement must be sought and followed.

1.23 Contract Terms & Conditions

1.23.1 Every contract which exceeds **£10,000** in value shall be in writing and signed in accordance with the scheme delegation, including signatories from authorised officers and the contractor. The goods, services or works should be specified along with the price to be paid together with a statement as to the amount of any discount(s) or other deduction(s); the period(s) within which the contract is to be performed and such other conditions and terms as may be agreed between the parties.

1.23.2 Contractual documentation should be in accordance with the harmonised contractual documentation as approved and agreed with North East Regional Authorities and or, comply with internal rules and policies, or drafted or approved by the Council's legal department.

1.24 Contractual and Transparency Requirements

1.24.1 Details of any contract exceeding £30,000 must be provided to the Head of Procurement for possible inclusion on the Council's website in order to comply with statutory and / or regulatory transparency requirements.

1.24.2 Details of any planned spend exceeding £10,000 must be provided to the Head of Procurement for inclusion on the Councils procurement forward plan.

1.24.3 Any extensions to existing contracts must be sought in a timely manner and made only after approval from the Executive Director and Head of Procurement.

1.25 Contract Management / Performance Monitoring

1.25.1 During the term of a contract, the applicable Executive Director should undertake monitoring and evaluation to include the following items:

(a) Performance

(b) Compliance with specification and contract;

- (c) Cost;
- (d) User satisfaction; and
- (e) Risk management.

1.26 Choice of Procedure and Thresholds

1.26.1 Prior to proceeding with any procurement regardless of value, the following must be satisfied:

- (a) establish a business case for the procurement;
- (b) consider the most appropriate means of satisfying the requirement;
- (c) ensure that no alternative procurement arrangements are in place;
- (d) ensure the course of action chosen represents Best Value for Money to the Council; in the case of external consultants comply with the additional requirements set out in the Rules.
- (e) in the case of individual procurements where the aggregate value of the intended procurement(s) is estimated to be equal to or over **£2,000,000** that Executive approval is obtained. This does not apply to those corporate contracts that are in place to underpin the day to day workings of the Council, e.g. utility supplies, stationery supply and confirmation must be obtained from the Chief Legal Officer prior to reliance on this exemption;
- (f) ensure that the budget holder responsible for the contract has sufficient funds in place to maintain the contract;
- (g) establish a clear written specification for the procurement requirement;
- (h) assess the risks associated with the procurement;
- (i) comply with the corporate procurement process where the value of the procurement is equal to or exceeds **£50,000** or where the procurement poses a significant risk to the Council. Where agreement is not reached, the Monitoring Officer shall determine the matter.

1.26.2 Contracts Exceeding Public Procurement Regulatory Thresholds

This rule applies to contracts for applicable works, supplies or services with an estimated value above the thresholds prescribed by the UK Government from time to time in accordance with the Regulation 5 Public Contracts Regulations 2015, or as amended, substituted or replaced by applicable successor legislation. The thresholds, set as at 01 January 2022, are:

- (a) Works £5,336,937 inclusive of VAT (indicative value £4,447,447 exclusive of VAT)
- (b) Supplies £213,477 inclusive of VAT (indicative value (£177,897 exclusive of VAT)
- (c) Services £213,477 inclusive of VAT (indicative value (£177,897 exclusive of VAT)

These thresholds will be reviewed and updated in accordance with section 5A Public Contracts Regulations 2015 every 2 years and in the event of any amendment to the thresholds this para 1.26.2 shall be read with reference to those amended figures.

Where a contract is to be awarded under the Utilities Contracts Regulations 2016 or the Concession Contracts Regulations 2016 the relevant thresholds shall be those published by the UK Government from time to time as appropriate.

Contracts subject to this rule must be let by one of the following procurement procedures and managed by the Corporate Director and the Commercial and Procurement Manager:

- (a) Open Procedure;
- (b) Restricted Procedure;
- (c) A Call-Off or Mini Competition pursuant to an existing Framework Agreement let by the Council or other Third party
- (d) Competitive Dialogue Procedure;
- (e) Negotiated Procedure.

The contract should be awarded according to the most economically advantageous tender. Where the most economically advantageous bid is not selected, the reasons for this shall be documented and certified by the Executive Director and Head of Procurement.

Any extensions to existing contracts must be made only after approval from the Executive Director and the Head of Procurement sought in a timely manner.

1.26.3 Procurements equal to or exceeding £50,000 up to Thresholds stated at para 1.26.2

This rule applies to contracts for works, supplies or services with an estimated value equal to or exceeding **£50,000** but less than the thresholds prescribed by the UK Government (Regulation 5 & 5A Public Contracts Regulations 2015, Utilities Contracts Regulations 2016 and the Concession Contracts Regulations 2016 each as amended or replaced from time to time) or to which the full extent of them do not apply.

Contracts subject to this rule must be let by one of the procurement procedures below:

- (a) Open Procedure;
- (b) Restricted Procedure;

- (c) A Call-Off or Mini Competition pursuant to an existing Framework Agreement let by the Council or other Third party;
- (d) Competitive Dialogue Procedure;
- (e) Negotiated Procedure.

The contract should be awarded according to the most economically advantageous tender. Where the most economically advantageous bid is not selected, the reasons for this shall be documented and certified by the Executive Director and Head of Procurement.

Tenders obtained through the use of a framework agreement via further competition must be managed by the Head of Procurement. Details of these will be recorded on the Councils e-sourcing system and where appropriate the Councils contract register.

Any extensions to existing contracts must be made only after approval from the Executive Director and Head of Procurement sought in a timely manner.

1.26.4 Procurements between £10,000 and £50,000

This Rule applies to Procurements which are equal to or exceed **£10,000** but which are less than **£50,000**.

- (a) The Executive Director shall obtain and consider at least three written relevant quotations from suitable third parties. In addition, where available any in-house provider must also be asked to provide a quotation.
- (b) Quotations should be sought via the councils e-sourcing system and utilise the quick quotes functionality to ensure that where reasonably practicable at least one local supplier is asked to provide a quotation.
- (c) The contract should be awarded according to the most economically advantageous quotation. Where less than three quotations are received, or where the most economically advantageous bid is not selected, the reasons for this shall be documented and certified by the Executive Director
- (d) Quotations obtained through the use of a framework agreement via further competition must be managed by the Head of Procurement. Details of these will be recorded on the Councils e- sourcing system and where appropriate the Councils contract register.

1.26.5 Procurements up to £10,000

This Rule applies to Procurements which are less than **£10,000**.

- (a) An Executive Director may procure works, supplies or services up to a value of less than **£10,000** providing that he can objectively demonstrate value for money and he has considered the use of competition.

1.27 Collaborative or joint procurement arrangements

- 1.27.1** Where the Council acts as the lead or host authority in any collaborative or joint procurement arrangement these Procedure Rules will apply, unless otherwise agreed by the Monitoring Officer and the Section 151 Officer.
- 1.27.2** Where the Council decides that a third party will undertake procurement on its behalf the Executive Director shall ensure that the procurement process followed is broadly comparable to that set out in these Procurement Procedure Rules, unless otherwise agreed by the Monitoring Officer and the Section 151 Officer.
- 1.27.3** Executive Directors should seek from the Monitoring Officer confirmation as to the legal power to enter into any collaborative or joint procurement arrangement prior to it being agreed.
- 1.27.4** The procedures established by the collaborative or joint procurement agreements must be followed, including any relevant European Union Procurement rules and any applicable requirement of this Constitution.
- 1.27.5** The use of collaborative or joint procurement agreements shall not be undertaken without the prior approval of the Head of Procurement.
- 1.27.6** A record of the agreement for the use of collaborative or joint procurement agreements should be retained by the Head of Procurement and entered onto the Councils contracts register.

1.28 Submission and Opening of Tenders

- 1.28.1** All tender documentation will be issued and received via the Council's electronic tendering system.
- 1.28.2** The tenders shall be locked in the e-tendering system until the time and date specified for their opening. At this time the Monitoring Officer will unlock the tenders for the Head of Procurement to access.
- 1.28.3** No tender received after the time and date specified in the invitation shall be accepted or considered.

1.29 Acceptance of Tenders

- 1.29.1** This Rule is subject to the delegated limits set out in section 2 of these Rules.
- 1.29.2** All tenders are evaluated against a pre-determined evaluation model provided to all tenderers.

1.30 Exceptions for specific types of agreement

- 1.30.1** Except where the contract is subject to the requirements of the Public Contract Regulations 2015, The Utilities Contracts Regulations 2016 or the Concession

Contracts Regulations 201606 the Rules requiring tenders for the supply of goods or services shall not apply to:

- (a) Contracts for the placement of individuals in private residential or nursing homes where the appropriate Executive Director considers such a contract to be in the best interests of an individual.
- (b) Contracts for care services to be provided to an individual or household where the appropriate Executive Director considers such a contract to be in the best interests of an individual.
- (c) Contracts for educational or social care or educational and social care placements for individuals where the appropriate Executive Director considers such a contract to be in the best interests of an individual.
- (d) Contracts with a third party where sections 184 or 278 of the Highways Act 1980 apply.
- (e) Contracts for the instruction of Counsel or any external legal advisors with the consent of the Monitoring Officer.
- (f) Contracts for expert witnesses and advisers instructed in connection with litigation (possible or actual) or public inquiries of whatever nature.

1.31 Emergency Action

1.31.1 Nothing in these Rules shall apply to the execution of work or the supply of goods or materials where, in the opinion of the appropriate Executive Director emergency action is necessary for example to render a building, highway or structure safe and watertight, or to preserve property for which the Council is responsible or to deal with a source of danger to persons (including a danger to health) or it is essential to enable an existing service to continue, provided that such action is kept to the minimum necessary. A report of expenditure incurred under this part of this Rule of an amount exceeding that delegated to the relevant Corporate Director, shall be made to the Executive, or to the Council. In the event that emergency works or supply of goods are necessary and, may be subject to the requirements of the Public Contract Regulations the consent of either the Head of Procurement or the Monitoring Officer must be obtained.

1.32 Retention of Documents

1.32.1 Executive Directors shall ensure that copies of documents in connection with any tendering or quotation process shall be kept either for the period shown below or for the date that the Council's Auditor approves the relevant annual accounts (whichever shall be the longer).

Documentation	Retention period
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Documents in connection with the successful tender (including specific contracts resulting from framework agreements)	6 years or where the Contract is by way of Deed 12 years. In both cases such period commencing with the completion of the contract
Documents in connection with the unsuccessful tender (including specific contracts resulting from framework agreements)	12 months commencing with the date of the award of the contract

Financial Management

1.33 Financial management covers all financial accountabilities in relation to the running of the Council, including the policy framework and budget.

1.34 In law, the Council has a fiduciary duty towards its council taxpayers with regard to financial decisions and their consequences. The full Council is responsible for approving and monitoring compliance with the Council's overall system of accountability and control. The full Council is also responsible for monitoring compliance with the agreed budget and policy framework.

1.35 The full Council is responsible for approving procedures for recording and reporting decisions taken. This includes those key decisions delegated by and decisions taken by the Council and its committees. These delegations and details of who has responsibility for which decisions are set out in (to insert hyperlinks and remove reference to 'Part 3') (Responsibility for Functions) of the Council's Constitution.

1.36 The Executive is responsible for proposing the Budget and Policy Framework to the full Council, and for discharging executive functions in accordance with the Budget and Policy framework.

1.37 The Section 151 Officer is responsible for:

- ☐ the proper administration of the Council's financial affairs
- ☐ setting and monitoring compliance with financial management standards
- ☐ advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
- ☐ providing financial information
- ☐ preparing the revenue budget and capital programme
- ☐ treasury management.

1.38 Section 114 of the Local Government Finance Act 1988 requires the Section 151 Officer to report to the Council, the Executive and external auditor if the Council or one of its officers:

- ❑ has made, or is about to make, a decision that involves incurring unlawful expenditure
- ❑ has taken, or is about to take, an unlawful action that has resulted or would result in a loss or deficiency to the council
- ❑ is about to make an unlawful entry in the council's accounts.

The Section 151 Officer is to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under section 114 personally. The Council is to provide the Section 151 Officer with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under section 114.

1.39 Executive Directors are responsible for ensuring that Executive Members are advised of the financial implications of all proposals and that the financial implications have been agreed by the Section 151 Officer.

1.40 It is the responsibility of Executive Directors to consult with the Section 151 Officer and seek approval on any matter that may affect the Council's finances materially, before any commitments are incurred.

Other Financial Accountabilities

Virement

1.41 The Council is responsible for agreeing procedures for virement of expenditure between budget headings within the overall "cash limit" it approves each year for each Group. The Scheme of Virement is set out as Appendix 2 to these Rules.

1.42 Executive Directors are responsible for agreeing in-year virements within delegated limits in accordance with the Scheme of Virement. Executive Directors are also responsible for ensuring that all decisions are recorded and adequate records maintained.

Treatment of Year-End Balances

1.43 Over and underspends on budget heads must be accounted for in the year in which they occur. Under and overspends should be reflected in the budget provisions for future years. This is set out in Appendix 4.

Accounting Policies

1.44 The Section 151 Officer is responsible for selecting accounting policies and ensuring that they are applied consistently. The accounting policies will be in line with the CIPFA's Code of Practice for Local Authority Accounting in the UK.

Accounting Records and Returns

1.45 The Section 151 Officer is responsible for determining the accounting procedures and records for the council.

The Annual Statement of Accounts

1.46 The Section 151 Officer is responsible for ensuring that the annual statement of accounts is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom. The Audit Committee is responsible for approving the annual statement of accounts after completion of the external audit.

Write Offs

1.47 The Council has a Corporate Debt Policy published separately. This must be followed at all times. Write-off limits associated with the Corporate Debt Policy are set out below.

1.48 Sundry Debt Write Offs

1.48.1 Heads of Service may, after consultation with The Revenues Manager, write off debts due to the County Council provided they do not exceed **£2,500** and the debt has been unsuccessfully pursued using the normal debt recovery procedures.

1.48.2 Heads of Service may, after consultation with The Revenues Manager, write off debts due to the County Council provided they do not exceed **£25,000** with the written consent of the Section 151 Officer.

1.48.3 Heads of Service may, after consultation with The Revenues Manager, write off debts due to the County Council in the range of **£25,000** up to and including **£50,000** with the written consent of the Section 151 Officer.

1.48.4 Decisions on debts due to the County Council over **£50,000** will be made by the Section 151 Officer and the Chief Executive, in consultation with The Revenues Manager. The Revenues Manager will provide the Section 151 Officer with a quarterly report showing the amount of debt written off in that quarter, the Group, Service and budget bearing the write off.

1.48.5 The Executive Member for Corporate Services will be notified of every individual write off over **£20,000**.

1.48.6 The Section 151 Officer will provide an annual report to the Executive showing the total amount of debt written off in any year broken down by the Groups and Services and also where any one debtor has an annual aggregated total of write offs which exceed **£5,000**.

1.48.7 In exercising their powers under this paragraph, Heads of Service will have regard to the Corporate Debt Recovery Policy, particularly with regard to the reasons for write offs and the recording of decisions.

1.48.8 Special limits apply to Schools [See Article 3.3 and Appendix 7].

1.49 Sundry Debt Credits

1.49.1 The Revenues Manager may approve the appropriation of credits up to **£100**.

1.49.2 The Revenues Manager and the Revenues and Benefits Manager may approve the appropriation of credits over **£100**.

1.50 Council Tax and Non-Domestic Rates Write Offs

1.50.1 The Revenues Manager may write off debts up to **£100**.

1.50.2 The Revenues Manager and the Revenues and Benefits Manager may write off debts between **£100** and **£5,000**.

1.50.3 The Revenues Manager and the Revenues and Benefits Manager may write off committals and remissions of any value i.e. if a debtor is committed to prison or if a debt is remitted by the Magistrates and deemed irrecoverable.

1.50.4 Revenues and Benefits Manager and Head of Financial Services may write off debts between **£5,000** and **£50,000**.

1.50.5 The Head of Financial Services and the Section 151 Officer may write off debts between **£50,000** and **£100,000**.

1.50.6 The Section 151 Officer and the Chief Executive may write off debts over **£100,000**.

1.50.7 The Executive Member for Corporate Resources will be notified of every individual write off over **£20,000**.

1.50.8 In exercising their powers under this paragraph, Officers will have regard to the Corporate Debt Recovery Policy and the Write-Off Policy.

1.50.9 The Section 151 Officer will include the details of Council Tax and non-domestic rates write offs in an annual report on debt write-offs to Executive.

1.51 Council Tax and Non-Domestic Rates Credits

1.51.1 The Revenues Manager may approve the appropriation of credits up to **£100**.

1.51.2 The Revenues Manager and the Revenues and Benefits Manager may approve the appropriation of credits over **£100**.

1.52 Benefit Overpayment Write Offs

1.52.1 The Benefits Manager may write off debts up to **£100**.

- 1.52.2** The Benefits Manager and the Revenues and Benefits Manager may write off debts between **£100** and **£5,000**.
- 1.52.3** Revenues and Benefits Manager and Head of Financial Services Debts may write off debts between **£5,000** and **£50,000**.
- 1.52.4** The Head of Financial Services and the Section 151 Officer may write Debts between **£50,000** and **£100,000**.
- 1.52.5** The Section 151 Officer and the Chief Executive may write off debts over **£100,000**.
- 1.52.6** The Executive Member for Corporate Resources will be notified of every individual write off over **£20,000**.
- 1.52.7** In exercising their powers under this paragraph, Officers will have regard to the Corporate Debt Recovery Policy and the Write-Off Policy.
- 1.52.8** The Section 151 Officer will include the details of benefit overpayment write offs in an annual report on debt write-offs to Executive.

1.53 Benefit Overpayment Credits

- 1.53.1** The Benefits Manager may approve the appropriation of credits up to **£100**.
- 1.53.2** The Benefits Manager and the Revenues and Benefits Manager may approve the appropriation of credits over **£100**.

5. Financial Planning

- 1.54** The full Council is responsible for agreeing the Council's Budget and Policy framework, which will be proposed by the Executive. In terms of financial planning, the key elements are:
- the corporate plan
 - the budget
 - the capital programme.
- 1.55** The full Council is responsible for approving the Budget and Policy framework. The Policy Framework comprises various plans and strategies as set out in Article 4 of the Council's Constitution.
- 1.56** The full Council is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework and for determining the circumstances in which a decision will be deemed to be contrary to

the budget or policy framework. Decisions should be referred to the full Council by the Monitoring Officer or the Section 151 Officer.

- 1.57** The full Council is responsible for setting the level at which the Executive may reallocate budget funds from one service to another. The Executive is responsible for taking in-year decisions on resources and priorities in order to deliver the budget and policy framework within the financial limits set by the Council.

Budgeting

Budget Format

- 1.58** The general format of the budget will be approved by the full Council and proposed by the Executive on the advice of the Section 151 Officer. The draft budget should include allocation to different services and projects, proposed taxation levels and contingency funds.

Budget Preparation

- 1.59** The Section 151 Officer is responsible for ensuring that a revenue budget is prepared on an annual basis and a general revenue plan on a medium- term basis for consideration by the Executive, before submission to the full Council. In setting the budget, the Section 151 Officer will give consideration to the Council Tax base, and determine an appropriate level at which the charge will be levied. Each year the Section 151 Officer will report to the Executive and to the Council on the general financial situation of the Council and on any significant matters or events that will need to be considered in determining the coming year's budget or that may affect the financial position of the Council in the longer term.
- 1.60** The Executive is responsible for issuing guidance on the general content of the budget in consultation with the Section 151 Officer as soon as possible following approval by the full Council.
- 1.61** It is the responsibility of Executive Directors to ensure that budget estimates reflecting agreed service plans are submitted to the Executive and that these estimates are prepared in line with guidance issued by the Executive.
- 1.62** The full Council may amend the draft budget previously considered by the Executive or ask the Executive to reconsider it before approving it.

Preparation of the Capital Programme

- 1.63** The Capital Strategy Group ("CSG") (of officers), chaired by the Section 151 Officer, is responsible for establishing a rolling capital plan encompassing all areas of the council's capital expenditure. CSG reports to EMT and the annual capital programme and a general medium term capital plan is considered by the Executive before submission to full Council.

- 1.64** The Council will determine the policy guidelines within which a forward capital programme will be prepared each year. The definition of “capital” is prescribed in Part IV of the Local Government and Housing Act 1989 and is applied by the Section 151 Officer having regard to Government regulations and accounting requirements.
- 1.65** Each Corporate Stakeholders Group will prepare annually a proposed forward capital programme in accordance with the Guide to Capital Expenditure contained in Appendix 6 for consideration by the Executive and subsequent approval by the Council. This programme will have regard to the Council’s priorities, Government controls and the availability of resources as determined by the Council.
- 1.66** The capital programme will be prepared in accordance with the criteria, format, timetable and targets determined by the Section 151 Officer (reporting to the Executive) and the Council, and in consultation with appropriate finance and other technical staff.
- 1.67** Guidelines on budget preparation are issued to Members and Executive Directors by the Executive following agreement with the Section 151 Officer. The guidelines will take account of:
- legal requirements
 - medium-term planning prospects
 - the corporate plan
 - available resources
 - spending pressures
 - best value and other relevant Government guidelines
 - other internal policy documents
 - crosscutting issues (where relevant).

Business Case

- 1.68** Each Executive Director shall ensure that proposals for new expenditure comply with the Business Case Guidance procedure set out in Appendix 5. The Section 151 Officer may agree with Executive Directors that categories of projects may be dealt with on a programme basis rather than a project by project basis.

Maintenance of Reserves

- 1.69** It is the responsibility of the Section 151 Officer to advise the Executive and the Council on prudent levels of reserves for the council. This will be supported by a risk assessment.

Budget Monitoring & Control

- 1.70** The Section 151 Officer is responsible for providing Executive Directors and their staff with appropriate access to financial information via the corporate accounting and budgeting systems to enable budgets to be monitored effectively. He or she must monitor and control overall expenditure against budget allocations, assisted by all Corporate Directors who will monitor and control at service and more detailed levels, and report to the Executive on the overall position on a regular basis.
- 1.71** It is the responsibility of Executive Directors to control income and expenditure within their area and to monitor performance, taking account of financial information derived from corporate accounting and budgeting systems maintained by the Section 151 Officer. They will provide the Section 151 Officer with any information required to enable effective corporate monitoring within appropriate deadlines and will report on variances within their own service areas. They will also take any action necessary to avoid exceeding their budget allocation and alert the Section 151 Officer to any problems as soon as these are identified.
- 1.72** The Section 151 Officer is responsible for developing and maintaining a resource allocation process that ensures due consideration of the Council's policy framework and also reflects agreed service priorities.

6. Auditing & Internal Controls

- 1.73** Internal control refers to the systems of control devised by management to help ensure the council's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the council's assets and interests are safeguarded, whilst securing probity and legitimacy of transactions and preventing and detecting fraud, corruption or irregularity.
- 1.74** The Section 151 Officer is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.
- 1.75** It is the responsibility of Executive Directors to ensure that effective systems of internal control are in place, to ensure compliance with Financial Regulations and Financial Procedures and to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.
- 1.76** The Accounts and Audit Regulations 2003 require every local authority to maintain an adequate and effective internal audit of the Council's accounting records and control systems. The Section 151 Officer holds delegated responsibility from the Council for the internal audit function, which is exercised by his/her Internal Audit division. The terms of reference of the Internal Audit division and its annual work plan and performance are subject to review and approval by the Audit Committee.

- 1.77** The Audit Commission is responsible for appointing external auditors to each local authority. The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, as amended by section 5 of the Audit Commission Act 1998.
- 1.78** Internal and external audit will report to the Audit Committee on both financial and corporate governance issues. The Committee has right of access to obtain all the information it considers necessary in relation to audit reports and to consult directly with internal and external auditors. The Committee is responsible for reviewing the external auditor's annual audit letter and approval of the Internal Audit annual work plan.
- 1.79** The council may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Customs and Excise, the HMRC, the Audit Commission and OFSTED, all of whom have statutory rights of access.
- 1.80** The Section 151 Officer is responsible for the development and maintenance of an anti-fraud and anti-corruption policy, which shall include the avoidance of involvement in money laundering (see section 18)
- 1.81** The Section 151 Officer shall bring appropriate general issues to the attention of the Standards Committee.
- 1.82 Losses and Special Payments**
- (1)** The Section 151 Officer will prepare procedural instructions on the recording of and accounting for:
 - (a)** losses (including theft, fraud and overpayments), payments on abortive works, bad debts and irrecoverable damage to buildings and loss of equipment and property.
 - (b)** special payments (including compensation payments made under legal obligation, extra contractual payments to contractors and ex gratia payments).
 - (2)** Any employee or officer discovering or suspecting a loss of the kind described above must immediately inform their head of department, who must notify the Section 151 Officer. Where a criminal offence is suspected, the Section 151 Officer must immediately inform the police if theft or arson is involved.
 - (3)** The Head of Internal Audit must notify the external auditor of all frauds where the loss is in excess of **£1,000**.
 - (4)** The Section 151 Officer shall maintain a Losses and Special Payments Register in which the details set out in the guidance is recorded. The Audit Committee will review the register on at least an annual basis.

- (5) The Section 151 Officer will consider whether individual losses or special payments within delegated limits should be reported to the Executive.
- (6) The Section 151 Officer shall be authorised to take any necessary steps to safeguard the Council's interests in bankruptcies and company liquidations.
- (7) For any loss, the Section 151 Officer should consider whether any insurance claim could be made.

7. Risk Management

- 1.83 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant strategic and operational risks to the council. This should include the proactive participation of all those associated with planning and delivering services.
- 1.84 The Executive is responsible for approving the council's risk management policy statement and strategy and for reviewing the effectiveness of risk management. The Executive is responsible for ensuring that proper insurance exists where appropriate.
- 1.85 The Section 151 Officer is responsible for preparing the council's risk management policy statement, for promoting it throughout the council and for advising the Executive on proper insurance cover where appropriate.
- 1.86 Each Executive Director has responsibility for implementing the risk management framework within the areas of service for which they are responsible.
- 1.87 Before entering into any arrangement involving a legal relationship, the relevant Executive Director must ensure that the Council has adequate legal powers and there is adequate indemnity insurance cover to minimise the financial risk to the Council and to those individuals involved. Advice can be obtained from the Monitoring Officer.
- 1.88 Before entering any arrangement involving a legal relationship, the Executive Director must consider whether the matter should form the subject of a formal Risk Appraisal Panel in accordance with the procedures set out in Appendix 3 [The Risk Appraisal Panel Process] and having regard to the financial limits in Articles 2.3 and 2.4. Any project, partnership, or proposal whose cost is expected to exceed **£1 million** must be subject to a formal Risk Appraisal Panel.
- 1.89 Good risk management may require potentially courageous decisions to defer the introduction of a new service so that fully tested processes and systems, operated by well trained staff whose operational productivity has been fully established, are in place at service commencement. The problems and costs arising from delays, and the damage to reputation, may be less in practice than those which may arise from

going live with a system not fully fit for the purpose. Corporate Directors need to carefully consider the relative risks of each alternative in deciding the way forward.

8. Treasury Management

- 1.90** The Council has adopted CIPFA's Code of Practice for Treasury Management in Local Authorities.
- 1.91** The full Council is responsible for approving the Treasury Management Policy Statement setting out the matters detailed in paragraph 15 of CIPFA's Code of Practice for Treasury Management in Local Authorities. The policy statement is proposed to the full Council by the Executive. The Section 151 Officer has delegated responsibility for implementing and monitoring the statement.
- 1.92** All money in the hands of the council is controlled by the Section 151 Officer.
- 1.93** The Section 151 Officer is responsible for reporting to the Executive a proposed treasury management strategy for the coming financial year at or before the start of each financial year.
- 1.94** All executive decisions on borrowing, investment or financing shall be delegated to the Section 151 Officer, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities as adopted by the Council. The Section 151 Officer is responsible for the management of the Council's cash flow and associated temporary investment strategy.
- 1.95** The Section 151 Officer is responsible for reporting to the Executive not less than two times in each financial year on the activities of the treasury management operation and on the exercise of his or her delegated treasury management powers. One such report will comprise an annual report on treasury management for presentation by 30th September of the succeeding financial year.

9. Systems & Procedures

- 1.96** Sound systems and procedures are essential to an effective framework of accountability and control.
- 1.97** The Section 151 Officer is responsible for the operation of the council's accounting systems, the form of accounts and the supporting financial records. Any changes proposed by Executive Directors to the existing financial systems or the establishment of new systems must be approved by the Section 151 Officer. However, Executive Directors are responsible for the proper operation of financial processes in their own Departments.
- 1.98** Any changes to agreed procedures by Executive Directors to meet their own specific service needs should be agreed with the Section 151 Officer.

1.99 Executive Directors should ensure that their staff receive relevant financial training that has been approved by the Section 151 Officer and that their staff are competent to use any financial systems as necessary to perform their role effectively.

1.100 Executive Directors must ensure that, where appropriate, computer and other systems are registered in accordance with data protection legislation. Executive Directors must ensure that staff are aware of their responsibilities under the Data Protection and Freedom of Information legislation.

10. Income & Expenditure

1.101 It is the responsibility of Executive Directors to ensure that a proper scheme of delegation has been established and documented for all aspects which fall within their area and that it is operating effectively. The scheme of delegation should identify staff authorised to act on the Executive Director's behalf, or on behalf of the Executive, and the limits of their council in respect of, for instance, payments, income collection and placing orders. The Executive is responsible for approving procedures for writing off debts as part of the overall control framework of accountability and control.

11. Payments to Officers & Members

1.102 The Section 151 Officer is responsible for all payments of salaries and wages to all officers, including payments for overtime, and for payment of allowances to Members.

12. Taxation

1.103 The Section 151 Officer is responsible for advising Executive Directors, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the council.

1.104 The Section 151 Officer is responsible for maintaining the council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

2 Assets

2.1 The assets of the Council include buildings, vehicles, furniture and equipment, computer systems, stocks and materials, money and investments as well as less obvious things such as data and information. Each Executive Director is responsible for ensuring that assets are properly maintained and securely held and that use is properly authorised and controlled. Executive Directors 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 and regularly tested.

- 2.2** It is the responsibility of Executive Directors to ensure compliance with the Protocol for Dealing with Surplus Property Assets as contained in Appendix 8.
-

3 Trading Accounts / Business Units

- 3.1** It is the responsibility of the Section 151 Officer to advise on the establishment and operation of trading accounts and business units.
-

4 External Arrangements

- 4.1** The Council provides a distinctive leadership role for the community and brings together the contributions of the various stakeholders. It must also act to achieve the promotion or improvement of the economic, social or environmental well-being of its area.
- 4.2** The Executive is responsible for approving delegations, including frameworks for partnerships. The Executive is the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.
- 4.3** The Executive can delegate functions – including those relating to partnerships – to officers. These are set out in the scheme of delegation that forms part of the council's Constitution. Where functions are delegated, the Executive remains accountable for them to the full Council.
- 4.4** Members and Officers will represent the council on partnership and external bodies, in accordance with the scheme of delegation.
- 4.5** The Monitoring Officer is responsible for promoting and maintaining the same high standards of conduct with regard to financial administration in partnerships that apply throughout the council.
- 4.6** The Section 151 Officer must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory and he/she will provide such guidance to Executive Directors and Members as may be required on this aspect. The Chief Executive and other Executive Directors must also consider the overall corporate governance arrangements and legal issues (having regard to advice from the Monitoring Officer) when arranging contracts with external bodies. They must also ensure, in liaison with the Section 151 Officer, that the risks have been fully appraised and documented before agreements are entered into with external bodies.
- 4.7** Executive Directors are responsible for ensuring that appropriate approvals are obtained from the Council or the Executive, as appropriate, before any negotiations are concluded in relation to work with external bodies.

5 External Funding & Work for Third Parties

- 5.1 The Section 151 Officer is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the council's accounts and Executive Directors are responsible for providing him/her with all necessary information to enable this to be achieved.
- 5.2 The Executive is ultimately responsible for approving the contractual arrangements for any work for third parties or external bodies subject to the powers delegated within these Rules.

6 Money Laundering

- 6.1 The Section 151 Officer shall be the "nominated officer" for the purpose of the Money Laundering regulations 2003 (or any amendment or replacement of the same).
- 6.2 Any Member or officer of the Council to whom information or other matter comes in the course of relevant business (as set out in the Money Laundering Regulations) as a result of which he knows or suspects or has reasonable grounds for knowing or suspecting that a person is engaged in money laundering must, as soon as is practicable after the information or other matter comes to him, disclose it to the Section 151 Officer (as nominated officer) or a person authorised for the purposes of the Money Laundering Regulations by the Director General of the National Criminal Intelligence Service, particularly if there is to be a payment of cash or travellers cheques made to or by the Council which exceeds **15,000 euros**.
- 6.3 Notwithstanding the above, the Section 151 Officer must be informed immediately of any sum in excess of **£1,000** paid or proposed to be paid in cash or travellers cheques.
- 6.4 Officers should ensure they do not breach the "tipping-off" requirements of the Money Laundering legislation by advising third parties of any reports made under these provisions. Breaches may incur personal criminal liability.

Appendix 1 Financial Procedures

Section 1 Introduction

1. Financial procedures are the detailed rules setting out the key financial controls in each of the five areas identified within the financial regulations, along with the detailed responsibilities of the Section 151 Officer and Corporate Directors.
 2. The key controls represent the controls that the Council should ideally have in place.
 3. Financial procedures provide the framework for managing the Council's financial affairs. All Members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.
 4. The five areas covered in this document are as follows:-
 - (a) Financial Management;
 - (b) Financial Planning;
 - (c) Risk Management and Control of Resources;
 - (d) Financial Systems and Procedures;
 - (e) External Arrangements.
-

2 Section 2 Financial Management

3 Introduction

1. Financial management is critical to improving the quality of public service outcomes. Financial stewardship, accountability and transparency are also central to establishing public trust.
2. This section of the Financial Procedures sets out the key controls in place and responsibilities associated with overarching aspects of financial management.
3. The areas covered in this section are as follows:

Financial Management Standards

Scheme of Virement

Accounting Policies

Accounting Records and returns

Annual Statement of Accounts

1. Financial Management Standards

- (a) All employees and Members have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.
- (b) The financial management standards set out the overarching requirements of the Council in relation to the management of its financial affairs.
- (c) This sub section of the financial procedures sets out the key controls and responsibilities relevant to Financial Management Standards.

1.1 Key Controls

- (a) Promotion of financial management standards throughout the Council.
- (b) A monitoring system to review compliance with financial standards, and regular comparisons of performance indicators and benchmark standards that are reported to the Executive and full Council.

1.2 Responsibilities of the Section 151 Officer

- (a) To ensure the proper administration of the financial affairs of the Council.
- (b) To set the financial management standards and to monitor compliance with them.

- (c) To ensure proper professional practices are adhered to and to act as head of profession in relation to the standards, performance and development of finance employees throughout the Council.
- (d) To advise on the key strategic controls necessary to secure sound financial management.
- (e) To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.

1.3 Responsibilities of Executive Directors

- (a) To promote the financial management standards set by the Section 151 Officer in their departments and to monitor adherence to the standards and practices, liaising as necessary with the Section 151 Officer.
- (b) To promote sound financial practices in relation to the standards, performance and development of staff in their Groups.

1.4 Responsibilities of Budget Holders

- (a) To follow the financial management standards established by the Section 151 Officer.
- (b) To apply relevant controls and follow relevant procedures.
- (c) To work within delegated limits established within their Groups.

2. Scheme of Virement

- (a) The scheme of virement sets out the rules relating to the transfer of budgets within and between Groups.
- (b) The rules for both revenue and capital budget transfers are intended to enable the Executive, Executive Directors, and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the full Council, and therefore to optimise the use of resources.
- (c) The Scheme of Virement is detailed in the Constitution under the Rules of Procedure: Budget and Policy Framework.

2.1 Key Controls

- (a) It is administered by the Section 151 Officer.

(b) The overall budget is agreed by the Executive and approved by the full Council. Executive Directors and budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget.

(c) Budget virement must not create additional overall budget liability.

2.2 Responsibilities of the Section 151 Officer

(a) To authorise appropriate levels of virement as laid out in the Constitution (Rules of Procedure: Budget and Policy Framework).

2.3 Responsibilities of Executive Directors

(a) To authorise appropriate levels of virement as laid out in the Constitution (Rules of Procedure: Budget and Policy Framework).

2.4 Responsibilities of Budget Holders

(a) To abide by the levels of virement established by the Section 151 Officer and relevant Executive Directors.

3. Accounting Policies

(a) Accounting policies are the bases on which transactions and balances are brought to account in the Council's annual financial statements. This sub section of the financial procedures sets out the controls and responsibilities relevant to the development and application of accounting policies.

(b) The Section 151 Officer is responsible for the preparation of the Council's Statement of Accounts, in accordance with proper practices as set out in the format required by the Code of Practice on Local Authority Accounting in the United Kingdom (CIPFA/LASAAC), for each financial year ending 31st March.

(c) This sub section of the financial procedures sets out the key controls and responsibilities relevant to accounting policies.

3.1 Key Controls

(a) Systems of internal control are in place to ensure that financial transactions are lawful.

(b) Suitable accounting policies are selected and applied consistently.

(c) Proper accounting records are maintained.

(d) Financial statements are prepared which present fairly the financial position of the Council and its expenditure and income.

3.2 Responsibilities of the Section 151 Officer

- (a) To select suitable accounting policies and to ensure that they are applied consistently. The accounting policies are set out in the statement of accounts, which are prepared to 31st March each year, and cover such items as:

Separate accounts for capital and revenue transactions;

The basis on which debtors and creditors at year end are included in the accounts;

Provisions and reserves;

Non-current assets;

Depreciation;

Capital charges to revenue;

Work in progress;

Inventory;

Accounting for value added tax;

Government grants;

Leasing;

Pensions;

Allocation of central administration expenses;

Provision for credit liabilities.

3.3 Responsibilities of Executive Directors

- (a) To adhere to the accounting policies and guidelines approved by the Section 151 Officer.

3.4 Responsibilities of Budget Holders

- (a) To adhere to the accounting policies and guidelines approved by the Section 151 Officer.

4. Accounting records and returns

- (a) Maintaining proper accounting records is one of the ways in which the Council discharges its responsibility for stewardship of public resources. The Council has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that adequate arrangements have been made for securing economy, efficiency and effectiveness in the use of the Council's resources.
- (b) This sub section of the financial procedures sets out the key controls and responsibilities relevant to accounting records and returns.

4.1 Key Controls

- (a) All Members, finance staff and budget managers operate within the required accounting standards and timetables.
- (b) All the Council's transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis.
- (c) Procedures should be in place to enable accounting records to be reconstituted in the event of systems failure.
- (d) Reconciliation procedures are carried out to ensure transactions are correctly recorded.
- (e) Prime documents are retained in accordance with legislative and other requirements.
- (f) Measures are in place to enable prevention and detection of fraud.

4.2 Responsibilities of the Section 151 Officer

- (a) To determine the accounting procedures and records for the Council and to ensure that they follow good financial practice.
- (b) To arrange for the compilation of all accounts and accounting records under his or her direction.
- (c) To ensure that all accounting practices and records are compatible with the County Council's financial systems.
- (d) To comply with the following principles when allocating accounting duties:

Separating the duties of providing information about sums due to or from the Council and calculating, checking and recording these sums from the duty of collecting or disbursing them

Employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.

- (e) To make proper arrangements for the audit of the Council's accounts in accordance with the Accounts and Audit Regulations 1996.
- (f) To ensure that all claims for funds including grants are made by the due date.
- (g) To prepare and publish the audited accounts of the Council for each financial year, in accordance with the statutory timetable and with the requirement for the full Council to approve the statement of accounts by 30th June.
- (h) To identify the correct retention periods for financial documents and ensure the retention of financial documents is maintained in accordance with the requirements.

4.3 Responsibilities of Executive Directors

- (a) To consult and obtain the approval of the Section 151 Officer before making any changes to accounting records and procedures.
- (b) To maintain adequate records to provide a management trail leading from the source of income / expenditure through to the accounting statements.
- (c) To supply information required enabling the statement of accounts to be completed in accordance with guidelines issued by the Section 151 Officer.

4.4 Responsibilities of Budget Holders

- (a) To consult and obtain the approval of the relevant Executive Director before making any changes to accounting records and procedures.
- (b) To maintain adequate records to provide a management trail leading from the source of income / expenditure through to the accounting statements.
- (c) To supply information required enabling the statement of accounts to be completed in accordance with guidelines issued by the Section 151 Officer.

5. Annual Statement of Accounts

- (a) The Council has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. The Audit Committee is responsible for approving the statutory annual statement of accounts before 30th September.
- (b) This subsection of the financial procedures sets out key controls and responsibilities relevant to the preparation of the annual statement of accounts.

5.1 Key Controls

- (a) The Council is required to make arrangements for the proper administration of its financial affairs.
- (b) The Council's statement of accounts must be prepared in accordance with proper practices as set out in the *Code of Practice on Local Authority Accounting in the United Kingdom (CIPFA/LASAAC)*.

5.2 Responsibilities of the Section 151 Officer

- (a) To select suitable accounting policies and to apply them consistently.
- (b) To make judgements and estimates that are reasonable and prudent.
- (c) To comply with the Code.
- (d) To sign and date the statement of accounts, stating that it presents fairly the financial position of the Council at the accounting date and its income and expenditure for the year in question and to provide a general letter of representation.
- (e) To draw up the timetable for final accounts preparation and to advise employees and external auditors accordingly.
- (f) To publish the statement of accounts together with any certificate, opinion or report given by the external auditor and arrange for copies to be available for purchase at a reasonable cost.

5.3 Responsibilities of Executive Directors

- (a) To comply with accounting guidance provided by the Section 151 Officer and to supply the Section 151 Officer with information when required.

5.4 Responsibilities of Budget Holders

- (a) To comply with accounting guidance provided by the Section 151 Officer and to supply the Section 151 Officer with information when required.

5 Section 3 Financial Planning

6 Introduction

1. Sound systems of financial planning are necessary to ensure that resources are allocated to council priorities and that the expenditure of financial resources is maintained within budgetary constraints.
2. This section of the Financial Procedures sets out the key controls in place and responsibilities associated with financial planning.
3. The areas covered in this section are as follows:

Corporate Planning

Budget Format

Revenue Budget Preparation, Monitoring and Control

Budgets and Medium Term Planning

Resource Allocation

Capital Programme

1. Corporate Plans

- (a) The council prepares an annual Corporate Plan which supports the Northumberland Sustainable Community Strategy. The purpose of the Corporate Plan is to set out overall priorities and objectives and how the council will work with stakeholders to achieve these. The Corporate Plan is underpinned by Service Plans that include current performance and proposals for further improvement.
- (b) This subsection of the financial procedures sets out key controls and responsibilities relevant to the preparation of corporate plans.

1.1 Key Controls

- (a) To ensure that all relevant plans are produced and that they are consistent.
- (b) To meet the timetables set.
- (c) To ensure that all performance information is accurate, complete and up to date.
- (d) To provide improvement targets which are meaningful, realistic and challenging.

1.2 Responsibilities of the Section 151 Officer

- (a) To advise and supply the financial information that needs to be included in performance plans in accordance with statutory requirements and agreed timetables.

- (b) To contribute to the development of corporate and service targets and objectives and performance indicators.
- (c) To ensure that systems are in place to measure activity and collect accurate information for use as performance indicators.

1.3 Responsibilities of Executive Directors

- (a) To contribute to the development of performance plans in line with statutory requirements.
- (b) To contribute to the development of corporate and service targets, objectives and performance information.
- (c) To ensure that performance information is monitored sufficiently frequently to allow corrective action to be taken if targets are not likely to be met.

1.4 Responsibilities of Budget Holders

- (a) To contribute to the development of performance plans in line with statutory requirements.
- (b) To contribute to the development of corporate and service targets, objectives and performance information.
- (c) To ensure that performance information is monitored sufficiently frequently to allow corrective action to be taken if targets are not likely to be met.

2. Budget format

- (a) The format of the budget determines the level of detail to which financial control and management will be exercised.
- (b) This sub section of the financial procedures sets out the key controls and responsibilities relevant to budget format.

2.1 Key Controls

- (a) The format complies with all legal requirements

The format complies with CIPFA's Service Reporting Code of Practice

The format reflects the accountabilities of service delivery.

2.2 Responsibilities of the Section 151 Officer

- (a) To advise the Executive on the format of the budget that is approved by the full Council.

2.3 Responsibilities of Executive Directors

- (a) To comply with the format of the budget as agreed by the full Council.

2.4 Responsibilities of Budget Holders

- (a) To comply with the format of the budget as agreed by the full Council.

3. Revenue budget preparation, monitoring and control

- (a) Budget management ensures that once the budget has been approved by the full Council, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.
- (b) By continuously identifying and explaining variances against budgetary targets, the Council can identify changes in trends and resource requirements at the earliest opportunity. To ensure that the Council in total does not overspend, each service is required to manage its own expenditure within the budget allocated to it.
- (c) This subsection of the financial procedures sets out key controls and responsibilities relevant to the preparation monitoring and control of the council's revenue budget.

3.1 Key Controls

- (a) The preparation of the annual estimates shall reflect the Strategic Statement and Service Plans of the Council.
- (b) Budget managers should be responsible only for income and expenditure that they can influence.
- (c) Budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities.
- (d) Budget managers follow an approved certification process for all expenditure.
- (e) Income and expenditure are properly recorded and accounted for.
- (f) Performance levels/levels of service are monitored in conjunction with the budget and necessary action is taken to align service outputs and budget.

3.2 Responsibilities of the Section 151 Officer

- (a) To establish an appropriate framework of budgetary management and control, within a budget monitoring manual to ensure that:

each Executive Director has available timely information on income and expenditure for each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities;

expenditure is committed only against an approved budget;

all employees responsible for committing expenditure comply with relevant guidance, the Constitution of the Council and the financial regulations;

significant variances from approved budgets are investigated and reported by budget managers regularly;

Budget provision is only carried forward where there the Group has underspent (see Budget Management Rules)

- (b) To submit reports to the Executive and to the full Council, in consultation with the relevant Executive Director, where a Executive Director is unable to balance expenditure and resources within existing approved budgets under his or her control.
- (c) To prepare and submit reports on the Council's projected income and expenditure compared with the budget on a quarterly basis.
- (d) To give access to and training in the Council's budget process and financial information system, and provide supplementary reports where appropriate.
- (e) To advise the Executive and Full Council on the prudent levels of reserves for the Council.

3.3 Responsibilities of Executive Directors

- (a) To maintain budgetary control within their departments and to ensure that all income and expenditure is properly recorded and accounted for.
- (b) To ensure that an accountable budget manager is identified for each item of income and expenditure under the control of the Executive Director. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure.
- (c) To ensure that spending remains within the service's overall budget, by monitoring the budget and taking appropriate corrective action where significant variations

from the approved budget are forecast. The inclusion of an item in the approved budget provides authority for Executive Directors to incur relevant expenditure or receive relevant income.

- (d)** To ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and is operating effectively.
- (e)** To prepare and submit to the Executive reports on the service's projected expenditure compared with its budget, in consultation with the Section 151 Officer. Where there is an anticipated overspend, a report shall be submitted to the Executive giving the following details:
 - ☐ An explanation of how the situation has arisen
 - ☐ An estimate of the overspend or shortfall in income
 - ☐ The consequences of adhering to the approved budget
- (f)** To ensure prior approval by the Executive for new proposals, of whatever amount, that:
 - Create financial commitments in future years
 - Change existing policies, initiate new policies or cease existing policies
 - Materially extend or reduce the Council's services.
- (g)** A report on new proposals should explain the full financial implications, following consultation with the Section 151 Officer. Unless the full Council or Executive has agreed otherwise, Executive Directors must plan to contain proposals within their budget.
- (h)** To ensure compliance with the scheme of budget virement (Rules of Procedure: Budget and Policy Framework).
- (i)** To agree with the relevant Executive Director where it appears that a budget proposal, including a budget transfer proposal, may impact materially on another service area or Executive Director's level of service activity.
- (j)** To request the carry forward of unspent budget provision where the Group has underspent (see Budget Management Rules).

3.4 Responsibilities of Budget Holders

- (a)** To comply with the budget rules established by the Section 151 Officer.

- (b) To support the relevant Executive Director to establish and maintain budgetary control within their Groups.

4. Budgets and medium-term planning

- (a) The revenue budget must be constructed so as to ensure that resource allocations properly reflect the strategic statement and priorities of the full Council. Budgets are required so that the Council can plan, authorise, monitor, and control the way money is allocated and spent. It is illegal for a council to budget for a deficit.
- (b) Medium-term planning involves a three year planning cycle in which managers develop plans for their particular service. As each year passes, another future year will be added to the medium-term plan. This ensures that the Council is always preparing for events in advance.
- (c) This subsection of the financial procedures sets out key controls and responsibilities relevant to budgets and medium-term planning.

4.1 Key Controls

- (a) Specific budget approval for all expenditure.
- (b) Budget managers are consulted in the preparation of the budgets for which they will be held responsible and accept accountability within delegations set by the Executive for their budgets and the level of service to be delivered.
- (c) A monitoring process is in place to review regularly the effectiveness and operation of budget preparation and to ensure that any corrective action is taken.

4.2 Responsibilities of the Section 151 Officer

- (a) To prepare and submit reports on budget proposals to the Executive, including resource constraints set by the Government. Reports should take account of medium-term prospects, where appropriate.
- (b) To determine the detailed form of revenue estimates and the methods for their preparation, consistent with the budget approved by the full Council, and after consultation with the Executive and Executive Directors.
- (c) To prepare and submit reports to the Executive on the aggregate spending plans of departments and on the resources available to fund them, identifying, where appropriate, the implications for the level of Council tax to be levied.
- (d) To advise on the medium-term implications of spending decisions.
- (e) To encourage the best use of resources and value for money by working with Executive Directors to identify opportunities to improve economy, efficiency and

effectiveness, and by encouraging good practice in conducting financial appraisals of development or savings options, and in developing financial aspects of service planning.

- (f) To advise the full Council on Executive proposals in accordance with his or her responsibilities under section 151 of the Local Government Act 1972.

4.3 Responsibilities of Executive Directors

- (a) To prepare estimates of income and expenditure for revenue and capital over the next three financial years, in accordance with the laid-down guidance and timetable.
- (b) To integrate financial and budget plans into service planning, so that budget plans can be supported by financial and non-financial performance measures.

- (c) When drawing up draft budget requirements, to have regard to:

Spending patterns and pressures revealed through the budget monitoring process;

Legal requirements;

Policy requirements as defined by the full Council in the approved policy framework;

Initiatives already underway;

Efficiency savings that can be made.

4.4 Responsibilities of Budget Holders

- (a) To support the relevant Executive Director to identify opportunities to improve economy, efficiency, and effectiveness in the use of resources in their areas of budgetary control.
- (b) To work with the relevant Executive Director to establish budget proposals.

5. Resource Allocation

- (a) A mismatch often exists between available resources and required resources. It is therefore imperative that required resources are carefully prioritised and that available resources are fairly allocated, in order to fulfil all legal responsibilities.
- (b) This subsection of the financial procedures sets out key controls and responsibilities relevant to budgets and resource allocation.

5.1 Key Controls

- (a) Resources are acquired in accordance with the law and using an approved authorisation process.
- (b) Resources are used only for the purpose intended, to achieve the approved policies and objectives, and are properly accounted for.
- (c) Resources are securely held for use when required.
- (d) Resources are used with the minimum level of waste, inefficiency or loss for other reasons.

5.2 Responsibilities of the Section 151 Officer

- (a) To advise on methods available for the funding of resources, such as grants from central government and borrowing requirements.
- (b) To assist in the allocation of resources to budget managers.

5.3 Responsibilities of Executive Directors

- (a) To work within budget limits and to utilise resources allocated, and further allocate resources, in the most efficient, effective, and economic way.
- (b) To identify opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery.

5.4 Responsibilities of Budget Holders

- (a) To work within limits set by the Council's budget process.
- (b) To identify opportunities to minimise or eliminate resource requirements or consumption in day to day activities.

6. Capital Programme

- (a) Capital expenditure involves acquiring or enhancing fixed assets with a long- term value to the council, such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs.
- (b) The Government places strict Controls on the financing capacity of the Council. This means that capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

- (c) This subsection of the financial procedures sets out key controls and responsibilities relevant to the capital programme.

6.1 Key Controls

- (a) Specific approval by the full Council for the programme of capital expenditure, after consideration by the Executive.
- (b) Expenditure on capital projects is subject to the appraisal and evaluation of schemes by the Corporate Stakeholders Group under the rules laid out in the capital strategy and a Guide to Capital Expenditure agreed by the Executive.
- (c) A scheme and estimate, including project plan, business case, progress targets and associated revenue expenditure is prepared for each capital project.
- (d) The capital programme will have regard to the Council's priorities, Government controls and the availability of resources.
- (e) Where capital projects are to be financed from the revenue budget the funding should be approved by the appropriate Executive Director and considered by the Capital Strategy Group.
- (f) Proposals for improvements and alterations to buildings must be approved by the appropriate Executive Director.
- (g) Schedules for individual projects within the overall budget approved by the full Council must be submitted to the Executive for approval (for example, minor works), or under other arrangements approved by the full Council.
- (h) The development and implementation of asset management plans.
- (i) Accountability for each proposal is accepted by a named manager.
- (j) Monitoring of progress in conjunction with expenditure and comparison against the approved budget.

6.2 Responsibilities of the Section 151 Officer

- (a) To be represented on the Corporate Stakeholders Group
- (b) As part of the Corporate Stakeholders Group and in line with the Council's capital strategy:-
- ☐ Co-ordinate, assess and prioritise capital projects;
 - ☐ Prepare and manage the capital programme;

- ☐ Identify requirements for new land and property assets and to review assets which are surplus to requirements;
- ☐ Monitor the performance, development and promotion of the Council's estate and assets through the Head of Property;
- ☐ Ensure that property-related revenue expenditure is properly targeted in accordance with Council and service priorities;
- ☐ Report capital expenditure to the Executive Management Team, Executive and Scrutiny on a regular basis;
- ☐ To exercise delegated powers to bring forward or put back projects within the programme to more effectively manage the programme;
- ☐ To issue guidance concerning capital projects and controls, for example, on project appraisal techniques. The definition of 'capital' will be determined by the Section 151 Officer, having regard to government regulations and accounting requirements;
- ☐ To obtain authorisation from the Executive for individual projects where the estimated expenditure exceeds the capital programme provision;
- ☐ To monitor the generation of capital receipts, reporting quarterly to the Corporate Stakeholders Group. The role of this group includes tracking the progress of receipt generation from the initial identification of a surplus asset, through the planning permission process and on to the eventual sale.

6.3 Responsibilities of Executive Directors

- (a)** To comply with guidance concerning capital schemes and controls issued by the Section 151 Officer.
- (b)** To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued by the Corporate Stakeholders Group and defined in the Capital Strategy and A Guide to Capital document.
- (c)** To nominate a project manager for each capital project in the current or future capital programmes. The role of the project manager is to manage the project and ensure it is delivered to time, within specification and budget.
- (d)** To prepare regular reports, in conjunction with technical staff, reviewing the capital programme provisions for their services. They should also prepare a quarterly return of estimated final costs of schemes in the approved capital programme for submission to the Executive.

- (e) To ensure that adequate records are maintained for all capital contracts.
- (f) To agree proposals for improvements and alterations to buildings.
- (g) To proceed with projects only when there is adequate provision in the capital programme and with the agreement of the Section 151 Officer where required.
- (h) To have regard to the need to maintain the capital value of buildings through regular repair and maintenance.
- (i) To reflect the cost of holding and using assets in the revenue budgets.
- (j) To prepare and submit reports, after consultation with the Section 151 Officer, to the Executive, of any variation in contract costs greater than the approved limits. The Executive may meet cost increases by budget transfer from savings elsewhere within their capital programme provided that the overall capital budget requirement for the year as approved by Council is not exceeded.
- (k) To prepare and submit reports, after consultation with the Section 151 Officer, to the Executive, on completion of all contracts where the final expenditure exceeds the approved contract sum by more than the specified amount.
- (l) To ensure that credit arrangements, such as leasing agreements, are not entered into without the prior approval of the Section 151 Officer and, if applicable, approval of the scheme through the capital programme.
- (m) To consult with the Corporate Stakeholders Group and to seek approval from the Section 151 Officer where the Executive Director proposes to bid for supplementary credit approvals to be issued by government departments or for additional external funding to support expenditure that has not been included in the current year's capital programme.

6.4 Responsibilities of Project Managers

- (a) To comply with guidance concerning capital schemes and controls issued by the Section 151 Officer.
- (b) To support Executive Directors to discharge their responsibilities.

7. Maintenance of Reserves

- (a) The Council must decide the level of general reserves it wishes to maintain before it can decide the level of Council tax. Reserves are maintained as a matter of prudence. They enable the Council to provide for unexpected events and thereby protect it from overspending, should such events occur. Reserves for specific

purposes may also be maintained, such as the purchase or renewal of capital items.

- (b) This subsection of the financial procedures sets out key controls and responsibilities relevant to the maintenance of reserves.

7.1 Key Controls

- (a) To maintain reserves in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC) and CIPFA guidance on Local Authority reserves and balances (when draft consultation is agreed) and agreed accounting policies.
- (b) For each reserve established, the purpose, usage and basis of transactions should be clearly identified.
- (c) Authorisation and expenditure from reserves by the appropriate Executive Director in consultation with the Section 151 Officer.

7.2 Responsibilities of the Section 151 Officer

- (a) To advise the Executive and/or the full Council on prudent levels of reserves for the Council, and to take account of the advice of the external auditor in this matter.

7.3 Responsibilities of Executive Directors

- (a) To ensure that resources are used only for the purposes for which they were intended.

7.4 Responsibilities of Budget Holders

- (a) To support the relevant Executive Director to ensure that resources are used only for the purposes for which they were intended.
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7 Section 4 Risk Management and Control of Resources

8 Introduction

1. Risk Management and the Control of Resources are the processes and procedures employed to manage the risks faced by the by the Council and to ensure the effective management and security of the resources under its control. The procedures identify the detailed responsibilities of the Section 151 Officer and all Executive Directors.
2. The key controls are the controls in place to ensure that the procedures in place are operated and applied effectively.
3. This section provides details of the risk management and resource controls that are required to enable the Council to achieve agreed objectives. Risk Management and the Control of Resources are the responsibility of all Members and Officers of the Council and it is expected that all Members and Officers will follow the detailed procedures covered within this section.
4. The areas covered in this section are as follows:
 - ☐ Risk Management
 - ☐ Internal Controls
 - ☐ Internal Audit
 - ☐ External Audit
 - ☐ Preventing Fraud and Corruption
 - ☐ Security of Assets
 - ☐ Asset Disposal
 - ☐ Treasury Management
 - ☐ Imprest Accounts
 - ☐ Staffing

1. Risk Management

- (a)** Risk management is the planned and systematic approach to the identification, evaluation, and control of risk. Its objectives are to secure the assets of the organisation and to ensure the continued financial and organisational well-being of the Council. In essence it is, therefore, an integral part of good business practice. Risk management is concerned with evaluating the measures an organisation

already has in place to manage identified risks and then recommending the action the organisation needs to take to control these risks effectively.

- (b)** It is the overall responsibility of the Executive to approve the Council's risk management strategy, and to promote a culture of risk management awareness throughout the council.
- (c)** This subsection of the financial procedures sets out key controls and responsibilities relevant to risk management.

1.1 **Key Controls**

- (a)** The Executive is responsible for approving the Risk Management Policy Statement and Strategy, and Audit Committee advises on the adequacy and effectiveness of Risk Management arrangements.
- (b)** Procedures to identify, assess, prevent, or contain material known risks should be in place.
- (c)** A monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis.
- (d)** Managers will be informed that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives.
- (e)** Provision is made for losses that might result from the risks that remain.
- (f)** Procedures are in place to investigate and process claims within required timescales.
- (g)** Acceptable levels of risk are determined and insured against where appropriate.
- (h)** The Council should identify business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.

1.2 **Responsibilities of the Section 151 Officer**

- (a)** To prepare and promote the Council's risk management policy statement.
- (b)** To develop risk management controls in conjunction with other Executive Directors.
- (c)** To arrange all insurance to cover risks required to be insured by law and such other risks as the Council may from time to time determine.

- (d) To include all appropriate employees of the Council in a suitable fidelity guarantee from insurance.
- (e) To offer insurance cover to schools in accordance with local management of schools arrangements.
- (f) To effect corporate insurance cover, through external insurance and internal funding, and to negotiate all claims in consultation with other officers, where necessary.
- (g) To keep a register of all such insurance cover.

1.3 Responsibilities of Executive Directors

- (a) To notify the Section 151 Officer immediately of any loss, liability or damage that may lead to a claim against the Council, together with any information or explanation required by the Section 151 Officer or the Council's insurers.
- (b) To take responsibility for risk management, having regard to advice from the Section 151 Officer and other specialist officers (e.g. the Risk Manager, crime prevention, fire prevention, health and safety).
- (c) To ensure that there are regular reviews of risk within their departments.
- (d) To notify the Section 151 Officer promptly of all new risks, properties or vehicles that require insurance and of any alterations affecting existing insurances. Schedules of vehicles and property within Executive Director control should be maintained containing all details of users, ownership, occupation and sum insured.
- (e) To consult the Section 151 Officer and the Monitoring Officer on the terms of any indemnity, which the Council is requested to give.
- (f) To ensure that employees, or anyone covered by the Council's insurances, do not admit liability, or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

1.4 Responsibilities of Budget Holders

- (a) To support Executive Directors to discharge their responsibilities.

2. Internal Controls

- (a) The Council has statutory obligations, and, therefore, requires internal controls to identify, meet and monitor compliance with these obligations.

- (b) The Council faces a wide range of financial, administrative, and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks.
- (c) The system of internal controls is established in order to provide measurable achievement of:
- Efficient and effective operations
 - Reliable financial information and reporting
 - Compliance with laws and regulations
 - Prevention of fraud and corruption
 - Risk management
- (d) This sub section of the financial procedures sets out the key controls and responsibilities relevant to internal controls.

2.1 Key Controls

- (a) Financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems.
- (b) An effective internal audit function that is properly resourced. It should operate in accordance with the principles contained in the Auditing Practices Board's auditing guideline Guidance for Internal Auditors, CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom and with any other statutory obligations and regulations.

2.2 Responsibilities of the Section 151 Officer

- (a) To assist the Council to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.

2.3 Responsibilities of Executive Directors

- (a) To manage processes to check that established controls are being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risks.
- (b) To review existing controls in the light of changes affecting the council and to establish and implement new ones in line with guidance from the Section 151

Officer. Executive Directors should also be responsible for removing controls that are unnecessary or not cost or risk effective -for example, because of duplication.

- (c) To ensure employees have a clear understanding of the consequences of lack of control.

2.4 Responsibilities of Budget Holders

- (a) To comply with internal controls established by the Council.
- (b) To support Executive Directors to discharge their responsibilities.

3. Internal Audit

- (a) The requirement for an internal audit function for local authorities is implied by Section 151 of the Local Government Act 1972, which requires that authorities "make arrangements for the proper administration of their financial affairs". The Accounts and Audit Regulations 1996 (SI 1996/590), regulation 5, more specifically require the Council to maintain an adequate and cost effective Internal Audit of its accounts.
- (b) Internal auditing is a review activity and should not be seen as a substitute for management or introducing and maintaining good internal procedures.

3.1 Key Controls

- (a) The internal audit function is independent in its planning and operation.
- (b) The Head of Audit has direct access to the Chief Executive, all levels of management and elected Members.
- (c) The internal auditors comply with the Auditing Practices Board's guideline Guidance for Internal Auditors, as interpreted by CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom, which defines the roles and objectives of Internal Audit.
- (d) All aspects of the Council's financial activities are subject to regular internal audit.

3.2 Responsibilities of the Section 151 Officer

- (a) To maintain an adequate and effective system of internal audit in accordance with all scrutiny requirements.
- (b) To ensure that internal auditors have the council to:

Access County Council premises at reasonable times

Access all assets, records, documents, correspondence and control systems relating to the matter under examination

Require and receive from employees, Members or other persons, assistance or explanations, written or oral, concerning any matter under examination

Require any employee of the Council to account for cash, stores or any other council asset under his or her control

Access financial records belonging to third parties, such as contractors, organisations in receipt of grant and partnering arrangements where the Council has lead responsibility, when required.

Directly access the Chief Executive, the Executive and Audit Committee.

- (c) To approve the strategic and annual audit plans prepared by the Head of Audit, which take account of the characteristics and relative risks of the activities involved.
- (d) To ensure that effective procedures are in place to investigate promptly any suspected fraud or irregularity.
- (e) To take further action by way of investigation and report as appropriate, in consultation with the Section 151 Officer and appropriate Executive Director, immediately upon discovery, or suspicion of any fraud or financial irregularity on the part of any employee of the Council or otherwise affecting the finances of the Council.
- (f) To be the line manager for the Head of Audit and ensure that the quality of his or her work is monitored.

3.3 Responsibilities of Executive Directors

- (a) To ensure that service managers take responsibility for establishing and maintaining a proper and effective control environment and for managing risk.
- (b) To ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work.
- (c) To ensure that auditors are provided with any information and explanations that they seek in the course of their work.
- (d) To consider and respond promptly to recommendations in audit reports and to clearly indicate the action they intend to take, including (where appropriate) reasons why a recommendation has not been accepted or why the proposed action cannot be implemented.

- (e) To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.
- (f) To notify the Section 151 Officer immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Council's property or resources. Pending investigation and reporting, the Executive Director should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
- (g) To ensure that new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by the Head of Audit prior to implementation.

3.4 Responsibilities of Budget Holders

- (a) To support Executive Directors to discharge their responsibilities.

4. External audit

- (a) The Local Government Finance Act 1982 set up the Audit Commission, which is responsible for appointing external auditors to each local authority in England and Wales. The external auditor has rights of access to all documents and information necessary for audit purposes.
- (b) The basic duties of the external auditor are defined in the Audit Commission Act 1998 and the Local Government Act 1999. In particular, section 4 of the 1998 Act requires the Audit Commission to prepare a code of audit practice, which external auditors follow when carrying out their duties. The code of audit practice issued in March 2000 sets out the auditor's objectives to review and report upon:-

the audited body's financial statements;

aspects of the audited body's arrangements to secure economy efficiency and effectiveness in its use of resources.

- (c) The Council's accounts are scrutinised by the external auditors, who must be satisfied that the statement of accounts "give a true and fair view of the council's affairs and of its income and expenditure" for the year in question and complies with the legal requirements.
- (d) This sub section of the financial procedures sets out the key controls and responsibilities relevant to external audit.

4.1 Key Controls

- (a) External auditors are appointed by the Audit Commission normally for a minimum period of five years. The Audit Commission prepares a code of audit practice, which external auditors follow when carrying out their audits.

4.2 Responsibilities of the Section 151 Officer

- (a) To ensure 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.
- (b) To ensure there is effective liaison between external and internal audit.
- (c) To work with the external auditor and advise the full Council, Executive and Corporate Directors on their responsibilities in relation to external audit.

4.3 Responsibilities of Executive Directors

- (a) To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets which the external auditors consider necessary for the purposes of their work.
- (b) To ensure that all records and systems are up to date and available for inspection.

4.4 Responsibilities of Budget Holders

- (a) To support Executive Directors to discharge their responsibilities.

5. Preventing Fraud and Corruption

- (a) The Council will not tolerate fraud and corruption in the administration of its affairs, whether from inside or outside the council.
- (b) The Council's expectation of propriety and accountability is that Members and employees at all levels will lead by example in ensuring adherence to the Constitution of the Council, legal requirements, rules, procedures, codes of conduct and professional practices.
- (c) The Council also expects that individuals and organisations (e.g. suppliers, contractors, and service providers) with whom it comes into contact will act towards the council with integrity and without thought or actions involving fraud and corruption.
- (d) This sub section of the financial procedures sets out the key controls and responsibilities relevant to preventing fraud and corruption.

5.1 Key Controls

- (a) All Members and employees act with integrity and lead by example.
- (b) Senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the County Council or who are corrupt.
- (c) High standards of conduct are promoted amongst Members.
- (d) The maintenance of registers of Members and Employees interests and a Register of hospitality or gifts accepted by Members.
- (e) Whistle blowing procedures are in place and operate effectively.
- (f) Legislation including the Public Interest Disclosure Act 1998 is adhered to.

5.2 Responsibilities of the Section 151 Officer

- (a) To develop and maintain an anti-fraud and anti-corruption policy.
- (b) To maintain adequate and effective internal control arrangements.
- (c) To report significant confirmed irregularities to the Chief Executive, the Executive and Audit Committee.

5.3 Responsibilities of Executive Directors

- (a) To ensure that all suspected irregularities are reported immediately to the Head of Audit
- (b) To instigate the Council's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.
- (c) To ensure that where financial impropriety is discovered, the Section 151 Officer is informed immediately.

5.4 Responsibilities of Budget Holders

- (a) To support Executive Directors to discharge their responsibilities.

6. Security of Assets

- (a) The Council holds assets in the form of property, vehicles, equipment, furniture and other items worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service

operations. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.

- (b) This sub section of the financial procedures sets out the key controls and responsibilities relevant to security of assets.

6.1 Key Controls

- (a) Resources are used only for the purposes of the Council and are properly accounted for.
- (b) Resources are available for use when required;
- (c) Resources no longer required are disposed of in accordance with the law and the regulations of the Council so as to maximise benefits;
- (d) An asset register is maintained for the Council, assets are recorded when they are acquired by the Council and this record is updated as changes occur with respect to the location and condition of the asset;
- (e) All employees are aware of their responsibilities with regard to safeguarding the Council's assets and information, including the requirements of the Data Protection Act and software copyright legislation;
- (f) All employees are aware of their responsibilities with regard to safeguarding the security of the Council's computer systems, including maintaining restricted access to the information held on them and compliance with the Council's Information Security Policy.

6.2 Responsibilities of the Section 151 Officer

- (a) To ensure that an asset register is maintained in accordance with good practice for all fixed assets with a value in excess of a predetermined amount. 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
 - Adequately maintained.
- (b) To receive the information required for accounting, costing and financial records from each Executive Director.
- (c) To ensure that assets are valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (CIPFA/LASAAC).

6.3 Responsibilities of Executive Directors

- (a) To maintain appropriate records and inventories and ensure procedures are operated for the safe custody, issue and disposal of assets such as goods, equipment, information and supplies.
- (b) To arrange regular physical checks of equipment, stores etc and report significant surpluses, deficiencies or deterioration. The examination of inventories should be completed at least every three years, by or under supervision of a nominated officer, not in charge of the property or records concerned.
- (c) To ensure the proper security of all buildings and other assets under their control.
- (d) Where land or buildings are surplus to requirements, a recommendation for sale should be the subject of a joint report by the responsible Executive Director and the Section 151 Officer taking into account the Council's policy and procedures for the disposal of land and property.
- (e) To ensure that no Council asset is subject to personal use by an employee without proper authority.
- (f) To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.
- (g) To ensure cash holdings on premises are kept to a minimum.
- (h) To ensure that keys to safes and similar receptacles are carried on the person of those responsible at all times; loss of any such keys must be reported to the Council's Facilities Manager as soon as possible.
- (i) To arrange for the valuation of assets for accounting purposes to meet requirements specified by the Section 151 Officer.
- (j) To ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the council in some way.

6.4 Responsibilities of Budget Holders

- (a) To ensure that the rules established by the Section 151 Officer are adhered to.
- (b) To support Executive Directors to discharge their responsibilities.

7. Asset disposal

- (a)** It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and the Council's Asset Management Plan.
- (b)** This sub section of the financial procedures sets out the key controls and responsibilities relevant to external audit.

7.1 Key Controls

- (a)** Assets for disposal are identified and are disposed of at the most appropriate time, and only when it is in the best interests of the Council, and best price is obtained, bearing in mind other factors, such as environmental issues. For items of significant value, disposal should be by competitive tender or public auction.
- (b)** Procedures should protect employees involved in the disposal from accusations of personal gain.

7.2 Responsibilities of the Section 151 Officer

- (a)** To issue guidelines representing best practice for disposal of assets.
- (b)** To ensure appropriate accounting entries are made to remove the value of disposed assets from the Council's records and to include the sale proceeds if appropriate.
- (c)** To give authorisation for the disposal of leased assets after obtaining the consent of the company concerned.

7.3 Responsibilities of Executive Directors

- (a)** To seek advice from Property on the disposal of surplus or obsolete land and buildings. To seek advice from the Head of Procurement on the disposal of surplus or obsolete materials, stores or equipment.
- (b)** To record all disposal or part exchange of assets, which should normally be subject to competitive tender or public auction, unless, following consultation with the Section 151 Officer, the Executive agrees otherwise. Assets subject to a lease agreement shall not be disposed of without the prior consent of the Section 151 Officer, who shall be responsible for notifying the leasing company concerned and obtaining their consent to disposal.
- (c)** To ensure that income received for the disposal of an asset is properly banked and coded.

7.4 Responsibilities of Budget Holders

- (a) To ensure that the guidelines issued by the Section 151 Officer are adhered to.
- (b) To support Executive Directors to discharge their responsibilities.

8. Treasury Management

- (a) The council has adopted CIPFA's Code of Practice (Treasury Management in the Public Services). This aims to provide assurances that the Council's money is properly managed in a way that balances risk with return.
- (b) This sub section of the financial procedures sets out the key controls and responsibilities relevant to external audit.

8.1 Key Controls

- (a) That the Council's borrowings and investments comply with the CIPFA Code of Practice (Treasury Management in the Public Services) and with the Council's Treasury Management Policy Statement, which states the policies and objectives of its treasury management activities. The Treasury Management Policy Statement sets out limits on borrowing and investments that must be adhered to.
- (b) Creation and maintenance of suitable Treasury Management Practices (TMP's), setting out the manner in which the organisation will seek to achieve those policies and objectives in the policy statement, and prescribing how it will manage and control those activities.

8.2 Responsibilities of Section 151 Officer

- (a) To arrange the borrowing and investments of the Council in such a manner as to comply with the CIPFA Code of Practice (Treasury Management in the Public Services) and the Council's treasury management policy statement and strategy.
- (b) To operate bank accounts as are considered necessary; opening or closing any bank account shall require the approval of the Section 151 Officer.
- (c) To ensure that all investments of money are made in the name of the Council or in the name of nominees approved by the full Council.
- (d) To ensure that all securities that are the property of the Council or its nominees and the title deeds of all property in the Council's ownership are held in the custody of the appropriate Executive Director.
- (e) To effect all borrowings in the name of the Council.

- (f) To act as the Council's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the Council.
- (g) To adhere to the borrowing and investment limits set out in the Council's Treasury Management Policy Statement.
- (h) To report to the executive on treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year end, and an annual report after its close, in the form prescribed in the Treasury Management Practices.

8.3 Responsibilities of Executive Directors

- (a) To follow the instructions on banking issued by the Section 151 Officer.
- (b) To ensure 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 Section 151 Officer and following advice from the Council's Monitoring Officer.
- (c) To arrange for all trust funds to be held, wherever possible, in the name of the Council. All officers acting as trustees by virtue of their official position shall deposit securities, etc relating to the trust with the Section 151 Officer, unless the deed otherwise provides.
- (d) To arrange, where funds are held on behalf of third parties, for their secure administration, approved by the Section 151 Officer, and to maintain written records of all transactions.
- (e) To ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.

8.4 Responsibilities of Budget Holders

- (a) To ensure that instructions and rules issued by the Section 151 Officer are adhered to.
- (b) To support Executive Directors to discharge their responsibilities.

9. Imprest Accounts

- (a) An imprest account can be issued to offices, establishments and departments as appropriate.
- (b) This sub section of the financial procedures sets out the key controls and responsibilities relevant to external audit.

9.1 Key Controls

- (a) Imprests are used only for the purposes of the Council and are properly accounted for.

9.2 Responsibilities of the Section 151 Officer

- (a) To provide employees of the council with cash or bank imprest accounts to meet minor expenditure on behalf of the council and to prescribe rules for operating these accounts. Minor items of expenditure should not exceed the prescribed amount.
- (b) To determine the petty cash limit and to maintain a record of all transactions and petty cash advances made, and periodically to review the arrangements for the safe custody and control of these advances.
- (c) To reimburse imprest holders as often as necessary to restore the imprests, but normally not more than monthly.

9.3 Responsibilities of Executive Directors

- (a) To ensure that employees operating an imprest account:-

Acknowledge receipt of and responsibility for the account;

Obtain and retain vouchers to support each payment from the imprest account. Where appropriate, an official receipted VAT invoice must be obtained;

Make adequate arrangements for the safe custody of the account;

Produce upon demand by the finance director cash and all vouchers to the total value of the imprest amount;

Record transactions promptly in a cash book or other form agreed by the Section 151 Officer;

Reconcile and balance the account at least monthly; reconciliation sheets to be signed and retained by the imprest holder;

Provide the Section 151 Officer with a certificate of the value of the account held at 31st March each year;

Ensure that the float is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made;

Ensure that the account is never overdrawn;

On leaving the council's employment or otherwise ceasing to be entitled to hold an imprest advance, an employee shall account to the Section 151 Officer for the amount advanced to him or her.

9.4 Responsibilities of Budget Holders

- (a) To ensure that the rules established by the Section 151 Officer are adhered to.
- (b) To support Executive Directors to discharge their responsibilities.

10. Staffing

- (a) In order to provide the highest level of service, it is crucial that the Council recruits and retains high calibre, knowledgeable employees, qualified to an appropriate level.
- (b) This sub section of the financial procedures sets out the key controls and responsibilities relevant to external audit.

10.1 Key Controls

- (a) Staff are appointed in line with the guidance in the Constitution (Procedure Rules: Officer Employment).
- (b) Staffing requirements and budget allocation are matched.
- (c) Procedures are in place for forecasting staffing requirements and cost.
- (d) Controls are implemented that ensure that employees time is used efficiently and to the benefit of the Council.
- (e) Checks are undertaken prior to recruiting new employees to ensure that they are appropriately qualified, experienced and trustworthy.

10.2 Responsibilities of the Section 151 Officer

- (a) To act as an advisor to Executive Directors on areas such as National Insurance and pension contributions, as appropriate.

10.3 Responsibilities of Executive Directors

- (a) To produce an annual staffing budget.
- (b) To ensure that budget provision exists for all existing and new employees.

- (c) To ensure that the staffing budget is an accurate forecast of staffing levels and is equated to an appropriate revenue budget provision (including on- costs and overheads).
- (d) To monitor employees' activity to ensure adequate control over such costs as sickness, overtime, training and temporary employees.
- (e) To ensure that the staffing budget is not exceeded without due authority and that it is managed to enable the agreed level of service to be provided.

10.4 **Responsibilities of Budget Holders**

- (a) To support Executive Directors to discharge their responsibilities.
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9 Section 5 Financial Systems and Procedures

10 Introduction

1. Robust financial systems and procedures are fundamental to securing council assets and resources.
2. This section of the Financial Procedures sets out the key controls in place and responsibilities associated with financial planning.
3. The areas covered in this section are as follows:

General

Income

Ordering and paying for work, goods and services

Payments to Employees and Members

Resource Allocation

Taxation

1. General

- (a) Groups have many systems and procedures relating to the control of the Council's assets, including purchasing, costing and management systems. Departments are increasingly reliant on computers for their financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.
- (b) The Section 151 Officer has a professional responsibility to ensure that the Council's financial systems are sound and should therefore formally approve any new developments or changes.
- (c) This sub section of the financial procedures sets out the key controls and responsibilities relevant to general procedures.

1.1 Key Controls

- (a) Basic data exists to enable the Council's objectives, targets, budgets and plans to be formulated.
- (b) Performance is communicated to the appropriate managers on an accurate, complete and timely basis.
- (c) Early warning is provided of deviations from target, plans and budgets that require management attention.
- (d) Operating systems and procedures are secure.

1.2 Responsibilities of the Section 151 Officer

- (a) To make arrangements for the proper administration of the Council's financial affairs, including to:-

Issue advice, guidance and procedures for employees and others acting on the Council's behalf;

Determine the accounting systems, form of accounts and supporting financial records;

Establish arrangements for audit of the Council's financial affairs;

Approve any new financial systems to be introduced;

Approve any changes to be made to existing financial systems.

1.3 Responsibilities of Executive Directors

- (a) To ensure that accounting records are properly maintained and held securely.

- (b) To ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the Section 151 Officer.

- (c) To ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained.

- (d) To incorporate appropriate controls to ensure that, where relevant:-

All input is genuine, complete, accurate, timely and not previously processed;

All processing is carried out in an accurate, complete and timely manner;

Output from the system is complete, accurate and timely.

- (e) To ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice.

- (f) To ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption as per the Council's Information Security Policy Document.

- (g) To ensure that systems are documented and employees trained in operations.

- (h) To obtain the approval of the Section 151 Officer before changing any existing system or introducing new systems.
- (i) To establish a scheme of delegation identifying officers authorised to act upon the Executive Director's behalf in respect of payments, income collection and placing orders, including variations, and showing the limits of their authority.
- (j) To supply lists of authorised officers, with specimen signatures and delegated limits, to the Section 151 Officer, together with any subsequent variations.
- (k) To ensure that effective contingency arrangements, including back-up procedures, exist for computer systems as per the Council's Information Security Policy Document.
- (l) To ensure that, where appropriate, computer systems are registered in accordance with data protection legislation and that employees are aware of their responsibilities under the legislation.
- (m) To ensure that relevant standards and guidelines for computer systems are observed.
- (n) To ensure that computer equipment and software are protected from loss and damage through theft, vandalism, etc.
- (o) To comply with the copyright, designs and patents legislation and, in particular, to ensure that:-
 - ☐ Only software legally acquired and installed by the Council is used;
 - ☐ Employees are aware of legislative provisions;
 - ☐ In developing systems, due regard is given to the issue of intellectual property rights.

1.4 Responsibilities of Budget Holders

- (a) To ensure that procedures and rules established by the Section 151 Officer are adhered to.
- (b) To support Executive Directors to discharge their responsibilities.

2. Income

- (a) Effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly.

- (b)** This sub section of the financial procedures sets out the key controls and responsibilities relevant to Income.

2.1 **Key Controls**

- (a)** All income due to the Council is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed.
- (b)** All income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery.
- (c)** Sums due to the Council will be recorded, collected, held securely and banked promptly in accordance with the directions of the Section 151 Officer. All income must be banked intact and payments shall not be made from receipts.
- (d)** Effective action is taken to pursue non-payment within defined timescales.
- (e)** Formal approval for debt write-off is obtained.
- (c)** Appropriate write-off action is taken within defined timescales.
- (f)** Appropriate accounting adjustments are made following write-off action.
- (g)** All appropriate income documents are retained and stored for the defined period in accordance with the appropriate retention requirements.
- (h)** Money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.

2.2 **Responsibilities of the Section 151 Officer**

- (a)** To agree arrangements for the invoicing and collection of all income due to the Council and to approve the procedures, systems and documentation for its collection.
- (b)** To order and supply to departments all receipt forms, books or tickets and similar items and to satisfy himself or herself regarding the arrangements for their control.
- (c)** To follow the requirements related to write offs documented in Section 6 of the Finance and Contract Rules.
- (d)** To keep a record of all sums written off and to adhere to the requirements of the Accounts and Audit Regulations 1996.
- (e)** To provide an annual report to the Executive on debt write-offs.

- (f) To ensure that appropriate accounting adjustments are made following write-off action.

2.3 Responsibilities of Executive Directors

- (a) To establish a charging policy for the supply of goods or services, including the appropriate charging of VAT, and to review it regularly, in line with corporate policies.
- (b) To notify the Section 151 Officer promptly and in writing of all transactions which involve the receipt of money to the Council including:
 - Contracts
 - Conveyances
 - Leases
 - Tenancy and other agreements
- (c) To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.
- (d) To ensure cheques received are made payable to Northumberland County Council and not to an individual or Group. Executive Directors should ensure this requirement is communicated to debtors at the time the amount is requested and is understood by those employees involved in the collection of income.
- (e) To establish and initiate appropriate recovery procedures, including legal action where as necessary, for debts that are not paid promptly.
- (f) To issue official receipts or to maintain other documentation for income collection.
- (g) To ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded.
- (h) To hold securely receipts, tickets and other records of income for the appropriate period.
- (i) To lock away all income to safeguard against loss or theft, and to ensure the security of cash handling.
- (j) To ensure that where funds are held belonging to third parties in, an adequate safe and efficient system for the custody and control of such funds exists, including an annual audit and report, a copy of which should be submitted to the Section 151 Officer for inspection.

- (k)** To ensure that all income received on behalf of the County Council is paid fully and promptly into the appropriate Council bank account in the form in which it is received. Appropriate details should be recorded on to paying-in slips to provide an audit trail. Money collected and deposited must be reconciled to the bank account on a regular basis.
- (l)** To ensure cash income is not used to convert personal cheques or make other personal payments.
- (m)** To maintain details relating to work done, goods supplied, services rendered or other amounts due. To record correctly the sums due to the Council and to ensure accounts are sent out promptly. To do this, Executive Directors should use established performance management systems to monitor recovery of income and flag up areas of concern to the Section 151 Officer. Corporate Directors have a responsibility to assist the Section 151 Officer in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the Council's behalf.
- (n)** To keep a record of every transfer of money between employees of the Council. The receiving employee must sign for the transfer and the transferor must retain a copy.
- (o)** To recommend to the Section 151 Officer all debts to be written off and to keep a record of all sums written off up to the approved limit. Once raised, no bona fide debt may be cancelled, except by full payment or by its formal writing off. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt.
- (p)** To ensure that the requirements related to write offs documented in Section 6 of the Finance and Contract Rules are followed.
- (q)** To provide the Section 151 Officer with a Quarterly report showing the amount of debt written off in that quarter.
- (r)** To take appropriate action to minimise increasing and persistent debt.
- (s)** To assess the credit risk of firms with which the Council does business.
- (t)** To notify the Section 151 Officer of outstanding income relating to the previous financial year as soon as possible after 31st March in line with the timetable determined by the Section 151 Officer and not later than 30th April.

2.4 Responsibilities of Budget Holders

- (a)** To support Executive Directors to discharge their responsibilities.

3. Ordering and paying for work, goods and services

- (a) The Council has a Corporate Procurement Strategy in place, which should ensure that services obtain value for money from their purchasing arrangements. These procedures should be read in conjunction with the Council's Contract Procedure Rules and Scheme of Delegations within the Constitution.
- (b) Every employee and Member of the Council has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and/ or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council, in accordance with appropriate codes of conduct.
- (c) Official orders must be in a format approved by the Section 151 Officer. Official orders must be issued for all work, goods or services to be supplied to the council, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions specified by the Section 151 Officer. All telephone or verbal orders should be confirmed by an official order on the same day.
- (d) Official orders for work, goods or services which exceed a value of £10,000 must comply with Contract Procedure Rules.
- (e) Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of Council contracts.
- (f) Officers and Members should be mindful of the council's rules on the acceptance of hospitality and gifts in relation to forming relationships with suppliers and potential suppliers.
- (g) This sub section of the financial procedures sets out the key controls and responsibilities relevant to ordering and paying for work, goods and services.

3.1 Key Controls

- (a) All goods and services are ordered only by appropriate persons and are correctly recorded.
- (b) All goods and services shall be ordered in accordance with the Council's Contract Procedure Rules for tenders and contracts unless they are purchased from sources within the Council.
- (c) Goods and services received are checked to ensure the quality and quantity are in accordance with the order.
- (d) Payments are not made unless goods have been received by the Council to the correct price, quantity and quality standards and receipted within the respective Information System in a timely manner.

- (e) All payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method.
- (f) All appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the document retention schedule.
- (g) All expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.
- (h) In addition, the effect of e-business/e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically.

3.2 Responsibilities of the Section 151 Officer

- (i) To ensure that all the Council's financial systems and procedures are sound and properly administered.
- (ii) To approve any changes to existing financial systems and to approve any new systems before they are introduced.
- (iii) To approve the form of official financial stationery along with the associated terms and conditions, and to make proper arrangements for the safe custody and issue of these items.
- (iv) To maintain a list of budget holders or their nominees authorised to incur expenditure.
- (v) To make payments from the Council's funds on the Executive Director's authorisation that the expenditure has been duly incurred in accordance with Financial Procedure Rules.
- (vi) To make 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) To make payments to contractors on the certificate of the appropriate Executive Director, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.
- (viii) To provide advice and encouragement on making payments by the most economical means.

3.3 Responsibilities of Executive Directors

- (a) To ensure that a budget provision is available before any goods or services are ordered.

- (b)** To ensure the effective use of the corporate process for the ordering all goods and services with the exception of:

Contracts led by exchange of formal contract documents

Regular periodic payments

Petty cash purchases

- (c)** To ensure that orders are only used for goods and services provided to the department. Individuals must not use official orders to obtain goods or services for their private use.
- (d)** To ensure that all telephone or verbal orders are confirmed by an appropriate official order on the same day.
- (e)** To ensure that only those employees authorised by him or her sign orders and to maintain an up-to-date list of such authorised employees, including specimen signatures identifying in each case the limits of their authority. This list should be forwarded to the Section 151 Officer who should be notified promptly of any amendments. The authoriser of the order should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. Best value principles should underpin the Council's approach to procurement. Value for money should always be achieved.
- (f)** To ensure that any alteration to an official order is certified in accordance with system approvals limits.
- (g)** To ensure 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 employee from the person who authorised the order. Appropriate entries should then be made in inventories or stores records.
- (h)** To ensure that payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment, confirming:-
- Receipt of goods or services;
- That the invoice has not previously been paid;
- That expenditure has been properly incurred and is within budget provision;
- That prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices;

Correct accounting treatment of tax;

That the invoice is correctly coded;

That discounts have been taken where available;

That appropriate entries will be made in accounting records and inventories;

That the invoice is forwarded to the Accounts Payable team without delay;

That the invoice is passed for payment within the payee's normal settlement period;

- (i)** To ensure that two authorised employees are involved in the ordering, receiving and payment process.
- (j)** To ensure that the department maintains and reviews periodically a list of employees approved to authorise invoices. Names of authorising employees together with specimen signatures and details of the limits of their authority shall be forwarded to the Section 151 Officer.
- (k)** To ensure where payments are made on a photocopied or faxed invoice, statement or other document other than the formal invoice, the appropriate checks are made to ensure payment has not been made on the original invoice.
- (l)** To encourage suppliers of goods and services to receive payment by the most economical means for the Council. It is essential, however, that payments made by direct debit or standing order have the prior approval of the Section 151 Officer.
- (m)** To ensure that the department obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality, with regard to the Corporate Procurement Strategy and the Council's Contract Procedure Rules.
- (n)** To ensure that loans, leasing or rental arrangements are not entered into without prior agreement from the Section 151 Officer. This is because of the potential impact on the Council's borrowing powers, to protect the Council against entering into unapproved credit arrangements and to ensure that value for money is being obtained.
- (o)** To notify the Section 151 Officer of outstanding expenditure relating to the previous financial year as soon as possible after 31st March in line with the timetable determined by the Section 151 Officer and, in any case, not later than 30th April.

- (p)** With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the Section 151 Officer the systems and procedures to be adopted in relation to financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status.
- (q)** To notify the Section 151 Officer immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.
- (r)** To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the document retention schedule.

3.4 Responsibilities of Budget Holders

- (a)** To support Executive Directors to discharge their responsibilities.

4. Payments to employees and Members

- (a)** Employee costs are the largest item of expenditure for most Council services. It is therefore important that payments are accurate, timely, made only where they are due for services to the Council and that payments accord with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for and that Members allowances are authorised in accordance with the Constitution: Members allowances scheme.
- (b)** This sub section of the financial procedures sets out the key controls and responsibilities relevant to payments to employees and Members.

4.1 Key Controls

- (a)** Proper authorisation procedures are in place and there is adherence to corporate timetables in relation to:

Starters;

Leavers;

Variations;

Enhancements.

- (b)** Payments for casual staff are made on the basis of timesheets or claims.
- (c)** Frequent reconciliation of payroll expenditure against approved budget and bank account.

(d) All appropriate payroll documents are retained and stored for the defined retention period.

(e) HMRC regulations are complied with.

4.2 **Responsibilities of the Section 151 Officer**

(a) To arrange and control secure and reliable payment of salaries, pensions, compensation or other emoluments to existing and former employees, in accordance with procedures prescribed by him or her, on the due date.

(b) To record and make arrangements for the accurate and timely payment of tax, pension and other deductions.

(c) To make arrangements for payment of all travel and subsistence claims.

(d) To make arrangements for paying Members travel or other allowances upon receiving the prescribed format, duly completed and authorised in accordance with the approved scheme of allowances.

(e) To provide advice and encouragement to secure payment of salaries by the most economical means that being via BACS.

(f) To ensure that there are adequate arrangements for administering pension matters on a day-to-day basis.

4.3 **Responsibilities of Executive Directors**

(a) To ensure appointments are made in accordance with the regulations of the Council and approved establishments, grades and scale of pay and that adequate budget provision is available.

(b) To notify the Section 151 Officer of all appointments, terminations or variations which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Section 151 Officer.

(c) To ensure that adequate and effective systems and procedures are operated, so that:

Payments are only authorised to bona fide employees;

Payments are only made where there is a valid entitlement;

Conditions and contracts of employment are correctly applied;

Employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness.

- (d)** To send an up-to-date list of the names of employees authorised to sign records to the Section 151 Officer, together with specimen signatures, and to promptly notify the Service Director of Finance of any changes to the list. The Employee Services should have signatures of employees authorised to sign timesheets and claims.
- (e)** To ensure that payroll transactions are processed only through the payroll system. Executive Directors should give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis. The HMRC applies a tight definition for employee status, and in cases of doubt, advice should be sought from the Section 151 Officer.
- (f)** To ensure that all prime documents used to calculate pay are signed by the individual and authorised by an appropriate budget holder or nominee.
- (g)** To certify travel and subsistence claims and other allowances. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the Council, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications and that the Section 151 Officer is informed where appropriate.
- (h)** To ensure that the Section 151 Officer is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system.
- (i)** The Executive Director will undertake validation checks of travel claims and provide necessary reports for Managers to review employee travel status.
- (j)** To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with required document retention requirements.

4.4 Responsibilities of Budget Holders

- (a)** To ensure that procedures and rules established by the Section 151 Officer are adhered to.
- (b)** To support Executive Directors to discharge their responsibilities.

5. Taxation

- (a)** Like all organisations, the Council is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all officers to be aware of their role.

- (b) This sub section of the financial procedures sets out the key controls and responsibilities relevant to Taxation.

5.1 Key Controls

- (a) Budget managers are provided with relevant information and kept up to date on tax issues.
- (b) Budget managers are instructed on required record keeping.
- (c) All taxable transactions are identified, properly carried out and accounted for within stipulated timescales.
- (d) Records are maintained in accordance with instructions.
- (e) Returns are made to the appropriate authorities within the stipulated timescale.

5.2 Responsibilities of the Section 151 Officer

- (a) To complete all HMRC returns regarding PAYE.
- (b) To complete a monthly return of VAT inputs and outputs to HMRC.
- (c) To maintain up-to-date VAT guidance for Council employees.

5.3 Responsibilities of Executive Directors

- (a) To ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HMRC regulations.
- (b) To ensure that all persons employed by the Council are added to the Council's payroll and tax deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency.
- (c) To follow the guidance on taxation issued by the Section 151 Officer in the Council's accounting manual and VAT manual.

5.4 Responsibilities of Budget Holders

- (a) To ensure that procedures and rules established by the Section 151 Officer are adhered to.
- (b) To support Executive Directors to discharge their responsibilities.

6. Trading Accounts and Business Units

- (a) Under best value, Councils are required to keep trading accounts for services provided on a basis other than straightforward recharge of cost.
- (b) This sub section of the financial procedures sets out the key controls and responsibilities relevant to trading accounts and business units.

6.1 **Responsibilities of the Section 151 Officer**

- (a) To advise on the establishment and operation of trading accounts and business units.

6.2 **Responsibilities of Executive Directors**

- (a) To consult with the Section 151 Officer where a business unit wishes to enter into a contract with a third party where the contract expiry date exceeds the remaining life of their main contract with the Council. In general, such contracts should not be entered into unless they can be terminated within the main contract period without penalty.
- (b) To observe all statutory requirements in relation to business units, including the maintenance of a separate revenue account to which all relevant income is credited and all relevant expenditure, including overhead costs, is charged, and to produce an annual report in support of the final accounts.
- (c) To ensure that the same accounting principles are applied in relation to trading accounts as for other services or business units.
- (d) To ensure that each business unit prepares an annual business plan.

6.3 **Responsibilities of Budget Holders**

- (a) To support Executive Directors to discharge their responsibilities.

11 **Section 6 External Arrangements**

12 **Introduction**

1. Increasingly, the Council has opportunities to work with or for other bodies and has access to external sources of funding. These arrangements pose a variety of challenges to sound financial management and governance.
2. This section of the Financial Procedures sets out the key controls in place and responsibilities associated with external arrangements.
3. The areas covered in this section are as follows:

Partnerships

External Funding

Work for Third Parties

1. Partnerships

(a) The main reasons for entering into a partnership are:-

The desire to find new ways to share risk;

The ability to access new resources;

To provide new and better ways of delivering services;

To forge new relationships.

(b) A partner is defined as either:-

An organisation (private or public) undertaking, part funding or participating as a beneficiary in a project; or

A body whose nature or status give it a right or obligation to support the project.

(c) Partners participate in projects by:-

Acting as a project deliverer or sponsor, solely or in concert with others;

Acting as a project funder or part funder;

Being the beneficiary group of the activity undertaken in a project.

(d) Partners have common responsibilities:-

To be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation;

To act in good faith at all times and in the best interests of the partnership's aims and objectives;

Be open about any conflict of interests that might arise;

To encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors;

To hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature;

To act wherever possible as ambassadors for the project.

- (e) This sub section of the financial procedures sets out the key controls and responsibilities relevant to partnerships.

1.1 Key Controls

- (a) If appropriate, to be aware of their responsibilities under the Council's Financial Procedure Rules and the Contract Procedure Rules.
- (b) To ensure that risk management processes are in place to identify and assess all known risks (see section 4).
- (c) To ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise.
- (d) To agree and accept formally in writing the roles and responsibilities of each of the partners involved in the project before the project commences.
- (e) To communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.

1.2 Responsibilities of the Section 151 Officer

- (a) To advise on effective controls that will ensure that resources are not wasted.
- (b) To advise on the key elements of funding a project. They include:-

A scheme appraisal for financial viability in both the current and future years;

Risk appraisal and management;

Resourcing, including taxation issues;

Audit, security and control requirements;

Carry-forward arrangements.

- (c) To ensure that the accounting arrangements are satisfactory.

1.3 Responsibilities of Executive Directors

- (a) To ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared and taken through the appropriate channels, including the Section 151 Officer.

- (b) To ensure that such agreements and arrangements do not impact adversely upon the services provided by the Council.
- (c) To ensure that all agreements and arrangements are properly documented.
- (d) To provide appropriate information to the Section 151 Officer to enable a note to be entered into the Council's statement of accounts concerning material items.
- (e) To maintain a register of all contracts entered into with external bodies.

1.4 Responsibilities of Budget Holders

- (a) To support Executive Directors to discharge their responsibilities.

2. External funding

- (a) External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the Budget and Policy Framework of the Council. Funds from external agencies such as the National Lottery and the EU provide additional resources to enable the Council to deliver services to the local community. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Council's overall plan.
- (b) Guidance detailing the procedures to be adopted when seeking external resources has been established by the Section 151 Officer.
- (c) This sub section of the financial procedures sets out the key controls and responsibilities relevant to external funding.

2.1. Key Controls

- (a) To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.
- (b) To ensure that funds are acquired only to meet the priorities approved in the policy framework by the full Council.
- (c) To ensure that any match-funding requirements are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements.

2.2. Responsibilities of the Section 151 Officer

- (a) To ensure guidance relating to the application of external funds is updated and communicated to Executive Directors.
- (b) To ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts.
- (c) To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.
- (d) To ensure that audit requirements are met.

2.3. Responsibilities of Executive Directors

- (a) To ensure guidance established by the Section 151 Officer regarding the application of external resources is followed.
- (b) To ensure that any match-funding requirements are drawn to the attention of the Section 151 Officer and the Executive before entering into an agreement.
- (c) To ensure that all claims for funds are made by the due date and are compliant with any specified conditions.
- (d) To ensure that the project progresses in accordance with any agreed project conditions and that all expenditure is properly incurred and recorded.

2.4. Responsibilities of Budget Holders

- (a) To support Executive Directors to discharge their responsibilities.

3. Work for Third Parties

- (a) Current legislation enables the Council to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is intra vires.
- (b) This sub section of the financial procedures sets out the key controls and responsibilities relevant to work for third parties.

3.1 Key Controls

- (a) To ensure that risks are assessed and proposals are costed properly in accordance with guidance provided by the Section 151 Officer.
- (b) To ensure that contracts are drawn up using any guidance provided by the Section 151 Officer or the Monitoring Officer and that the formal approvals process is adhered to.

- (c) To issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

3.2 Responsibilities of Section 151 Officer

- (a) To issue guidance in consultation with the Monitoring Officer with regard to the financial aspects of third party contracts, the form of contract and the maintenance of the contract register.

3.3 Responsibilities of Executive Directors

- (a) To ensure that any necessary approval of the Executive is obtained before any negotiations are concluded to work for third parties.
- (b) To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Section 151 Officer.
- (c) To ensure that appropriate insurance arrangements are made.
- (d) To ensure that the Council is not put at risk from any bad debts.
- (e) To ensure that no contract is subsidised by the Council unless agreed by the Council.
- (f) To ensure that, wherever possible, payment is received in advance of the delivery of the service.
- (g) To ensure that the department/unit has the appropriate expertise to undertake the contract.
- (h) To ensure that such contracts do not impact adversely upon the services provided for the council.
- (i) To ensure that all contracts are properly documented.
- (j) To provide appropriate information to the Section 151 Officer to enable a note to be entered into the statement of accounts.

3.4 Responsibilities of Budget Holders

- (a) To ensure that guidance issued by the Section 151 Officer is adhered to.
- (b) To support Executive Directors to discharge their responsibilities.

13 Appendix 2 The Scheme of Virement

14 Definition

1. Virement is the transfer of approved budget from one activity to another within a Directorate operational plan consistent with the Budget and Policy Framework for the purpose of delivering improvements in the performance of services and outcomes for clients, or a client group. The outcome of all virement decisions should be the delivery of better services to the community.

15 Purpose of Virement Rules

2. The virement rules restrict the authority of officers to vary the approved budget without management appraisal of the justification for the virement and some scrutiny by the Section 151 Officer and without the need to refer the proposal to the Council.
3. The virement rules seek to strike a balance between the delegation to officers to enable them to manage their services efficiently and effectively and the need for the Council to be involved in the decision to transfer approved resources to other purposes.

16 Scope of Virement

4. All revenue and capital budgets will fall within the scope of the virement policy except for the following:

17 Revenue

- Asset Depreciation;
- Debt charges;
- Payment of enhanced pensions;
- Council Tax/ Business Rates;
- Repairs and maintenance;
- Insurance;
- Utilities budget;
- Precepts and levies

5. Virement will operate at Directorate level, with Executive Director approval required for any proposals, along with any additional requirements set out within this document. .
6. Virement can represent both in-year and recurrent changes but there should be no additionality (e.g. virement from non-staffing to staffing can be in-year and temporary but not permanent). Where an Executive Director wishes to make a permanent change to the allocation of resources, this must be in line with the Budget and Policy Framework, all Council policies, procedures and accounting rules.
7. The virement limits set out in this document are cumulative in any financial year at the Executive Director level. The cumulative amount of virement at the Executive Director level shall determine which approval route should be taken.

18 Approval for Virement

8. All virement shall satisfy the definition for Virement as set out in this document and should be capable of being adjudged to be reasonable.

	Executive Director	Section 151 Officer	Cabinet	Council
<u>Revenue</u>				
Within directorate	£250,000	£250,001 - £500,000	£500,001 - £1 million	Unlimited
Between directorates	£0	£250,000	£250,001 - £1 million	Unlimited
<u>Capital</u>				
Between projects	£0	£500,000	£500,001 - £1,000,000	Unlimited

Section 151 Officer.

11. An Executive Director may, with the approval of the Section 151 Officer, delegate their authority for virement to any Service Directors or Heads of Service who are responsible and accountable for specific budgets within their service areas. Where such delegation is agreed the approval the Section 151 Officer should be notified in writing of the name of the senior manager(s) and the date from when the delegation is operative.
12. All decisions on virement shall be recorded and a copy sent to the Section 151 Officer. Executive Directors should have regard to appropriate consultation to enable the Section 151 Officer to make the judgement under 17 below.
13. The Section 151 Officer reserves the right to refer a proposal for virement to the Cabinet or Council for approval before it is implemented.

19 Income Received in Excess of Budgeted Income

14. Provided that there is not a predicted overspend at the Executive Director level where income actually received exceeds the budgeted income in year by £100,000 or less the Executive Director may authorise additional in -year expenditure up to a corresponding maximum amount within the same Service.
15. Provided that there is not a predicted overspend at the Executive Director level where income actually received in-year exceeds the budgeted income by more than **£100,000** the approval of the Section 151 Officer is required to authorise additional expenditure.
16. Each type of income within a Service shall be subject to the financial limits of these provisions.

Appendix 3 Risk Appraisal Panel Process

The process principally applies to:

(i) projects:

- ☐ where successful completion is a condition of any grant; and/or
- ☐ there is a continuing obligation to a third party; or

(ii) proposals:

- ☐ requiring a strategic policy decision; and/or
- ☐ entering into a partnership; and
- ☐ involving elements of serious or very severe risk

However, it can be applied to any aspect of council business or service provision giving cause for concern.

1. The Risk Appraisal Process is designed to identify the risk to the Council associated with participating in a project, introducing new or changes to existing policy and strategy and includes entering into strategic partnerships. It must consider events that may prevent the Council from achieving the objectives of the project or proposal and include any conflict with achieving the Council's existing objectives.
2. Although those concerned with a project or proposal will continuously monitor progress in reducing risks along with new and emerging risks there are likely to be three key stages at which the potential risk should be considered and reviewed.

Stage 1 Conception

The very early stages in the development of a project or proposal involving internal NCC staff and Executive Members.

Stage 2 Progression

The idea needs the input of staff time and resources and the involvement of outside bodies/agencies to prepare a detailed project or proposal.

Stage 3 Commitment

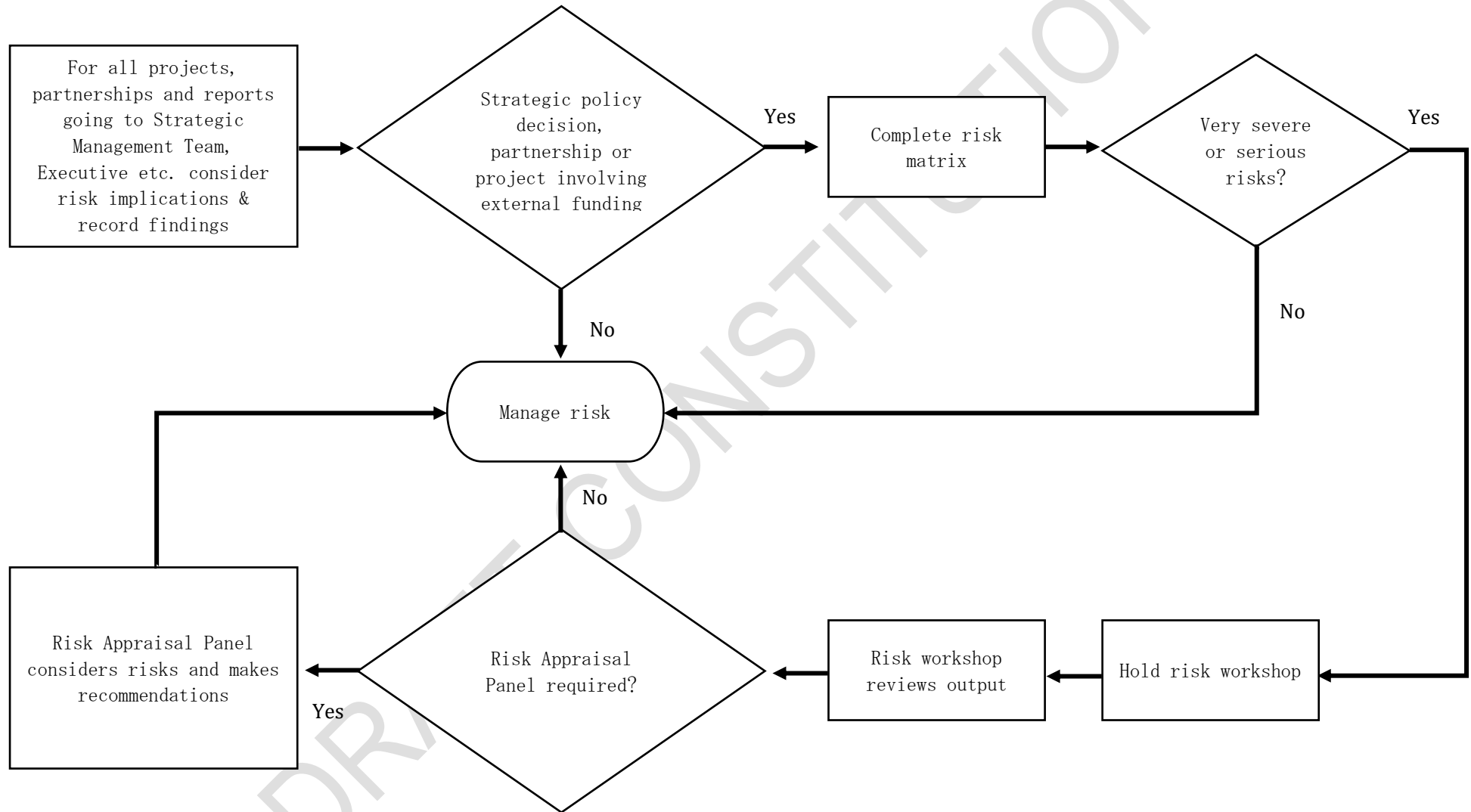
The stage at which a decision is required on whether or not a project or proposal should go ahead.

3. The Risk Appraisal Panel Process

- 3.1 In general terms the type of risk assessment process will depend upon the likely cost of the project or proposal together with the level of reasonably quantifiable risks associated with it. Any report (proforma attached) going to Risk Appraisal Panel should be accompanied by a risk assessment matrix.

- 3.2** In assessing the potential costs to cover risks (which may not materialise and therefore not be needed) those involved in sponsoring projects or proposals will use their expertise in judging what is reasonable.
- 3.3** Notwithstanding the guidance provided, any officer or Member may direct that any project at any time is to be subject of review by a Risk Appraisal Panel and in particular:
- 3.3.1** The Leader, Deputy Leader, Chief Executive, Monitoring Officer or Chief Finance Officer;
 - 3.3.2** The relevant spokesperson(s) for any project;
 - 3.3.3** The Project Manager; or
 - 3.3.4** Risk Manager.
- 3.4** The Project or Service Manager will present their report to the Risk Appraisal Panel which will comprise relevant Executive Members and Officers who will be selected by the Deputy Leader. The Panel will be chaired by the Deputy Leader or his nominee.
- 3.5** The Risk Appraisal Panel will make a recommendation as to whether the Council's involvement in a project or the proposal is an acceptable risk or not and may recommend conditions or further action.
- 3.6** A minute of the decision of the Risk Appraisal Panel will be reported to a convenient meeting of the Executive or will be retained in the case of delegated decisions.
- 3.7** The Risk Appraisal Panel, however, is not a decision-making body. The decision following appraisal, once potential costs have been assessed, will be made in accordance with the Scheme of Delegations within Constitution and as amplified in the Definitions and Delegated Limits within the Section 2 of Finance and Contract Rules.
- 3.8** The process is outlined in the following slide:

3.8.1 Risk Appraisal Process



3.8.2 Risk Appraisal Panel Report

The process principally applies to:

- (i) projects:
 - where successful completion is a condition of any grant; and/or
 - there is a continuing obligation to a third party; or
- (ii) proposals:
 - requiring a strategic policy decision; and/or
 - entering into a partnership; and involving elements of serious or very severe risk

But can be applied to any aspect of council business or service provision giving cause for concern.

There is a shorter form if your report is principally for information – please see the intranet under Risk Management.

Guidance Notes are also available on the intranet under Risk Management.

Please consider if a map would assist the Panel’s appreciation of the issues.

25 Risk Appraisal Panel Report	
26 Name of Project or Proposal	27
28 Short Description	29
30 Sponsoring Group and Service	31
32 Project or Service Manager	33
34 Executive Member	35
36 1. Legal Powers	
37 1.1 What is Northumberland County Council’s (NCC’s) power to be involved in the project/proposal?	38
39 2. Authorisation by NCC	
40 2.1 Under the County Council’s scheme of delegation as laid out in the Constitution, what authority has been given for involvement in the project, and what is necessary in the future?	41
42 3. Statutory Permissions	

43 3.1 What statutory orders/ permissions are required? If the project involves the use of land, the intranet Risk Management page has a list of the various permissions which may be needed.	44
45 3.2 What is the achievable timescale for obtaining any orders/permissions?	46
47 3.3 What are any (likely) conditions?	48
49 3.4 What is the effect of non-compliance with those conditions?	50
51 For proposals, go straight to section 7	
52 4. Capital Schemes: Land & Property	
53 4.1 What land/property is required for the project?	54
55 4.2 Are there any land/property issues that may affect the project?	56
57 4.3 Does the location of the project pose any risks for NCC or for completion of the project?	58
59 4.4 Are there potential claims under the Land Compensation Act against NCC?	60
61 5. Capital Schemes: Construction	
62 5.1 Have all investigation works been completed?	63
64 5.2 Is the design completed - if not what stage is it up to?	65
66 5.3 What is the method of procuring the works?	67
68 5.4 Is NCC to be the client for the Construction (Design & Management) Regulations and so responsible for Health & Safety issues concerning the project?	69
70 6. Finance: Grants	
71 6.1 What external grants are being sought?	72

73 6.2 What are the grant conditions?	74
75 6.3 How will NCC monitor compliance with grant conditions?	76
77 6.4 What are the circumstances when, and by whom, grant is repayable?	78
79 6.5 If grant is repayable by NCC, is there budget provision?	80
81 The following sections are to be completed for projects and proposals	
82 7. Finance: Capital and ongoing financial implications	
83 7.1 How reliable are the project/proposal budget estimates?	84
85 7.2 What is the contingency for unforeseen events?	86
87 7.3 Who will fund any additional costs?	88
89 7.4 Is there provision in NCC budget?	90
91 7.5 What steps are to be taken to comply with the Council's Constitution?	92
93 7.6 What VAT/Tax implications are there? <i>If the project may not come under county council business or if it involves community use or partnership working, specific advice must be sought from the nominated VAT Officer, Derek Brown.</i>	94
95 7.7 What are the balance sheet implications? <i>Any queries should be referred to your accountant.</i>	96
97 8. Insurance	
98 8.1 What insurance cover is required and has it been included in the project/proposal budget estimates?	99
100 9. Third Parties (including e.g. strategic partners, voluntary & community sector, public utilities)	
101 9.1 Is the project/proposal dependant upon third parties carrying out/allowing works?	102

103 9.2 What is their legal status?	104
105 9.3 What steps have been/are to be taken to secure third party compliance/agreement?	106
107 10. European Union Issues	
108 10.1 Does the project require compliance with the Procurement Directives and Regulation?	109
110 10.2 If so, has an OJEU notice been given (give date if applicable)?	111
112 10.3 Are there any other EU related issues, not dealt with in other sections of the report?	113
114 11. Timescales	
115 11.1 What are the project/proposal timescales; are any elements dependant upon achieving certain targets?	116
117 12. Advantages V Risks	
118 12.1 What are the advantages/benefits to NCC of the project/proposal?	119
120 12.2 The potential risks to NCC are detailed in the risk assessment matrix attached as Appendix 1.	121
122 12.3 The measures to reduce risks are detailed in the risk assessment matrix attached as Appendix 1.	123
124 PROJECT or SERVICE MANAGER'S SUMMARY	
125	
126 Executive Member(s)'s Summary [if appropriate]:	
127	

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Appendix 5 Guidance on Production of a Business Case

[Introduction](#)

[Use of this Guidance](#)

[Timetable](#)

[Annex 1 Finance Contacts](#)

[Annex 2 Business Case Submission](#)

[Annex 3 Business Case Pro forma](#)

[Annex 4 Whole Life Costs](#)

[Annex 5 Risk Appraisal Checklist](#)

[Risk Appraisal Process flowchart](#)

1. Introduction

Through the annual planning process, capital and revenue schemes are identified for each service. In order for the schemes to be prioritised, considered, approved and ultimately implemented a business case is required.

This guidance has been developed in order to ensure that all developments within the Council are fully costed, and are agreed as such by the Section 151 Officer, before they are submitted to the Executive and County Council.

Where developments cost £100,000 or more it is expected that all relevant internal specialists are consulted and “sign off” the Business Case before it is submitted e.g. legal, finance, procurement, IT.

The level of detail expected is less for schemes with: -

Pre-existing budget approval;

A value of less than £100,000.

A common-sense approach should be taken to proportionality.

It is envisaged that the format of this document will change as time progresses.

20 Use of this Guidance

This guidance relates to the attached form and should be completed in all cases. In order to stream line the process and avoid as much duplication as possible, it has been set out in three sections to reflect the stages of prioritisation and decision-making.

Initially Section 1 only should be completed, with Section 2 following on once approval has been given to commit to the full feasibility study for the project. Where a project then gets approval for implementation, arrangements should then be put in place for the completion of Section 3 which evaluates the success of the completed project overall and provides a basis for continuous improvement.

The flow chart below sets out all stages of the capital process for the development, implementation, and evaluation of capital projects and how they relate to the completion of Section 1, 2 and 3 of the Business Case.

Capital Process Stage	Process/Responsibility
Medium Term Financial Plan agreed	Broad Capital allocations agreed by the County Council
Corporate and service level priorities identified	Service Plans, Annual Executive Statement, BVPP
Capital plans developed in line with priorities and individual schemes identified. Pre-feasibility estimates prepared for each scheme Section 1 to be completed at this stage	ICT Strategy, LTP, AMP, Waste Strategy etc Project Managers
Schemes scored and prioritised and approval given to progress to Stage 2	Individual Stakeholder Groups Capital Strategy Group
Detailed Project Analysis prepared for each scheme in line with Section 2	Service Managers or Project Managers, as appropriate
Schemes scored and prioritised	Individual Stakeholder Groups – eg Property Board, ICT Board, LTP Programme Board etc.
Capital programme developed	Capital Strategy Group
Recommendations agreed or amended	Strategic Management Team
Recommendations finalised	Executive
Capital programme approved	County Council
Capital programme implemented	Project Managers
Capital programme monitored	Capital Strategy Group
Scheme and programme evaluated in accordance with Section 3 Post Implementation Review	Capital Strategy Group

This Appendix provides guidance as to the completion of the pro forma and staff within the Business Support are available to provide assistance (see Appendix 1 for details). The relevant Executive Directors and Executive Members should also be consulted as appropriate.

Once completed the form should be forwarded to the Section 151 Officer.

Timetable

It is envisaged that submission of the forms will coincide with the budget planning cycle and follow the timetable detailed below. However, bids which arise during the year with sufficient justification will be considered separately.

When	What	Who
September	<p>Capital projects proposed by Service Departments are passed through the relevant stakeholder groups. The proposals, including a narrative description of the scheme and the relevant financial information, are scored and prioritised in line with the requirements of the stakeholder groups. Feedback for further clarification or rejections will be made direct to the applicant.</p> <p>The proposals should build on existing proposals included in the existing Medium Term Plan rather than establishing a new programme each year.</p> <p>Mid-year proposals including fast track applications will be scored and prioritised in line with the on the same basis as regular bids.</p>	Stakeholder Groups
October	<p>Each Stakeholder Group will forward their proposals to the CSG.</p> <p>Proposals which are not rejected immediately by CSG are returned to the originating service to be worked up into a full business case. The business cases are returned to CSG for review and recommendation to SMT.</p> <p>Mid-year proposals, including fast track applications, will be reviewed and either rejected or full business case completion requested. Fast track requests will follow the same process within a shorter timeframe.</p>	CSG
November	Proposed capital programme escalated from CSG to SMT for review and authorisation.	SMT
December	Proposed capital programme escalated to the Executive for review and authorisation.	Executive

When	What	Who
February	Capital MTP and schemes agreed and outline plans for years 2, 3 and 4 agreed.	County Council

The form contains the following sections: -

21 Title Page

Please mark an 'X' in the appropriate box and date the form.

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22 Section 1 - Initial Project Outline

1. Contact Name

Name and position of the person completing the pro forma, to whom queries may be addressed.

2. Contact Details

Group, e-mail address and telephone number where the person can be reached.

3. Project Name

Please ensure that if the name of the project is revised that the appropriate accountant within the Finance Group is advised.

4. Description of the Proposed Scheme

This should be a brief statement, which clearly describes the specific project.

5. Objective(s) of the Scheme

This should demonstrate how the proposed scheme contributes to the achievement of clearly defined objectives in line with the County Council's strategic aims and objectives and the Council's Asset Management Plan.

If the scheme has already been agreed by the County Council but the funding is being held as a reserve then the objectives and links need to be restated.

Also include here any links to national and local initiatives and organisations. Activity data to be included if applicable. Identify common/linked data.

6. Need for the Scheme

This should include reasons as to why the current position is no longer satisfactory and details as to the expected outcome of implementing the scheme.

Where possible provide evidence of the need for the scheme. Consider for example, any supporting documentation, i.e. legislation, government guidelines, reports, statistics, risk assessment.

7. Was the scheme identified during the medium term planning process?

If the proposed development was identified and included within the service improvement statement and medium term planning statement for the current year please state this here. If the development was not included in the service improvement statement or the medium term planning statement please state why the development needs to be considered now.

8. What would be the implications of not proceeding?

If the scheme were not approved, what would be the consequences; e.g. risks, prosecution, deterioration in quality of service, etc

9. Description of Outputs/Benefits

This requires a clear statement of both qualitative and quantitative outputs (including PIs), e.g. clients to benefit, improved standards in education, improved health and safety, time efficiencies etc.

10. Property Condition, Suitability and Sufficiency

As part of the corporate asset management process surveys/assessments are undertaken to identify the condition, suitability and sufficiency of the Council's assets. Please explain and quantify what Condition Survey items are to be rectified as part of this project, including estimated costs. If the project will address suitability or sufficiency issues identified in the building's Suitability/Sufficiency Assessment explain what these are here.

11. Is this project linked with any other project or scheme?

Provide information on proposals from different functions of the Council which need to be linked together. This should include reference to any data, information and processes which are or should be linked more closely together as part of this project.

12. Indicative Cost

Provide details of the indicative costs of the preferred project as determined through the initial project option appraisal.

13. Project Options

A brief summary of all options explored should be shown here, including as a minimum the "do nothing" option. Outline how the options were analysed in both financial and non-financial terms and state the results of the appraisal.

14. Preferred Option

State the preferred option and the reason why this is the preferred option.

23 Section 2 Detailed Project Analysis

1. Financial Implications

A summary of the financial implications of the scheme, both revenue and capital should be detailed in this section. A full breakdown of costs and income should be provided. Staff within the Resources Group are available to assist with the completion of this section and should be contacted to ensure that all associated costs are included.

If any funding is available for the scheme (capital and revenue) please show this here; e.g.

- Approved budgets held in reserve
- Grants
- Contributions
- Earmarked Capital Receipts

If this is a new grant/contribution, please indicate the contribution to be made by the other parties and attach written confirmation from the other parties involved.

If the scheme results in any revenue savings please show this here.

The cashflow statement should also be completed for capital schemes. Estimated expenditure on a quarterly basis should be shown.

2. Whole Life Costs

Please refer to Annex 4.

3. Feasibility Study: Executive Summary

A clear but concise summary of the findings of the full feasibility study should be set out here. The detailed feasibility study report should be made available as an appendix.

4. Cost/Benefit Analysis

Include financial and non financial analysis (NPV). Staff within the Resources Group are available to assist with the completion of this section and should be contacted to ensure that all associated costs are included.

5. Value Added Tax Implications

The Council's VAT Officer must be contacted in order to assess if there are any VAT implications for the Council. Please state here the progress with regard to this topic.

6. Other Resource Requirements

Please describe the requirements e.g. staff, IT, land and buildings - The Property Service can assist with such property issues and should be contacted. Please describe the progress made with regard to this topic.

7. Has a Risk Appraisal Checklist for the scheme been completed?

The Checklist should be completed for all projects in an attempt to identify all risks, whether financial and non financial. This checklist should be attached to the Business case as an appendix.

A formal risk appraisal panel may be required depending on the circumstances of an individual project. The service manager may request or be requested to attend a formal Risk Appraisal Panel if necessary. The Risk Manager can provide assistance.

8. Project Management and Monitoring Arrangements

Please describe the arrangements

9. Timescales

A broad implementation plan with details of the proposed timescales for the scheme. If there are any time constraints associated with funding this should be stated here.

10. Please state which services will be affected by the scheme

Consider the implications and organisational issues which may arise from the scheme. If it is likely to impact across a number of departments within the service, or across other services, the scheme must be discussed with all parties concerned.

To enable the new scheme to proceed, consideration may need to be given to either not proceeding with plans or ceasing part or all of a current service area. Inevitably this will involve a review of the evidence base for each area involved.

24 **Section 3 - Post Implementation Review**

To maintain good practice it is essential not only to monitor progress on implementation of all capital schemes but to evaluate the schemes success in meeting its objectives once it is completed.

Post Project Evaluation (PPE) acts as an indicator of performance and provides a framework through which improvements in project planning, management and implementation can be identified. The lessons learned can then be applied to the delivery of future projects resulting in a process of continuous improvement.

PPE is not something which, as its name suggests, should be left to the end of the procurement process. It is an integral part of the project planning process and must be considered by the Project Manager at the Business Case preparation stage. It is important at this stage that responsibility for the following roles is identified:

- ☐ Project Owner – usually the sponsoring Service
- ☐ Project Manager
- ☐ Construction Project Manager
- ☐ Evaluation Officer

The Evaluation Officer, who should be independent of the project being evaluated, will be nominated by CSG to oversee the PPE process. This appointment should normally be made when the project is approved.

PPE is a flexible tool and whilst the overall evaluation framework should be regarded as a constant the scope of performance measures will vary with individual projects. Evaluation should be appropriate to project scale and care needs to be taken to ensure it does not become an administrative burden. For this reason the selection of performance measures needs to be targeted and the mechanism, timing and responsibility for data collection must be agreed from the outset

A structured process will ensure consistency of approach and lead to ongoing improvement.

There is a cost associated with PPE commensurate with the complexity of the project and the process needs to be properly resourced. For instance a comprehensive end user satisfaction survey may be required and the cost of PPE should therefore be built into the project budget

A representative sample of all projects, chosen by CSG at project approval stage, will be subject to formal post project evaluation. The evaluation process, coordinated by the nominated Evaluation Officer, will usually take place between three to six months following the completion of the project or such other period(s) as may be defined in the Business Case. The Evaluation Officer nominated by CSG at the Business Case approval stage will perform an independent scrutiny role.

Where necessary, CSG can request that a formal evaluation of any project be undertaken.

An outline of an appropriate timetable for PPE should be defined and agreed at the project planning stage by the Project Manager and stated in the Business Case.

The proforma, set out in Section 3 of the Business Case Submission, is to be used as a basis for PPE and should be developed as appropriate to meet the needs of an individual project.

At the conclusion of the PPE process a summary report, focussing on any lessons learnt (based on Section 3.8 of the proforma), is to be prepared by the Evaluation Officer setting out any recommendations for improvement. CSG will consider the report and propose any corrective action required to lead to improvement. The implementation of the action plan will be monitored by the CSG on a quarterly basis.

As part of the corporate PPE process CSG will present an annual review of project delivery performance for consideration by Scrutiny Committee.

The completed form should then be forwarded to:

Section 151 Officer
County Hall
Morpeth
Northumberland
NE61 2EF

The forms will then be collated and will be subject to the planning process. Updates and decisions by Members will be forwarded by the Section 151 Officer as soon as is possible.

25 **Annex 1 Finance Contacts**

Directorate	Executive Director	Finance Manager
Chief Executive	Dr Helen Paterson	Andy Stewart
Place and Regeneration	Simon Neilson	Suzanne Dent
Adults, Ageing and Wellbeing	Neil Bradley	Kris Harvey
Children, Young People and Education	Audrey Kingham	Kris Harvey
Transformation and Resources	Jan Willis	Andy Stewart
Public Health, Communities and Inequalities	Gill O'Neill	Andy Stewart

26 **Annex 2 Business Case Submission**

128 This scheme has:	129 (Please put an 'X' in the appropriate box)
130 Revenue Implications	131
132 Capital Implications	133
134 Revenue & Capital Implications	135
136 Whole Life Costs	137

138 Date of Submission:	139
140 Received in Resources:	141

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27 **Annex 3 Business Case Pro forma**

All sections of this form should be completed. Please do not leave any sections blank as this may delay consideration of your scheme.

28 **Section 1 Initial Project Outline**

142 1. Contact Name	1432. Contact Details
144	145
1463. Project Name	
147	
1484. Description of proposed scheme	
149	
1505. Objectives of the Scheme	
151	
1526. Need for the Scheme	
153	
1547. Was the scheme identified during the Medium Term Planning process?	
155	
1568. What would be the implications of not proceeding?	
157	
1589. Description of Outputs and Benefits	
159	
160 10. How does the proposed scheme address issues identified in the property's condition survey and/or suitability and sufficiency assessments?	
161	

162 11. Is this project linked with any other project or scheme?
163
164 12. Indicative Cost
165
166 13. Project Option Appraisal
167
168 14. Preferred Option
169

29

30 Section 2 Detailed Project Analysis

1. Summary of financial implications (A full breakdown of costs and financing (revenue and capital) should be provided as an appendix to this submission)				
Capital Cost	Year 1* £000	Year 2* £000	Later Years £000	Total £000
Land Purchase				
Building Purchase				
Construction				
Fees				
IT, Plant, Furniture and Equipment				
Vehicles				
Other (specify):				
Total Capital Cost				

Capital Financing	Year 1* £000	Year 2* £000	Later Years £000	Total £000
Grants (specify)				
Capital Receipts (specify)				
Contributions (specify)				
Other (specify)				
Total Capital Financing				

Additional Revenue Costs and Income	Year 1* £000	Year 2* £000	Later Years £000	Total £000
Employee Related				
Premises Related				
Running Costs				
Other				
Total Revenue Cost				

Additional Revenue Funding (Specify)	Year 1* £000	Year 2* £000	Later Years £000	Total £000
Grants				
Contributions				
Approved budget held in reserve				

Other				
Total Revenue Income				

Revenue Savings (specify)	Year 1* £000	Year 2* £000	Later Years £000	Total £000
Total Revenue Savings				

* Please specify the specific years in question in relation to your particular project.

Cashflow - Capital	Q1 £000	Q2 £000	Q3 £000	Q4 £000	Q5 £000	Q6 £000	Q7 £000	Q8 £000	Total £000
Land/Property Purchase									
Construction									
Fees									
IT, Plant, Furniture & Equipment									
Vehicles									
Other (specify)									
Total									

2. Whole Life Costs

Baseline costs (Existing and/or Benchmark):	£/m2/year
Provide cognisance of:	
1. Resource Requirements	
2. Planning Costs	
3. Consultancy Fees	
4. ITC Costs	
5. Construction Costs	
6. Health and Safety	
7. Operational Requirements	
8. Cleaning & Maintenance	
9. Utility Requirements	
10. Alterations / Flexibility of Installation	
11. Disposal strategy	
12. Risk Analysis	
3. Feasibility Study: Executive Summary	
4. Cost /Benefit Analysis	
5. Value Added Tax and any other tax implications	
6. Other Resource Requirements	
7. Has a Risk Appraisal Checklist for the scheme been completed?	
8. Project Management and Monitoring Arrangements	
9. Timescales	
10. Please state which services will be affected by the scheme. Full consultation must have taken place with those affected.	



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32 **Section 3 Post Implementation Review**

33 **3. Post Project Evaluation**

Project Title	
Brief Description of Project	

To be used as a basis and developed as appropriate to meet the needs of an individual project.

Responsibility:

PO Project Owner usually the sponsoring Service

PM Project Manager

CPM Construction Project Manager

EO Evaluation Officer in consultation with PO/PM

Responsibility	Name and Job Title
Project Owner	
Project Manager	
Construction Project Manager	
Evaluation Officer	

3.9 **Revisiting the Strategic Context**

Indicator	Comment	Responsibility
Was the organisation ready (i.e. cultural readiness) for the investment?		PO
Were the assumptions made at the appraisal stage borne out by actual experience?		PO
What lessons were learned?		EO

3.10 **The Investment Decision**

Indicator	Comment	Responsibility
Were all appropriate stakeholders sufficiently involved during the consultative process?		PO
Was the right option chosen?		PO

Indicator	Comment	Responsibility
Was the risk analysis valid?		PO
Was the affordability analysis robust?		PO
Was the decision- making process robust, sound, and consultative?		PO
Could the decision- making process have been improved?		PO
What lessons were learned?		EO

34 3.3 The Procurement Process

This review should ideally be carried out by an independent party and should review the success of the process from both the perspective of the service sponsor and the designer/project manager

Indicator	Comment	Responsibility
Was the procurement process in accordance with NCC policy?		PM
Was a programme defined and agreed at the Business Case stage for the project?		PM
Was the brief received by the designer adequate?		PM/EO
Did the design comply with the brief?		PM/EO
Were changes to the brief agreed and incorporated and budgetary implications identified and approved?		PM/EO
Was the client kept informed of the likely cost of the project or changes to cost as the project progressed?		PM/EO
Could any steps have been taken to improve the procurement process?		PM/EO

Indicator	Comment	Responsibility
What lessons were learned?		EO

35 3.4 Project Management and Implementation

This review should ideally be carried out by an independent party and should review the success of the process from both the perspective of the service sponsor and the designer/project manager

Indicator	Comment	Responsibility
Was the client kept informed of progress of the project including discussion of any potential delays and planning for the consequences?		CPM
Were requirements for access and occupation dealt with satisfactorily?		CPM/Service Provider
Were safety issues satisfactorily addressed?		CPM/Service Provider
Was the finished project handed over in a satisfactory state?		CPM/Service Provider
Were appropriate documents / instructions / training made available to end user at appropriate time?		CPM/Service Provider
What lessons were learned?		EO

36 3.5 Review of contract delivery - timing and cost

Indicator	Comment	Responsibility
Was the project delivered on time?		PM/CPM
Was the project delivered within budget?		PM/CPM
Was the quality of the product acceptable		PM/CPM
Were there any Health and safety issues identified?		PM/CPM

Indicator	Comment	Responsibility
How did performance compare to the DTI Construction Industry Key Performance Indicators?		PM/CPM
What lessons were learned?		EO

3.5 Organisational Impact and Change Management

Indicator	Comment	Responsibility
Was change managed properly?		PO
Was appropriate support and training provided?		PO
Was change communicated effectively?		PO
What lessons were learned?		EO

3.6 Outcome and Impact (as specified in Section 1.9)

Indicator	Comment	Responsibility
Were there any undesirable outcomes not previously identified?		PO
Were the objectives for the project met?		PO
What impact did it have on end users of the service? An appropriate end user satisfaction survey will usually be required.		PO/End Users
What lessons were learned?		EO

3.7 Lessons for Future Projects (summary of Evaluation Officer recommendations)

Indicator	Comment
-----------	---------

To be based on the lessons learned from Sections 3.1 to 3.7 above.	
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Please forward the completed form to the Section 151 Officer.

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37 Annex 4 Whole Life Costs

38 Whole Life Cost Management Policy

Northumberland County Council will employ the following Whole Life Management approaches to achieve both Best Value and continual improvement in the quality, standards and delivery of County Council Services and strategic project planning, development, implementation and monitoring.

39 Definition

Value for money is the optimum combination of whole-life cost and quality to meet the user's requirement. This means that awarding contracts on the basis of lowest price tendered for construction works is rarely value for money; long-term value over the life of the asset is a much more reliable measure. It is the relationship between long-term costs and the benefit achieved that represents value for money.

40 Responsibility within Northumberland County Council

The investment decision maker is accountable for any decision relating to the cost of the project or programme. Whole-life costings should provide the information necessary to make the best decision in terms of procurement.

The project sponsor (Senior Officer) is responsible for ensuring that budgetary estimates are based on whole-life costs and assisted by the project sponsor and project manager, as appropriate, together with additional client advice as required, such as value managers and cost consultants.

41 Methodology – Items to be considered

At Outline Business Case stage, Life cycle and whole life cycle assessments should be presented in a transparent manner with auditable backup to demonstrate the methodology utilised and the data sources called upon to generate the estimate, where appropriate.

42 Establishing Baseline costs

Establish the expected operational running costs of the facility. For the whole life of the facility, produce a quantified estimate of running, maintenance and other support costs of operating the proposed building, including the costs of disposal. All options should be compared on net present value. (refer to Green Book

<https://www.gov.uk/government/collections/the-green-book-and-accompanying-guidance-and-documents>

Benchmark comparison of the whole life model should be undertaken with costs from existing buildings or other comparable facilities. The Building Cost Information Services (BCIS www.bcis.co.uk) provides a source of such data.

43 Elements to be considered

The aim of the whole life cost model is to include every cost likely to be incurred in respect of the asset from inception to disposal. This section identifies some of the elements that need to be included in the model, though the list is not exhaustive. Each part of a facility has its own physical and economical lifespan. The model must reflect the economical lifespan of each part.

The OBC requires due consideration, in narrative form, for each element.

44 In-house resources

These should include the total costs to the Council for all staff time and other resources relating to the project and should include the relevant proportion of all overhead resources.

45 Planning costs

All costs associated with obtaining planning permission for construction of the asset should be included, including any requirement for a refurbishment project.

46 Consultancy fees

The total costs of all consultancy fees incurred for the project at any stage from inception to disposal should be included in the model. Consultancy fees may be incurred through any of the following:

- ☐ Procurement advice and development of client brief;
- ☐ Legal advice;
- ☐ Fees linked to purchase of site / assets;
- ☐ Cost consultancy;
- ☐ Change management;
- ☐ Financing;
- ☐ Design;
- ☐ Value management and risk management;
- ☐ Project management;
- ☐ Economic appraisal;
- ☐ CDM Co-ordinator; and
- ☐ Advice on technical issues.

With an integrated procurement route, some of the above elements will not appear as separate items, but will be included as part of the integrated design and construction package.

47 IT costs

Where not included in design / construction / project management costs, there may be IT costs including 3D-modelling of the proposed facility, planning for prefabrication of construction components and project scheduling.

48 Construction Costs

The construction cost of a project is made of many elements, which include:

- ☐ In-house costs and expenses;
- ☐ Consultancy fees and expenses;
- ☐ Land costs;
- ☐ Wayleaves and compensation;
- ☐ Demolition and / or diversion of existing facilities;
- ☐ New construction or refurbishment costs; and
- ☐ Insurances.

The cost estimate for the construction components of a project should address each element to arrive at the total cost estimate for the project. Focussing on any individual

element of the total project cost, in isolation, may result in a distorted picture because a reduction in one element could result in an increase in cost for another element.

49 Health and Safety

Health and Safety issues arising out of construction, occupation, maintenance, alteration and disposal of the asset should be included in the model. The Construction (Design and Management) Regulations 2007 (CDM 2007) place specific duties and responsibilities on Clients.

50 Operations

The aim is to identify the total resources necessary to operate the asset. There is often an overlap between this element and the resources necessary to carry out the core business operations of the organisation including staff costs and IT infrastructure costs. The important aspect is to consider how the performance of the facility can be improved to optimise the resources used for both elements. There should be a risk allowance to cover risks that materialise during the operational life of the facility.

51 Cleaning

The sustainability of a facility can be attributed in part to maintaining it in its original state and that required a structured, effective cleaning regime. Cleaning of the facility, both internally and externally, needs to be addressed at the outset. The design can have a significant impact on the ease of cleaning and even on the frequency at which cleaning is required.

52 Maintenance

The maintenance strategy needs to be developed during the early stages of the project. Allowance needs to be made for total resources for normal routine maintenance, regular inspections and, where appropriate, testing as well as for the replacement of elements through normal wear and tear. The costs of providing accommodation and other facilities for maintenance activities, such as access, need to be addressed. The costs of disruption to business operations and / or resources incurred in decanting staff while maintenance operations are carried out should be included.

53 Utilities

The total costs for different forms of utility supply, such as heating, cooling, power, lighting, water and waste, should be allowed for.

54 Alterations

There needs to be consideration of the likelihood for future changes to the facility that may be required as a result of changes in the way that the core business operations are carried out. Any allowance considered necessary should include the total costs of making the alterations, including those incurred when moving staff.

55 Disposal

Consideration needs to be made of how the asset will be disposed of and whether it will have any residual value at the time. This may include demolition or sale.

56 **Risk Analysis**

A strategic risk analysis is required to be carried out listing all significant risks that might occur over the life of the facility.

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TO BE ATTACHED AS AN APPENDIX TO THE BUSINESS CASE SUBMISSION

58 Introduction

This checklist is designed to assist project managers and others. It should be used as part of the Business Planning Process.

It is intended that the completed form should be attached as an appendix to the Business Case Submission.

Some of the issues raised may be unfamiliar to Service Managers but all could cause potential difficulties for a project if not addressed at an early stage

Guidance Notes for the formal risk appraisal scheme are available from the XXXXX. The Service Manager / Project Manager may be asked to attend a risk appraisal panel.

The process principally applies to:

(i) projects:

- where successful completion is a condition of any grant; and/or
- there is a continuing obligation to a third party; or

(ii) proposals:

- requiring a strategic policy decision; and/or
- entering into a partnership; and involving elements of serious or very severe risk

But can be applied to any aspect of council business or service provision giving cause for concern.

Guidance Notes are at the end of the Form.

Risk Appraisal Check List

170 Risk Appraisal Check List	
171 Name of Project or Proposal	172
173 Short Description	174
175 Sponsoring Group and Service	176
177 Project or Service Manager	178
179 Executive Member	180
181 1. Legal Powers	
182 1.1 What is Northumberland County Council's (NCC's) power to be involved in the project/proposal?	183
184 2. Authorisation by NCC	
185 2.1 Under the County Council's scheme of delegation as laid out in the Constitution, what authority has been given for involvement in the project, and what is necessary in the future?	186
187 3. Statutory Permissions	
188 3.1 What statutory orders/ permissions are required? If the project involves the use of land, the intranet Risk Management page has a list of the various permissions which may be needed.	189
190 3.2 What is the achievable timescale for obtaining any orders/permissions?	191
192 3.3 What are any (likely) conditions?	193
194 3.4 What is the effect of non-compliance with those conditions?	195
196 4. Capital Schemes: Land & Property	
197 4.1 What land/property is required for the project?	198
199 4.2 Are there any land/property issues that may affect the project?	200

201 4.3 Does the location of the project pose any risks for NCC or for completion of the project?	202
203 4.4 Are there potential claims under the Land Compensation Act against NCC?	204
205 5. Capital Schemes: Construction	
206 5.1 Have all investigation works been completed?	207
208 5.2 Is the design completed - if not what stage is it up to?	209
210 5.3 What is the method of procuring the works?	211
212 5.4 Is NCC to be the client for the Construction (Design & Management) Regulations and so responsible for Health & Safety issues concerning the project?	213
214 6. Finance: Grants	
215 6.1 What external grants are being sought?	216
217 6.2 What are the grant conditions?	218
219 6.3 How will NCC monitor compliance with grant conditions?	220
221 6.4 What are the circumstances when, and by whom, grant is repayable?	222
223 6.5 If grant is repayable by NCC, is there budget provision?	224
225 7. Finance: Capital and ongoing financial implications	
226 7.1 How reliable are the project/proposal budget estimates?	227
228 7.2 What is the contingency for unforeseen events?	229
230 7.3 Who will fund any additional costs?	231
232 7.4 Is there provision in NCC budget?	233

234 7.5 What steps are to be taken to comply with the Council's Constitution?	235
236 7.6 What VAT/Tax implications are there? <i>If the project may not come under county council business or if it involves community use or partnership working, specific advice must be sought from the nominated VAT Officer.</i>	237
238 7.7 What are the balance sheet implications? <i>Any queries should be referred to your accountant.</i>	239
240 8. Insurance	
241 8.1 What insurance cover is required and has it been included in the project/proposal budget estimates?	242
243 9. Third Parties (including e.g. strategic partners, voluntary & community sector, public utilities)	
244 9.1 Is the project/proposal dependant upon third parties carrying out/allowing works?	245
246 9.2 What is their legal status?	247
248 9.3 What steps have been/are to be taken to secure third party compliance/agreement?	249
250 10. European Union Issues	
251 10.1 Does the project require compliance with the Procurement Directives and Regulation?	252
253 10.2 If so, has an OJEU notice been given (give date if applicable)?	254
255 10.3 Are there any other EU related issues, not dealt with in other sections of the report?	256
257 11. Timescales	
258 11.1 What are the project/proposal timescales; are any elements dependant upon achieving certain targets?	259
260 12. Advantages V Risks	
261 12.1 What are the advantages/benefits to NCC of the project/proposal?	262

263 12.2 The potential risks to NCC are detailed in the risk assessment matrix attached as Appendix 1.	264
265 12.3 The measures to reduce risks are detailed in the risk assessment matrix attached as Appendix 1.	266
267 PROJECT or SERVICE MANAGER'S SUMMARY	
268	
269 Executive Member(s)'s Summary [if appropriate]:	
270	

Guidance Notes

1. The Risk Appraisal Process is designed to identify the risk to the Council associated with participating in a project, introducing new or changes to existing policy and strategy and includes entering into strategic partnerships. It must consider events that may prevent the Council from achieving the objectives of the project or proposal and include any conflict with achieving the Council's existing objectives.

2. Although those concerned with a project or proposal will continuously monitor progress in reducing risks along with new and emerging risks there are likely to be three key stages at which the potential risk should be considered and reviewed.

Stage 1 Conception

The very early stages in the development of a project or proposal involving internal NCC staff and Executive Members.

Stage 2 Progression

The idea needs the input of staff time and resources and the involvement of outside bodies/agencies to prepare a detailed project or proposal.

Stage 3 Commitment

The stage at which a decision is required on whether or not a project or proposal should go ahead.

3. The Risk Appraisal Panel Process.

3.1 In general terms the type of risk assessment process will depend upon the likely cost of the project or proposal together with the level of reasonably quantifiable risks associated with it. Any report going to Risk Appraisal Panel should be accompanied by a risk assessment matrix.

3.2 In assessing the potential costs to cover risks (which may not materialise and therefore not be needed) those involved in sponsoring projects or proposals will use their expertise in judging what is reasonable.

3.3 Notwithstanding the guidance provided, any officer or Member may direct that any project at any time is to be subject of review by a Risk Appraisal Panel and in particular:

3.3.1 The Leader, Deputy Leader, Chief Executive, Monitoring Officer or Chief Finance Officer;

3.3.2 The relevant spokesperson(s) for any project;

3.3.3 The Project Manager; or

3.3.4 Risk Manager.

3.4 The Project or Service Manager will present their report to the Risk Appraisal Panel which will comprise relevant Executive Members and Officers who will be selected by the Deputy Leader. The Panel will be chaired by the Deputy Leader or his nominee.

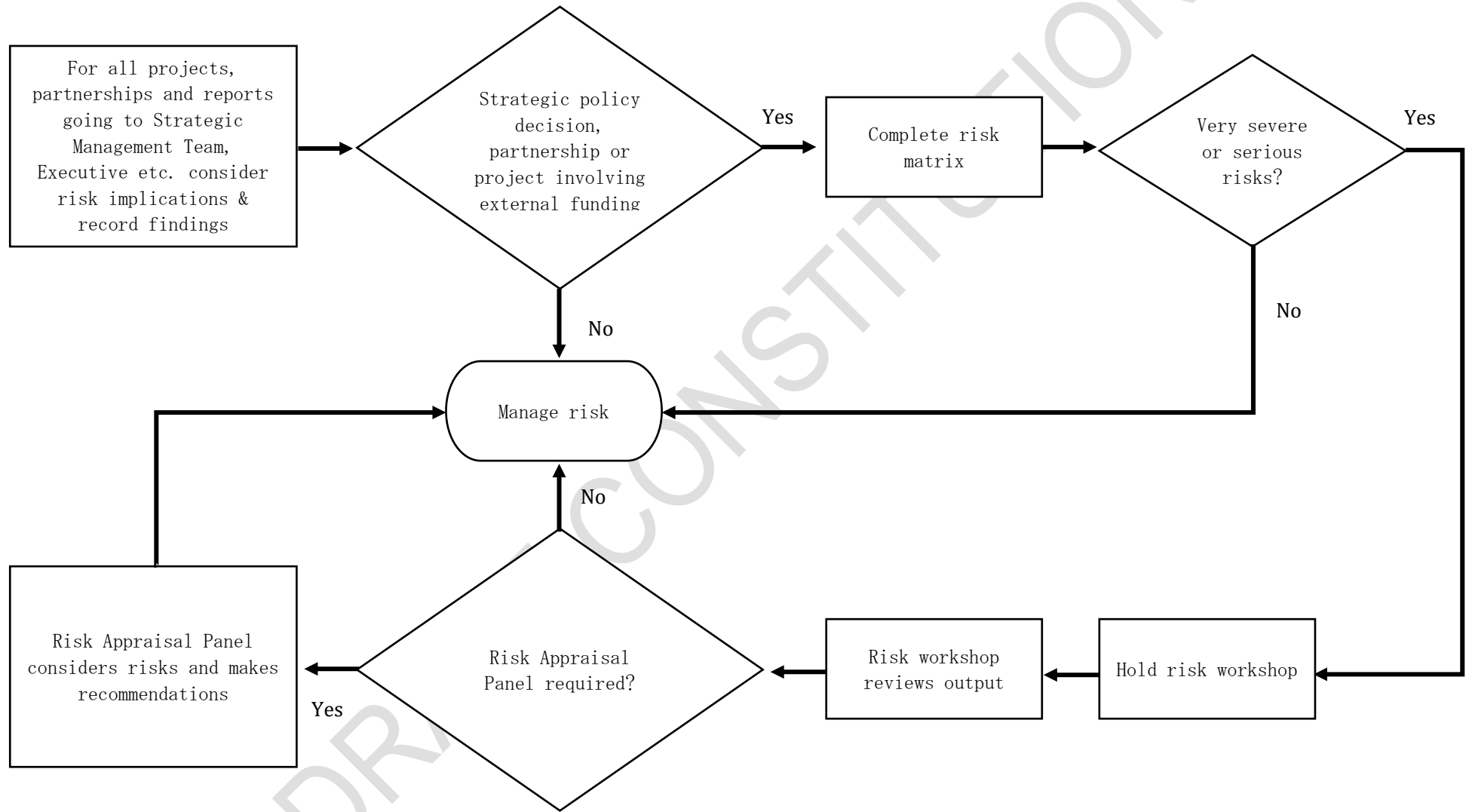
3.5 The Risk Appraisal Panel will make a recommendation as to whether the Council's involvement in a project or the proposal is an acceptable risk or not and may recommend conditions or further action.

3.6 A minute of the decision of the Risk Appraisal Panel will be reported to a convenient meeting of the Executive or will be retained in the case of delegated decisions.

3.7 The Risk Appraisal Panel, however, is not a decision-making body. The decision following appraisal, once potential costs have been assessed, will be made in accordance with the Scheme of Delegation within Constitution and as amplified in the Finance and Contract Regulations.

3.8 The process is outlined in the following slide:

59 **Risk Appraisal Process**



60 Appendix 6 Guide to Capital Expenditure

Introduction

Definition of Capital Expenditure

Authorisation of a capital scheme

Roles, membership and relationships of Member and officer groups

Tendering and contract procedures

Monitoring of the capital programme

Project evaluation

Role of individual departments

61 1. Introduction

In line with central government requirements, and to help improve our asset planning and management processes, the Council has produced a Capital Strategy Statement. This provides a high level summary of the Council's approach to capital investment, explaining how we identify and prioritise capital project proposals, how we monitor and evaluate capital projects and how we ensure the efficient and effective use of our assets.

The Capital Strategy is an implicit element of the Council's overall planning framework, making sure that all issues are taken fully into account. A coherent, well-expressed, and well-understood capital strategy is vital to ensure that assets and the resources tied up in them are efficiently and effectively used and that the deployment of capital resources contributes to the achievement of the Council's goals. The Executive endorsed the Capital Strategy in July 2002.

The Council spends significant sums of capital each year, investing in new or improved roads, schools, and other facilities such as Northumberland's IT infrastructure. It is important that the Council makes best use of this money – it is never as much as we would like it to be – and monitors our expenditure carefully.

This document aims to provide a more detailed guide as to the processes supporting the capital procedure and explains the roles and responsibilities of individual services in relation to capital assets.

62 2. Definition of Capital Expenditure

2.1 For the purposes of these procedures capital expenditure is defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) as follows:-

“All expenditure on the acquisition, creation or enhancement of fixed assets should be capitalised.

Expenditure that should be capitalised will include expenditure on the:

- ☐ Acquisition, reclamation, enhancement or laying out of land;
- ☐ Acquisition, construction, preparation, enhancement or replacement of roads, buildings or other structures;
- ☐ Acquisition, installation or replacement of movable or immovable plant, machinery, apparatus, vehicles and vessels.

In this context, enhancement means the carrying out of works which are intended to:-

- ☐ Lengthen substantially the useful life of the asset; or
- ☐ Increase substantially the open market value of the asset; or
- ☐ Increase substantially the extent to which the asset can or will be used for the purposes of, or in conjunction with, the functions of the council.

Under this definition, improvement works and structural repairs should be capitalised, whereas expenditure to ensure that the fixed asset maintains its previously assessed standard of performance should be recognised in the revenue account as it is incurred. Expenditure on existing fixed assets should be capitalised in three circumstances:-

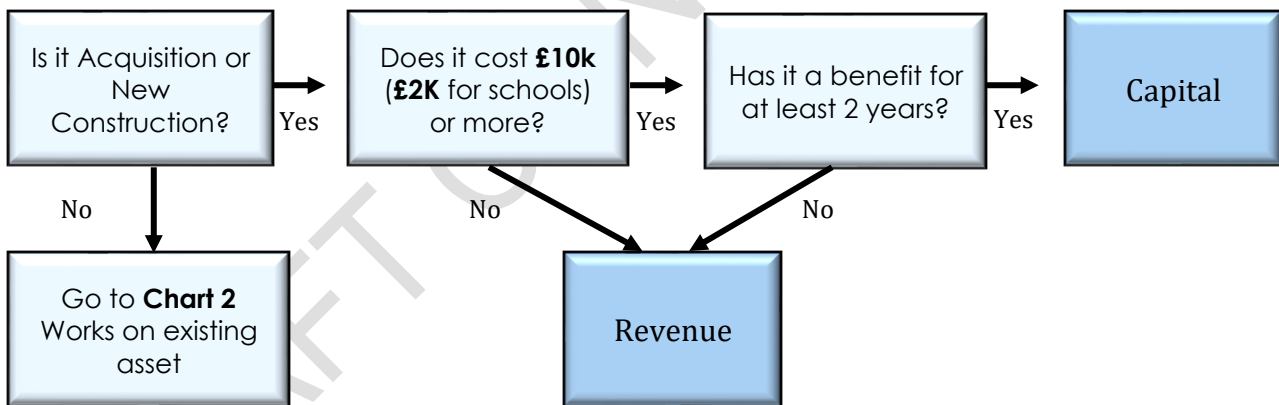
- ☐ Enhancement – see above;
- ☐ Where a component of the fixed asset that has been treated separately for depreciation purposes and depreciated over its individual useful life is replaced or restored;
- ☐ Where the subsequent expenditure relates to a major inspection or overhaul of a fixed asset that restores the benefits of the asset that have been consumed by the council and have already been reflected in depreciation.

Assets acquired under finance leases should be capitalised and included together with a liability to pay future rentals.”

These should also flow through the below test criteria to evaluate if it complies with the Council’s policy on capitalisation.

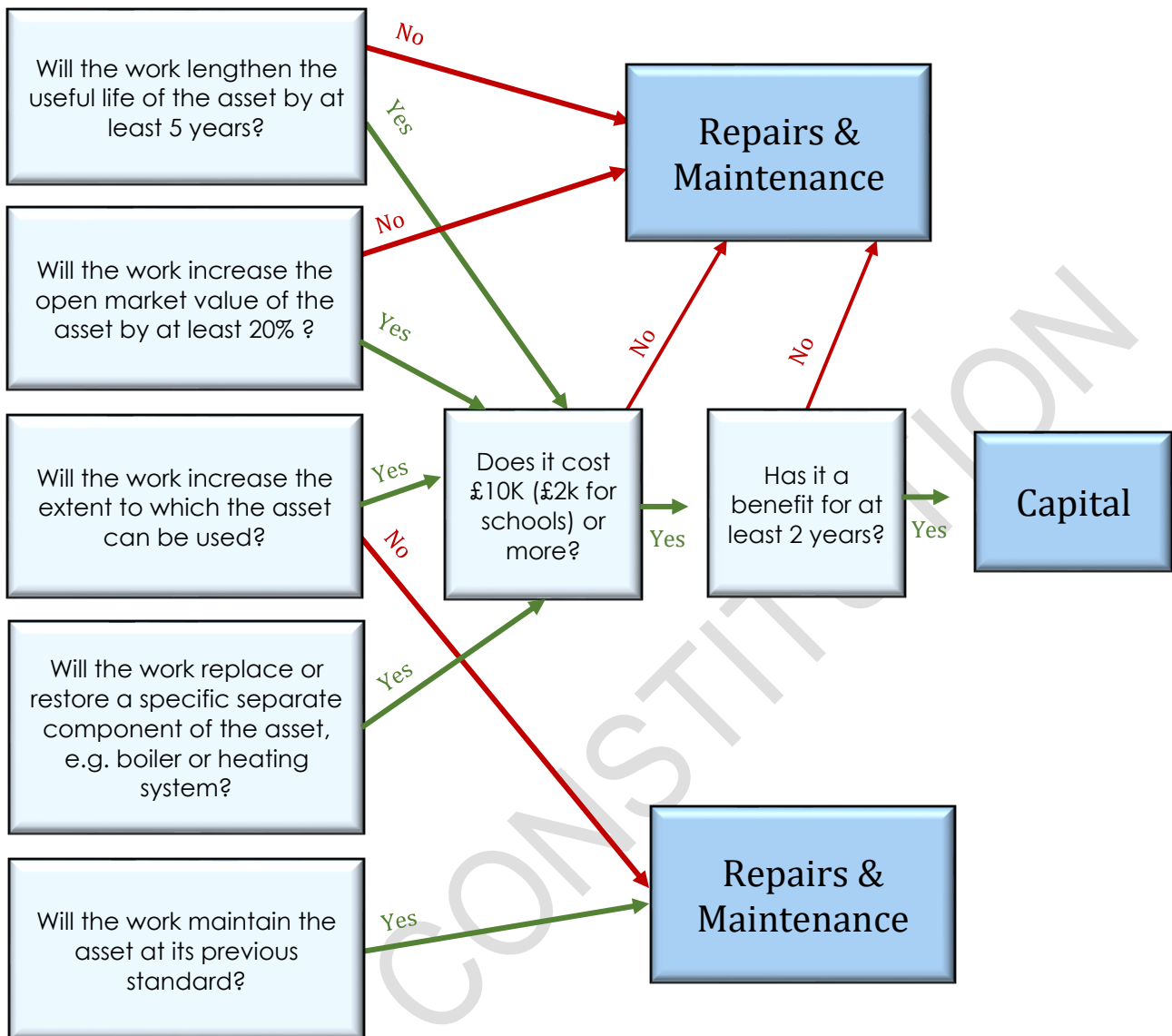
2.2 The following template identifies the above criteria in a flow chart format;

Chart 1: Acquisition or New Construction?



Note that an exception to this is expenditure on Members Local Improvement Schemes for which the £10,000 and £2,000 de minimis thresholds do not apply.

Chart 2: Works on existing asset. Enhancements or Repairs and Maintenance ?



2.3 Under no circumstances is it acceptable to charge capital acquisitions to a revenue budget in an attempt to circumvent the capital control procedures. The capital procedures must be followed for all capital schemes even if the funding is available within a revenue budget.

2.4 Under normal circumstances, no items of revenue expenditure should be charged to a capital scheme. There are limited exceptions to this rule and the relevant Service Business Support Manager should be contacted before any such charge is made. Appendix 4 contains all current BSM contacts.

63 3. Authorisation of a capital scheme

64 3.1 Stages of the Capital Process

There are three differing scenarios for submission of capital requests:

- (a) Bids identified in advance of the following financial year and submitted through the Medium Term Financial Plan process.
- (b) Bids which are raised in year and were not part of the MTFP
- (c) Fast track bids which have been identified as an urgent requirement in year.

Appendix 4 (Guidance on the Production of a Business Case) sets a timetable for dealing with these requests.

65 3.2 Feasibility Costs

Any pre project spend should follow the above route for mid year application. The candidate business case template should be completed and submitted via the relevant stakeholder group before submission to CSG.

66 3.3 High volume applications

Where there are high volume applications for example in the Highways and Fleet areas. It is permissible to use the candidate template only. This template only requires minimal information and does not require a full analysis per asset. This template suits the nature of these functions as fleet generally operates a rolling programme which should be well planned in advance, and highways should follow the long term strategic plan already developed in the service plan.

67 3.4 Funding purchases

As part of the capital application consideration should be given to the funding of the project. Any external grants will be allocated initially and any shortfall should be built into the bid. An evaluation should be performed comparing the financial benefit of funding by leasing or borrowing. Rates for prudential borrowing can be obtained from the Business Support function. Leasing costs will form part of the revenue budget therefore budgetary provision should either currently be available or the consequences of entering into a lease should form part of the medium term plan. In all instances whether leasing or capital purchases, Business Support should be advised in order to adhere to statutory reporting requirements of assets.

68 3.5 Funding agreements

Where loans are requested by partners of the Council for asset purchases the Section 151 Officer is responsible for setting the agreed terms. This is normally stated as a fixed percentage rate above prudential borrowing rates. All other negotiated terms will be defined in a standard loan agreement contract drawn up by the Council's legal department.

69 3.6 Disposals

When an asset has been identified as surplus to requirements or has no further useful life then it should be disposed of. A capital asset disposal form is to be prepared evidencing the reasons for disposal (Appendix 3). This should be submitted via the stakeholder

groups to CSG. This will be considered and if authorised will be returned to the originator who will instigate the disposal process via Asset Management.

Once the asset is available for immediate sale it must be valued at market value and classified as 'Non operational - Held for Disposal' and accounted for accordingly.

All further spend should be classified as revenue and accounted for in the above correct manner.

An asset will meet the definition as Non operational – Held for disposal when the following criteria have both been met;

- ☐ The asset or Disposal Group must be available for immediate sale in its present condition;
- ☐ The sale must be highly probable;

Factors that need to be considered when determining whether these criteria have been satisfied are as follows:

- ☐ A non operational asset is available for immediate sale if the Vendor is able to demonstrate the intention and ability to transfer the asset in its present condition. Accordingly, if the asset is still in use or is a property that is still occupied, it is not available for immediate transfer and would not qualify as Held for Disposal.
- ☐ All required approvals to dispose of the asset / Disposal Group must have been received, both at Service level and Property board (as appropriate under existing Delegated Authority). This is necessary to demonstrate that the appropriate level of management is committed to selling the asset(s).
- ☐ The sale must be expected to be completed within a year from the date of classification as Held for Disposal, unless there are circumstances out of the control of the Vendor - an example is the requirement for regulatory approval that could extend the period to complete the sale beyond a year.
- ☐ An asset that is to be scrapped or a business that is to be closed will not be classified as Held for Disposal. It should be highlighted in the disposal template and processed through the stakeholder group to CSG for Approval. Once approved the document should be returned to the stakeholder group who will inform the Asset accountant for removal from the register.
- ☐ The asset / Disposal Group must be actively marketed for sale at a price that is reasonable in relation to its current fair value.
- ☐ Sale and leaseback under finance lease arrangements will not be classified as Held for Disposal. However if the leaseback is under an operating lease it will be classified as Held for Disposal.

70 3.7 Compilation of the Business Case

Guidance on the compilation of the business case and risk appraisal checklist required in support of capital bids is attached as Appendices 1 and 2.

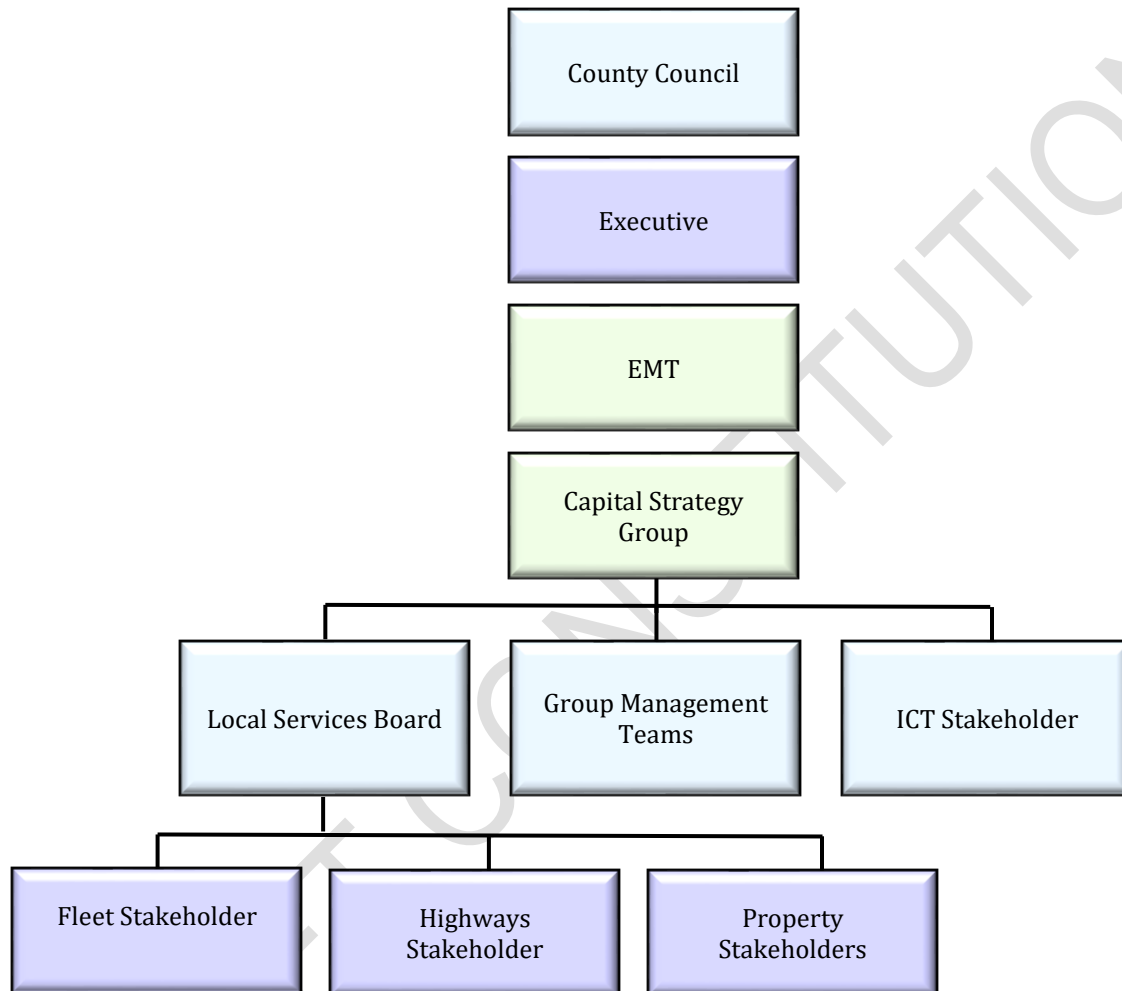
71 3.8 Rejected and 'unexpected bids'

A capital bid can be made during the year for a scheme not previously identified. This should only be done in exceptional circumstances and will require an explanation of the 'unexpected nature' of the bid. A rejected bid can be resubmitted the following year and

the Capital Strategy Group will maintain a record of all outstanding bids, including deferred bids and rejected bids. It will be necessary to highlight the changed circumstances in relation to a rejected bid.

72 4. Roles, membership and relationships of Member and officer groups

4.1 The following diagram outlines the relationships between the various groups involved in the capital process. Subsequent paragraphs detail the responsibilities of these groups and their membership.



73 4.2 The County Council

The County Council Members agree the overall financial content of the Capital Plan

Membership: all elected Members of the Council

74 4.3 The Executive

The Executive determines the broad shape of the Capital Plan setting out budget allocations to meet key objectives.

Membership: the Leader, Deputy Leader of the Council, and the Executive Members.

75 4.4 EMT

The role of EMT is approve the work of the CSG and to make recommendations to the Executive.

Membership: the Chief Executive, Deputy Chief Executive and Executive Directors.

76 4.5 Capital Strategy Group

The Group is chaired by the Section 151 Officer and can release capital expenditure as per Appendix 4 delegated authority for schemes with a proven and justifiable business case, within agreed spending proposals. The CSG have unlimited authorisations where a project has full external funding. The CSG is advised by a number of Stakeholder Groups mentioned below. It should be noted that these Stakeholder Groups cannot authorise capital expenditure, but their recommendations will be given due regard by the CSG, which will then be responsible for recommending how the specific allocations are spent.

The role of the CSG can be summarised as:-

- (a)** To establish a rolling capital plan encompassing all areas of the council's capital expenditure. This will cater for essential programmed expenditure and expenditure to support the transformation of the Council.
- (b)** The authorisation of all capital expenditure up to £2,000,000 in line with the Capital Plan, as agreed by the County Council;
- (c)** The monitoring of the capital programme to identify both slippage and expenditure variances and the implementation of strategy where necessary to ensure achievement of budgets.
- (d)** Where a significant capital project is proposed, the CSG will be responsible for the commissioning of feasibility work.
- (e)** To develop and enhance the capital process to continually improve the delivery of a meaningful capital programme.
- (f)** The CSG will also report formally to Executive Management Team (EMT) on a quarterly basis, and EMT will agree the proposed four year programme as part of the annual budget setting process Membership: Executive Director of Transformation and Resources/Section 151 Officer; Representatives from each Service.

77 4.6 Stakeholder Groups

Stakeholder Groups consider and score capital projects identified by Services and recommend priorities for capital investment to the Capital Strategy Group. The Groups are then responsible for the implementation and monitoring of agreed schemes and the preparation of a monthly, consolidated progress report to the Capital Strategy Group.

Stakeholder Groups: ICT Board, Property Board, Fleet Board and Group Management Teams.

78 5. Tendering and contract procedures

The rules of procedure regarding contracts were set out in the County Council's Constitution dated 5th February 2003. This guidance is updated periodically, and Officers should ensure that they refer to the most up to date version of the Constitution.

Further information and guidance can be obtained from the Procurement Team.

79 6. Monitoring of the capital programme

6.1 The capital programme is monitored at various levels once the programme has been approved and individual schemes implemented. The following paragraphs outline the full monitoring process.

6.2 Stakeholder Groups will consider monitoring reports, prepared by the relevant Business Support Managers and Project Managers, detailing the progress of individual schemes in terms of both time and cost. These reports will follow the standard format and be reviewed as part of the Budget monitoring process. Each Group's Business Support Manager will prepare a commentary and this will be provided to the relevant stakeholder group and the service director on a monthly basis. Any further comments from a service department perspective will be added. For example, any unforeseen impact on service delivery, any problems or issues which are causing concern or indeed any positive comments on progress and/or benefits. Particular attention needs to be given regarding the profiling of spend and funding. The Stakeholder Groups will thereafter prepare consolidated monthly progress reports for consideration by the Capital Strategy Group.

6.3 It should be noted that under no circumstances can the scheme specification be changed for projects that would lead to increased costs without the approval of the Capital Strategy Group, or underspends committed to enhance a scheme.

6.4 All schemes where significant cost/time overruns exist will be subject to review by the Capital Strategy Group. This will initially involve a comprehensive report from the Project Manager, using a standard proforma.

6.5 The Capital Strategy Group is responsible for monitoring the Capital Programme and can authorise:

- ☐ Expenditure variances as per the limits set in Appendix 4.
- ☐ Delayed starts up to a maximum of 6 months.

6.6 On a quarterly basis, the Capital Strategy Group will also prepare a formal progress report for consideration by the Executive. This will also provide an opportunity for any variances above £10,000 or 10% of the total scheme cost to be considered and authorised by the Executive.

6.7 Progress reports to the Executive, are thereafter considered by Scrutiny.

80 7. Project evaluation

7.1 All schemes over £250,000 and a random sample of 5% of all schemes below this threshold will be subject to a post implementation evaluation by the Capital Strategy group, three to six months following the completion of the project. Standard proformas, as set out in Section 3 of the Business Case Guidance, should be used to:-

- (a)** Review the achievement of Service Outputs/Benefits;
- (b)** Review issues of contract timing and costs;
- (c)** Review the success of the implementation process;

(d) Review the satisfaction of the end user (it may be appropriate to delay this evaluation to enable the end user to be able to give an informed view through use of the facility).

7.2 Where necessary, the CSG can request that a formal evaluation of any project be undertaken, regardless of value.

7.3 The CSG will present an annual review of the success, or otherwise, in meeting its stated objectives to the Executive Management Team.

8. Role of individual departments

81 **8.1 Service Departments, as Clients**

- (a) Identifying potential capital bids in line with agreed corporate and service level priorities.
- (b) Organising pre feasibility estimates and preparing Business Cases for bids, where appropriate.
- (c) Monitoring the progress of schemes, from a client perspective.
- (d) Evaluating projects with regard to the achievement of stated objectives.

82 **8.2 Service Departments, as Project Managers (Property, Highways, IT,)**

- (a) Reviewing all bids to ensure compliance with both County Council strategy and agreed industry standards.
- (b) Providing advice on potential solutions and assistance in option appraisal.
- (c) Preparing pre-feasibility estimates and full feasibility studies.
- (d) Preparing or supporting the preparation of Business Cases, as appropriate.
- (e) Planning and costing works schemes.
- (f) Identifying technical support required both during and post project implementation.
- (g) Scheduling major Capital schemes.
- (h) Managing and monitoring the cost of schemes in line with initial estimates and providing Business Support Department with monthly cashflow and revised monthly outturn reports.
- (i) Ensuring minor capital works schemes are completed in accordance with the timetable agreed with the Departments/Groups.
- (j) Providing detailed project monitoring information to Stakeholder Groups, in conjunction with Business Support.
- (k) Raising Works orders in accordance with the Standing Orders.
- (l) Ensuring no capital work is carried out within the maintenance budget.
- (m) Considering the reallocation of surplus assets, prior to formal disposal, where appropriate.
- (n) Ensure compliance with Standing Orders and Financial Regulations.

83 **8.3 Business Support**

- (a) Preparing a consolidated monthly capital expenditure report incorporating the revised financial forecasts obtained from the Monitoring Group meetings.

- (b)** Preparing cashflow forecasts to ensure the Council deals with any slippage on the capital programme or obtains the necessary financial cover and is able to achieve its financial targets set by the Executive.
- (c)** Establishing the annual capital budget by reference to the available resources. The County Council will decide the distribution of resources for the Capital Programmes and major schemes.
- (d)** Advising on the preparation of business cases and the calculation of net present values where relevant. The Service Business Support Manager will undertake any relevant financial analysis as part of the preparation of a Business Case and must be fully involved in the process.
- (e)** Providing detailed project monitoring information to Stakeholder Groups, in conjunction with the appropriate Project Manager.
- (f)** Monitoring compliance with Standing Orders and Financial Regulations and providing advice to client Groups.
- (g)** Financially evaluating the approved list of suppliers.
- (h)** Maintaining the asset register and provision of asset information to departments and Groups.
- (i)** Providing advice and guidance on procurement and tendering.
- (j)** Providing VAT advice.

As part of the Local Services, the Property Service is responsible for:-

- (a)** Maintaining and updating the Asset Management Plan;
- (b)** Assisting with the maintenance of the asset register and the provision of asset information;
- (c)** Providing Estates and Valuation services.

84 Appendix 7 Scheme for Financing Schools Financial Regulations

Application

Definitions

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Withdrawal of Delegation

Delegation to the Headteacher

Provision of Financial Services

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Orders and Payments

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Declarations of Interest

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Revision of Financial Arrangements

Appendix A [Model Scheme of Delegation to the Headteacher](#)

Appendix B [Regulations for Independent Banking Arrangements](#)

Appendix C [Independent School Bank Accounts](#)

Appendix D [School Payments through the Council's Banking Arrangements](#)

85 Application

- (a)** These financial regulations apply to governors, headteachers and employees of the Council's maintained schools, which operate with delegated budgets.
- (b)** These regulations shall also apply to all employees engaged upon the execution or administration of the Northumberland County Council Scheme for Financing Schools.
- (c)** In order to avoid any doubt it is hereby declared that these regulations do not apply to work undertaken by Governors of Voluntary Aided Schools in relation to their responsibilities under Paragraph 3 of Schedule 3 of the School Standards and Framework Act 1998, nor do they apply to Academies.

86 Definitions

- (a)** 'the Council' means Northumberland County Council or any committee or representative body thereof.
- (b)** 'the Scheme of Delegation' means the scheme prepared by the Council in accordance with the provisions of the School Standards and Framework Act 1998 as may be amended from time to time.
- (c)** 'the Governors' means the governing body of any school to which these regulations apply.
- (d)** 'the Headteacher' means the person who is the headteacher or acting headteacher of a school to which the scheme of delegation applies.
- (e)** 'Budget Share' means the school's share of the Individual Schools Budget adjusted to take account of under or overspends from the previous year.
- (f)** 'Budget' means the combined total of the budget share determined by the formula and any earmarked allocations made by the Council.

87 Financial Administration

- (a)** The Section 151 Officer is, for the purpose of Section 151 of the Local Government Act 1972, the responsible officer for the proper administration of the Council's financial affairs and is under the Local Government Finance Act 1988 the Chief Finance Officer of the Council.
- (b)** The governors shall be responsible for the proper management of the school's delegated budget. They must ensure that these regulations are complied with and should establish and document internal procedures to ensure that financial control is carried on in an efficient and well-ordered manner.
- (c)** In determining these procedures, governors should ensure that, wherever possible, the duties of staff concerned with financial transactions are distributed so that key tasks are assigned to separate Members of staff. The work of one person should act as a check on another. All such checks should be documented as having been carried out.
- (d)** The Section 151 Officer is responsible for the compilation of the Council's statutory accounts. All accounting procedures and financial records which are required for schools subject to these regulations shall :-
 - (i)** be compatible with the Council's financial systems required to administer the scheme;
 - (ii)** follow good financial practice; and
 - (iii)** be approved by the Section 151 Officer.

- (e) The Section 151 Officer shall approve all accounting systems, procedures and records consistent with these requirements. Governors may suggest to the Section 151 Officer changes to accounting procedures and records that may lead to the improvement of school administration.
- (f) Governors, Headteachers and other employees shall provide to the Council all accounts and records, and any other relevant documents and information that may be required from time to time.
- (g) Governors shall have the power to establish committees to examine detailed issues arising from the implementation of the Scheme. Signed minutes of the meetings of committees must be presented to the next full meeting of the Governors. Where Governors grant decision making powers to a committee they shall make a record in their minutes stating the limit of such delegation. Governors are advised to ensure that all major decisions are taken only at their full meetings.
- (h) The Section 151 Officer and the Executive Director of Children, Young People and Education, or their representatives, shall have the right to attend any meeting of the Governors, including sub-committees, for the purpose of giving advice or reporting on any matter that affects the probity and regularity of the Council's financial activities.

88 Delegated Budgets

- (a) The Council shall inform the Governors of their budget share by 31st March each year with adjustments for carry forwards from the previous year being notified by 31st May. The Council will endeavour to give information to Governors as early as possible to assist their planning process.
- (b) Where a school's budget share is over or under spent in any financial year such a balance shall be carried forward to the next financial year, provided any surplus balance (after allowing for any amounts that the Governing Body of the school has declared to be assigned for specific purposes permitted by the Council) does not exceed 5% of the new financial year's budget share (8% in the case of First and Special Schools) or £10,000, whichever is the greater. If this amount is exceeded then the Council will deduct from the current year's budget share an amount equal to the excess. Calculations of such a balance will be determined by the Section 151 Officer in accordance with the procedures required to prepare the Council's final accounts.
- (c) Governors shall report to the Executive Director of Children, Young People and Education by 1st July each year on the use which they intend to make of any surplus balance which existed on the previous 31st March where that surplus is in excess of 5% (or 8% as appropriate) of the school's budget share.
- (d) Governors shall require the prior written approval of the Section 151 Officer should they wish to plan to spend more than their budget share, including any carry forward (surplus or deficit) from a previous year in any financial year. In the event of approval being given, such an amount shall be deducted from the following year's annual budget share, unless other arrangements are agreed with the Section 151 Officer.

89 Withdrawal of Delegation

- (a) The Governors shall ensure that the school operates within its annual delegated budget and in accordance with all the requirements of the Council's Scheme for

Financing Schools. Failure to comply with these requirements may lead to the withdrawal of the delegated budget and to such other action as the Council deems appropriate. Any unplanned overspending shall be deducted from the following year's annual budget share (unless otherwise agreed with the Section 151 Officer).

90 Delegation to the Headteacher

- (a) It is assumed that Governors will need to delegate to the Headteacher the day to day management of the budget. For the purpose of these regulations, a model scheme of delegation to the Headteacher is attached at Appendix A. It is assumed that all schools will adopt the model scheme of delegation. However, if governors wish to adopt an alternative scheme this will require the written approval of the Section 151 Officer.
- (b) The Headteacher shall ensure that at all times Financial Regulations and other instructions issued by the Section 151 Officer in relation to the proper financial administration of the school are complied with.
- (c) Where no specific item has been provided for in the budget, the Headteacher shall not enter into any financial commitment exceeding **£5,000** (or ½ % of the budget share whichever is the greater) without the consent of the Governors or, in the case of emergency, the Chairman of the Governors.
- (d) The above delegation shall not apply in respect of the appointment of staff. It shall be for the Governors to lay down from time to time the extent of the power of the Headteacher to deal with staffing matters.
- (e) The Headteacher shall not vire from one approved budget head to another any sum exceeding **£5,000** (or ½ % of the budget share whichever is the greater) without the consent of the Governors, or, in cases of emergency, the Chairman of the Governors. Regardless of this limit, all virements shall be reported to the Governors and the Section 151 Officer at the earliest opportunity.
- (f) **28.** The Headteacher must produce to the Governors at least once each term, and on such further occasions as the Governors may specify, a written report on the performance of the approved budget. This will include all income, expenditure and commitments entered into since the last such report to the Governors.

91 Provision of Financial Services

- (a) The requirement for a school to operate sound financial procedures is independent of the service provider. Where services are provided by the Council, schools must act in accordance with any approved procedures.
- (b) Where financial services are provided externally there shall be a written agreement setting out the responsibilities of both parties. The Section 151 Officer shall be notified of all such arrangements.

92 Contracts and Purchasing

- (a) All documents required to execute a hire, hire purchase or leasing contract shall be examined by the school's legal adviser before any commitment is entered into. Before entering any other contract that requires a continuing commitment by the Council or obligations on the part of the supplier, the Headteacher should consider taking advice from the Executive Director of Children, Young People and Education.
- (b) All contracts for the purchase of goods, services or works shall be in the name of the school and the Council, and be signed by the chair of governors.

- (c) All purchases of goods, services or works exceeding **£10,000** shall be obtained only after receiving not less than three competitive quotes in writing. Details of the written quotes must be retained in school in line with other financial records.
- (d) The requirement for three competitive quotes may be waived in individual cases by express resolution of the Governors after consideration of a written report from the Headteacher explaining the reasons for such a course of action, or, in cases of emergency, by the Chairman or the Vice-Chairman of Governors, but in such cases the action taken and the reasons for it shall be reported in writing to the next meeting of the Governors.
- (e) Contracts that commit the school to expenditure exceeding **£10,000**, or are for a period of more than one year, must be specifically agreed in advance by the Governing Body. Additionally:
 - (i) Schools may only enter into contracts with suppliers that have not been specifically recommended by the Council and where there is a cost over more than one financial year after the terms and conditions have been approved by the school's legal adviser;
 - (ii) Contracts must be countersigned by the Chair of Governors, or by the Vice Chair in the absence of the Chair;
 - (iii) When outsourcing a service, schools must ensure that the requirements of relevant legislation are complied with and paper indemnities exist.
 - (iv) Special rules apply to contracts for works, supplies or services with an estimated value above thresholds prescribed by UK regulations. The thresholds that apply from 01 January 2022 (such figures being subject to review and amendment every two years) are:
 - Works £5,336,937 inclusive of VAT (indicative value £4,447,447 exclusive of VAT)
 - Supplies £213,477 inclusive of VAT (indicative value (£177,897 exclusive of VAT)
 - Services £213,477 inclusive of VAT (indicative value (£177,897 exclusive of VAT)
- (f) In situations where contracts are estimated to exceed these values, the school's legal adviser should be consulted.

93 **Orders and Payments**

- (a) All orders for works, goods or services shall be in a form specified by the Section 151 Officer. The Headteacher shall be responsible for the proper authorisation of all such official orders issued from the school.
- (b) The Headteacher shall notify the Section 151 Officer of all employees authorised to approve orders, authorise payments and certify payroll notifications. A copy of the list of staff authorised to approve these functions shall be retained in school.
- (c) Written orders shall be made wherever practicable but will not normally be required for supplies of public utility services, for periodical payments such as rent or rates, for petty cash purchases or other exceptions as the Section 151 Officer may approve. However, an adequate record must be maintained to document the payment of these accounts.

- (d) If exceptionally it is necessary to issue a verbal order, then such orders must be confirmed in writing the same day. The written order must be clearly marked "confirmation order".
- (e) Local Accounts shall be kept in such a manner as shall be prescribed or agreed by the Section 151 Officer. All payments from the account shall be supported with invoices, receipts or other vouchers.
- (f) The Headteacher shall be responsible for ensuring that all accounts (including those paid through the Local Account), travelling and subsistence claims, or other payment vouchers, are examined, verified and certified for payment. Subject to this requirement the Headteacher may authorise other employees of the school to carry out these procedures, provided they are included on the list of authorised personnel. Certifications must be in manuscript and confirm that the expenditure has been properly incurred and that the goods or services have been received.
- (g) The duties of certifying accounts, claims or vouchers shall not be performed by the same person who ordered the goods or services or is making a claim unless other arrangements are made with the Section 151 Officer.
- (h) All invoices, or other accounts for payment, must be made out to the School or the Council. Payment must only be made on original invoices not photocopies, faxes or statements.
- (i) Any amendment to an account shall be made in ink and initialled by the person making it, stating briefly the reasons where they are not self evident.
- (j) Where invoices are to be paid by the Council, they must be received seven clear working days before the discount date expires. Where a discount is lost or interest is incurred due to the failure of the Council to pay the invoice within the seven days, the school shall be reimbursed for the loss. Where interest is payable due to a delay by the school, the cost will be charged to the delegated budget.

94 Appointment of Staff

- (a) Except for Foundation and Aided schools, all staff shall be appointed to the service of the Council on conditions of service specified by the Council. Subject to this requirement Governors may appoint staff at such levels of nationally and locally determined pay as they may decide.

95 Declarations of Interest

- (a) Governors shall leave the meeting during any decisions where they may have any pecuniary interest, direct or indirect, and must not vote on any such matters. The Clerk to the Governors will advise upon the detailed provisions set out in the regulations. The provisions relating to pecuniary interests, set out in the regulations, shall be deemed to apply with necessary adaptations to any decisions to be made outside a governing body meeting by the Chairman, Vice-Chairman, the Headteacher, or any employee to whom a decision under the Scheme for Financing Schools has been delegated.
- (b) The Governors shall maintain a register of any interests that they, their families or close friends may have, which might affect their position. The register should also record any school employees who may have interests that might conflict with their duty to their employer. The register must be updated annually and be available for inspection by members of the public.

96 Salaries, Wages and Pensions

- (a)** The arrangements for the payment of all salaries, wages, pensions, compensation and other emoluments due from the Council to all employees or former employees of the Council shall be approved by the Section 151 Officer. Where the service is not provided by the Council, the Governors shall ensure that all necessary statutory returns are submitted to the Council in accordance with the specified timetable.
- (b)** Where the service is provided by the Council, payroll notifications shall be submitted, within the timetable and in the form laid down in the service level agreement.
- (c)** All time records and other payroll documents shall be in a form prescribed or approved by the Section 151 Officer and shall be certified in manuscript by the Headteacher or other authorised employee.

97 Income

- (a)** Arrangements for the invoicing and collection of all official income due to the Council shall be specified by the Section 151 Officer.
- (b)** The Section 151 Officer shall specify the arrangements for the order, supply and control of all receipts, forms, books, tickets, and other such items. Only official, approved stationery must be used to acknowledge receipt of income.
- (c)** Income shall be collected promptly, ideally in advance of the provision of goods or services.
- (d)** A record of all income received shall be kept and, where appropriate, an official receipt issued.
- (e)** Income shall be banked promptly and in its entirety. Income must not be used to defray expenditure.
- (f)** Cheques must not be cashed from money received on behalf of the Council.
- (g)** Income collected in respect of delegated or curriculum activities must be banked directly into the Council's Income Account not any other account.
- (h)** Governors shall consider and approve an annual charging policy and scheme of charges for regular sources of income.
- (i)** The Headteacher shall make, or cause to be made, all reasonable endeavours to recover all debts due to the school or council. Headteachers may write off debts up to a value of **£50**. All other debts may only be written off with the permission of the Section 151 Officer.

98 Banking Arrangements

- (a)** All arrangements for the provision of banking services in relation to Council money shall be made by or under arrangements approved by the Section 151 Officer. Appendix B to these regulations sets out the rules under which schools may operate an independent bank account.
- (b)** Withdrawals from the local bank account can be made using cheques, direct debits and standing orders.
- (c)** Schools that do not have an independent bank account must bank at their nearest Post Office or Co-operative Bank unless alternative arrangements have been authorised by the Section 151 Officer. If a school elects to bank elsewhere which results in bank charges then these charges will be debited to the school's delegated budget.

- (d) The Headteacher shall notify the Section 151 Officer of those members of staff authorised to sign Local Account cheques.
- (e) Wherever possible cheques should be signed by two members of staff.
- (f) Cheques should be held securely when not in use and must never be pre-signed.

99 Asset Management and Security

- (a) The Headteacher shall be responsible for the safe custody and control of all monies, vehicles, furniture, equipment, stocks, stores, and other property.
- (b) Schools are required to maintain a record of all moveable assets with an insurable value in excess of **£100**. Records must be in a form approved by the Section 151 Officer.
- (c) The Headteacher shall arrange for annual checks of such inventories and for the records to be updated to show that this check has been carried out. Any significant losses of stocks, stores or other assets must be reported to the Section 151 Officer immediately.
- (d) The Headteacher shall ensure that procedures are in place to safeguard the school's information technology systems and data from loss or abuse, and ensure that adequate arrangements are in place to ensure continuity of IT service in the event of an emergency.

100 Disposal of Assets

- (a) The procedure for disposal of assets owned by the school should always ensure that the best price is obtained for the benefit of the school and that staff dealing with the disposal are protected.
- (b) Staff nominated to manage the disposal of school assets should make a record of how each disposal was dealt with as this information may be required during an audit.
- (c) Assets belonging to the school may be sold to school staff or Members of the governing body provided that this does not conflict with the requirements of the Code(s) of Conduct and that the best price is obtained for the benefit of the school bearing in mind alternative means of disposal.

101 Borrowing and Investments

- (a) The Section 151 Officer shall be responsible for borrowing or lending of all Council monies, except for funds provided to schools which operate an independent bank account.
- (b) Where schools decide to continue to operate their banking arrangements with the Council a notional interest payment to schools will be calculated annually in accordance with the principles set out in Appendix D.

102 Insurance

- (a) The Governors shall determine the insurance arrangements they consider necessary to safeguard assets and to protect against third party claims against the school and the Council. Any arrangements with outside providers must provide cover that is equal to or better than the minimum requirements specified by the Section 151 Officer.
- (b) The Section 151 Officer's consent shall be required prior to any indemnity being given on behalf of the Council to a third party.

- (c) The Section 151 Officer shall be notified of all losses which are covered by the Council's insurance arrangements and shall negotiate all insurance claims in respect of them.

103 Audit Arrangements

- (a) The Council requires that each Governing Body shall complete the annual Schools Financial Value Standard self assessment and return it to the Section 151 Officer by 31 March. The first returns are due on 31 March 2013, except for those schools which did not confirm that they meet the requirements of the DfE's Financial Management Standard in Schools, in which case the returns are required by 31 March 2012. This will help provide confirmation to the Governors and the Director of Finance on the proper operation of financial systems and compliance with the Scheme of Delegation and Financial Regulations, including:-
- (i) Fraud, irregularity, mismanagement or other offences;
 - ☐ waste, extravagance, inefficient administration, poor value for money; and
 - the suitability, reliability, and effectiveness of financial and other management data maintained by schools.
- (b) The Governors shall promptly respond in writing to those matters raised in audit reports.
- (c) Internal Audit and the Council's external auditors shall have authority to:-
- (i) enter at all reasonable times on any school premises or land;
 - (ii) have access to all records, documents and correspondence and any other source of relevant information relating to any financial and other transactions of the school;
 - (iii) require and receive assistance and explanations concerning any matter under examination; and
 - (iv) require any employee at a school to produce cash, stores or any other Council property under their control.
- (d) Whenever any matter arises which involves or is thought to involve fraud, or financial irregularity, or bribery, or corruption, it shall at once be brought to the attention of the Section 151 Officer who will refer the matter to the Head of Internal Audit. Internal Audit shall take such steps as are considered necessary to investigate and report upon such matters to the Director of Finance and the Governors.
- (e) The Section 151 Officer is responsible for the development and maintenance of the Council's Anti-Fraud Strategy. In accordance with this strategy, school staff are required to report all suspected irregularities to the Section 151 Officer immediately, using the Anti-Fraud hotline.
- (f) The Strategy recognises that staff may not feel they are able to voice their suspicions for fear of reprisal or discrimination against themselves by other members of staff. To encourage staff to come forward and report their suspicions, and in compliance with the provisions of the Public Interest Disclosure Act 1998, the Council has a Whistleblowing Policy. This policy (available on the Council's intranet) ensures that any suspicions that are reported are dealt with in a consistent and confidential manner and provides staff with an assurance that they will not be discriminated against."

104 Risk Management

- (a) The Governors shall be responsible for ensuring that all risks are adequately managed at a local level. The Council's Risk Management team shall provide such advice and guidance as is necessary to assist in this task.

105 Financial Losses

- (a) Where the Council suffers unnecessary financial loss due to negligence or a school's failure to report any of the matters referred to in the previous paragraphs, the Council reserves the right to deduct such financial losses, as determined by the Section 151 Officer, from a school's budget share.
- (b) Where the Council suffers a financial loss, including any interest charge or loss, due to a school's failure to comply with regulations governing the accounting for Value Added Tax, National Insurance, income tax, construction industry tax or pension contributions, the Council reserves the right to deduct such financial losses from a school's budget share.

106 School Fund and other voluntary accounts

- (a) Governing Bodies are responsible for funds from a number of sources other than the Council; examples include School Funds, Tuck Shops, visits and Youth Clubs. These are public funds and Governing Bodies are required to ensure proper management in accordance with good financial practice. These regulations apply to all voluntary funds operated by the school not just the traditional School Fund.
- (b) The Governing Body shall formally approve a Constitution for the use of any funds by the school provided from sources other than the Council. The Constitution should be regularly reviewed and updated.
- (c) The Headteacher shall maintain a list of funds in operation and make arrangements to ensure that proper financial controls are put in place for their proper management.
- (d) The Governing Body shall formally appoint a treasurer and an independent auditor for each fund annually.
- (e) The fund's treasurer should have sufficient knowledge, experience and resources to ensure that the records are maintained accurately and in line with the Constitution approved by the governors.
- (f) The Headteacher must ensure that each fund is audited annually and that a certified statement of accounts is presented to the governing body within four months of the end of the accounting year. Once approved by the governing body, a copy of the certified accounts must be sent to the Head of Audit
- (g) The auditor should be independent and should have no conflict of interest. An independent auditor should have no involvement with the management or administration of the fund or be a close relative of anyone who has such an involvement. The auditor must not be a member of the governing body.
- (h) Where a fund's annual income or expenditure exceeds **£50,000** the accounts must be audited and certified by a suitably qualified accountant and a copy sent to the Head of Internal Audit.
- (i) Income which is properly due to the school's delegated budget or the Council must not be paid into voluntary funds.

107 Retention of Records

- (a) All financial records must be retained for inspection for a minimum period of the current and three previous financial years. However, in order to answer queries from HM Revenues & Customs, and to respond to interest claimed under the Late Payment of Commercial Debts Act, the school is advised to keep Local Account records for up to six full years. In all cases original documents shall be retained and not photocopies, unless alternative arrangements are agreed with Internal Audit.

108 Data Protection

- (a) The Headteacher shall be responsible for proper registration of the schools systems and compliance with the requirements of the Data Protection Act and shall make adequate arrangements for the security and integrity of data held by the school.

109 Legal Proceedings

- (a) The Section 151 Officer shall be empowered to institute legal proceedings for the recovery of the sums due to the Council and for possession of Council property, to lay information, make complaints, institute, defend or settle proceedings or take legal action to enforce rights or obligations, to appear at public inquiries, and where in his opinion it is in the Council's interests so to do to engage Counsel.

110 Revision of Financial Arrangements

- (a) The Section 151 Officer shall be responsible for keeping these regulations under review and make minor amendments. Any significant changes will require the approval of the Council.

111 Appendix A

Model Scheme of Delegation to the Headteacher

- A1** The Headteacher shall have the delegated power to undertake all functions delegated to the Governors under the School Standards and Framework Act 1998 pursuant to the Scheme for Financing Schools provided that :-
- A2** The Headteacher shall comply with all policy directions given by the Governors;
- A3** The Headteacher shall prepare detailed estimates of expenditure and income relating to matters delegated to the school for approval by the Governors, and shall have the authority to spend all monies allocated to individual specific items in the approved estimate. The Headteacher shall provide the Section 151 Officer with details of the approved estimates and details of any changes to those estimates arising from virements agreed under A6 below;
- A4** Where no specific item has been provided for in the budget, the Headteacher shall not enter into any financial commitment exceeding £5,000 (or ½ % of the budget share whichever is the greater) without the consent of the Governors or, in the case of emergency, the Chairman of the Governors;
- A5** The above delegation shall not apply in respect of the appointment of staff. It shall be for the Governors to lay down from time to time the extent of the power of the Headteacher to deal with staffing matters;
- A6** The Headteacher shall not vire from one approved budget head to another any sum exceeding £5,000 (or ½ % of the budget share whichever is the greater) without the consent of the Governors, or, in cases of emergency, the Chairman of the Governors. All virements shall be reported to the Governors at the earliest opportunity;
- A7** The Headteacher shall produce to the Governors at least one each term, and on such further occasions as the Governors may specify, a written report on all income, expenditure and commitments entered into since the last such report to the Governors;
- A8** The Headteacher shall have the power to nominate the Deputy Headteacher and one other member of staff to exercise the powers of this delegation during periods of their absence;
- A9** The Headteacher and any other person nominated under A8 above shall ensure that at all times these financial regulations and any other instructions issued by the Section 151 Officer with regard to the proper administration of the school finances are complied with;
- A10** The Headteacher shall notify the Section 151 Officer of the names of all persons nominated to certify orders, invoices, claims, payroll records and other official documents, together with specimen signatures and initials;
- A11** The Headteacher may write off monies due to the school's delegated budget, up to a value of £50, after all reasonable steps have been taken to secure payment.

112 Appendix B

Regulations for Independent Banking Arrangements

B1 Application

B1.1 These regulations only apply to advances made by the Council to schools in respect of their delegated budgets.

B1.2 The term "bank" used throughout these regulations means any of those financial institutions included in the approved list shown in the Scheme.

B2 Choice of Bank

B2.1 Schools can use any of the banks on the approved list to provide both current and deposit bank accounts (subject to regulation B4). Schools should not use any other bank without the written approval of the Section 151 Officer.

B2.2 Where practicable, schools shall seek competitive quotes from at least three of the approved banks at each renewal date, keeping details of all quotes on file. It is recommended that banking arrangements should not be made for a period exceeding three years.

B2.3 Where competitive quotes are not sought, a written report must be made to the Governing Body setting out the reasons for not doing so. Such reasons will be open to scrutiny by the Section 151 Officer to ensure propriety and value for money.

B3 Operating Bank Accounts

B3.1 Schools can operate one current account with one bank, but may operate more than one deposit account. All bank accounts should include the name of NORTHUMBERLAND COUNTY COUNCIL as well as the school name.

B3.2 Schools shall notify the Section 151 Officer of the bank(s) used, the numbers of all accounts opened, and the banking terms agreed. The terms agreed with the banking provider shall include a restriction that the accounts must not be allowed to be overdrawn.

B3.3 Where practicable each bank account should have four members of staff as authorised signatories with cheques being signed by any two. These members of staff should normally not be responsible for the placing of orders, checking invoices, or for the day to day operation of the accounts.

B3.4 Investment of surplus cash shall only be in a current account or deposit account with a bank on the approved list or placed on deposit with a local authority. Any opportunity to use other forms of investment is subject to the written agreement of the Service Director of Finance.

B3.5 Schools must not make arrangements for overdrafts, loans or other forms of borrowing and should not themselves offer any security to the bank. Should a bank request security, this shall be referred to the Section 151 Officer.

B3.6 Requests from schools for a temporary advance to overcome a particular cash flow difficulty may be made, in writing, to the Section 151 Officer. The school will have to meet the costs of such advances.

B3.7 Blank cheques must not be pre-signed and must be kept in a safe place.

B3.8 Debit and Cash cards shall not be used. Cash shall only be obtained using a cheque. If an encashment facility is needed arrangements shall be agreed with the bank and notified to the Section 151 Officer. No personal cheques shall be cashed from any school monies.

B3.9 Payments from bank accounts will normally be made by cheque but regular payments such as rates may be paid by standing order or direct debit. The setting up of new standing orders or direct debits shall require specific written approval of the Headteacher, in addition to any standard forms.

B3.10 Any cheque which is cancelled shall be retained, be clearly marked cancelled, and a record made as to the reason for cancellation.

B4 Payments into and from the School Bank Account

B4.1 The bank account shall only be used to meet expenditure approved as part of the delegated budget. Where the payroll service is provided by the Council no payments shall be made relating to employee costs.

B4.2 Schools shall ensure that there are sufficient funds in their current account to meet the total sum of cheques issued.

B4.3 All expenditure from voluntary funds shall be kept completely separate from the school bank account. Contributions from a voluntary fund towards expenditure may be paid into the school bank account.

B4.4 Cash instalments, less an adjustment for lost interest, made by the Council in respect of the delegated budget will be paid into the bank current account in accordance with the schedule of payments described in the Scheme for Financing Schools.

B4.5 Other payments into the bank accounts should only be in respect of Standards Fund, VAT and tax reimbursements by the Council, and any income received in respect of the delegated budget contributions towards delegated expenditure from other sources.

B4.6 Paying-in books only must be used for banking income. A record of cheques received by the school should be kept showing the name of the drawer, what the income is for, and the amount. The total of this list should agree with the total of the cheques banked.

B4.7 Cash instalments will be calculated from the original budget for each financial year. Where, for schools deciding to receive only non-employee costs, changes are made between employees and non-employees' expenses during the year, additional payments to or deductions from the bank account may need to be made. Schools shall inform the Section 151 Officer immediately such changes are known so that prompt cash adjustments can be made. Charges may be made where repayments from bank accounts are not notified to the Section 151 Officer in a reasonable time.

B5 Interest and Bank Charges

B5.1 Schools may move temporary surplus funds to a deposit account opened under these regulations and retain the interest earned.

B5.2 All charges for operating any bank accounts will be borne by the school.

B5.3 Schools shall ensure that all interest is paid gross, i.e. without deduction of income tax. If interest is paid net, a tax deduction certificate must be obtained and sent to the Service Director of Finance to reclaim the tax which will be paid back to the school.

Administration

B5.4 All financial records must be retained for inspection for a minimum period of the current and three previous financial years. However, in order to answer queries from HM Customs & Revenue, and to respond to interest claimed under the Late Payment of Commercial Debts Act, the school is advised to retain the relevant records for up to six full years. In all cases original documents should be retained and not photocopies, unless alternative arrangements are agreed with Internal Audit.

B5.5 There must be a clear trail from the cheque counterfoil to the order form and invoice, and from the monthly expenditure returns sent to the Section 151 Officer either to a school's manual records or electronic records.

B6 Accounting Returns to Section 151 Officer

B6.1 Each month the school must send to the Section 151 Officer a summary transaction's statement and a VAT claim in the prescribed form. At the end of the financial year a return shall be sent to the Section 151 Officer which reconciles to the monthly returns.

B6.2 Failure to return this information by the due dates may result in delays in making cash instalments, reimbursing VAT, and may lead to VAT penalties being recharged to schools.

B6.3 Where a computer accounting package is used, a copy must be retained separately for each financial year. Secure back-up copies should always be made of the accounting records, both during and at the end of the financial year. These should be stored in a safe location, but away from the normal work area in the school where it is created. Storage arrangements away from the school premises may be considered.

B7 Bank Statements and Reconciliation

(a) The school shall arrange to receive a monthly bank statement which must be addressed to the school at its normal address. On request the bank must send direct to the Director of Finance copies of any bank statements. The Section 151 Officer will require each bank to notify them immediately of any accounts that are overdrawn.

(b) A bank reconciliation must be carried out each month between the bank statement and the school's own bank account record. The reconciliation shall be signed by the person who carries out this task and by the Headteacher. All cheques more than six months old must be treated as being stale and the appropriate entries made in the financial records.

(c) The Headteacher shall certify that all expenditure has been made in accordance with these regulations, and that the bank account is reconciled when making the monthly return of expenditure.

B8 Special Payment Arrangements

Building Maintenance - Construction Industry Scheme (CIS)

(a) To avoid schools having to apply the complex conditions of this scheme, it is suggested that all payments for building maintenance work not exempted by the HMRC's concession should be paid by the Head of Property and Commercial

Services. Schools would authorise the work, confirm satisfactory completion and invoice details, and then pass the certified invoice with a cheque for the gross amount to the Head of Property and Commercial Services who will pay the contractor or,

- (b) For projects not exempted by the HMRC concession schools should seek the advice of the Head of Property and Commercial Services as to how the scheme applies to a project before making payment.

B9 Special Energy Contracts

- (a) The Council has special contracts for the supply of energy to specific premises and these contracts require payment to be made on specific dates. Where a school participates in such contracts, in order to avoid a significant increase in the price of energy, the Council will continue to pay the invoices centrally and invoice the schools covered. A charge will be made for administration, the loss of interest and invoice preparation for this arrangement.

B10 Operation of the Scheme

- (a) Schools wishing to join or withdraw from this scheme once in force must give at least three months' notice to do so. The operative date for banking arrangements under this scheme will be 1st April.
- (b) The Section 151 Officer has the right to suspend or remove the management of the bank accounts from the school if these regulations are not complied with or should delegation be withdrawn from the school under the Scheme. Suspension of the school bank account will continue until adequate steps have been taken and approved by the Section 151 Officer to rectify the position.

Independent School Bank Accounts Statement of Interest Deduction Calculation

C1 Background

- (a) Where a school elects to operate its own bank account the Secretary of State has acknowledged that the Council will incur a loss of investment income. Therefore, the Council is allowed to make a compensatory deduction from cash advanced to schools.
- (b) There are four elements to the cash advance to be made to schools. These are:-
- ☐ accumulated balance at 1st April in the year when the account is opened;
 - ☐ current financial year's budgets, either including or excluding for non- employee costs as appropriate;
 - ☐ loans and licensed deficits;
 - ☐ special advances.
- (c) An accumulated balance at 1st April may be a surplus or deficit. The total amount to be advanced in any financial year will be the school's budget, excluding the total employees costs if the payroll service is provided by the Council, and any accumulated balance brought forward.
- (d) This statement should be read in conjunction with the regulations for the operation of independent school bank accounts.

C2 Calculation of Interest Deduction

- (a) The interest deduction will be made on cash advances.
- (b) Cash advances will be made monthly for schools which have their full budget share paid into an independent bank account. For schools which decide not to include employee costs in their advance, payments will be made on the 1st April, 1st September and 1st January each financial year, in the proportions set out in the Scheme.
- (c) The budget figures upon which the cash advances and interest deductions are to be made will be those approved by the Governing Body for the forthcoming financial year. Where this information, for schools which receive only their non payroll costs, is not available before 1st April, the Section 151 Officer will make an interim first advance. This will be adjusted when the current year's budget is completed.
- (d) Changes to a school's spending plans during the year, which will affect the overall allocation of money to a school, shall be notified to the Service Director of Finance immediately, so that an adjustment to the remaining cash advance(s) can be made subject to the following:-
- ☐ where the change is \pm £3,000 no adjustment will be made;
 - ☐ no retrospective reduction in the interest deductions will be made if a school fails to notify the Section 151 Officer of budget changes;
 - ☐ an interest charge of 2% above the bank base rate will be made on any budget change which reduces the non-employee costs where a school has failed to notify the Section 151 Officer during the year;
 - ☐ where a school has spent its cash advances but has an urgent payment to make before its next advance is due, the Council will be willing to consider a request for an interim advance. Where such an advance is agreed, the Council will make an interest charge of 2% above bank base rate.

- (e)** The interest charges calculated under (c) and (d) will be deducted from the next cash advance due.
- (f)** The deduction for lost interest will be determined by calculating the monetary interest that would have been earned on the total cash advances for all schools after deducting the cumulative average payments made in each month. This monetary loss of interest will be expressed as a percentage of the total budget or total non-employee costs for all schools, as appropriate. The resulting percentage will be used to calculate the monetary reduction to each advance made to individual schools.
- (g)** The interest rate to be used in this calculation will be the 7 day deposit rate. Prior to each cash advance date a current rate will be obtained and, where there is a change of more than 2% the percentage reduction will be recalculated.

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School Payments through the Council's Banking Arrangements, Calculation of Interest

D1 Introduction

- (a) Where schools decide to continue making their payments through the Council's banking arrangements, interest will be calculated on their cash flow related to their non-employee costs. This arrangement puts these schools in a similar position to those schools who decide to operate their own independent bank account.
- (b) It is acknowledged that this arrangement may not provide the full benefits of the independent bank account. However, any loss of benefit is offset by the savings schools make in not having to administer their own bank accounts.

D2 Calculation of expenditure

- (a) The County Council's financial accounting system, the E-Business Suite will be the prime record for the purposes of this calculation. Schools will be able to influence their interest payment to the extent that they make the decision on when to make their purchases.
- (b) The financial record in the E-Business Suite in effect becomes the 'bank account'. When a transaction appears on this record it is then deemed to be a cash payment for the purpose of calculating interest.
- (c) The interest payment will be calculated on a monthly basis. It will be deemed that the current year's expenditure is spent evenly throughout each month. Therefore, in the month of April half of the actual expenditure will be used in the calculation of interest, and in each successive month the cumulative total expenditure incurred, to the end of the preceding month, will be added to the half of the current month's expenditure.

D3 Calculation of Income

- (a) Cash payment from the Council to schools to meet their non-employee costs will be deemed to be made in twelve equal instalments. A school's balance brought forward from a previous year (whether cash in hand or cash overdrawn) will be deemed to be the cash position for the start of the new financial year.
- (b) The allocation of the cash payment for the current financial year will be deemed to be given in the middle of each month. Therefore, in the month of April one half of the cash instalment will be used in the calculation. In each successive month the cumulative total cash instalments paid to the end of the preceding month will be added to half of the current month's cash instalment.

D4 Calculation of Monthly Cash Position and Interest

- (a) The calculation of the cumulative monthly expenditure described in paragraph D5 is deducted from the cumulative cash instalments paid calculated under paragraph D7. The resulting cash figure in hand or overdrawn is the amount that would be available for investment or upon which overdraft charges would be charged.
- (b) Where a school has a surplus of cash this will attract an interest payment. Where a school's cash position fluctuates between cash in hand and overdrawn, the periods where there is an overdraft will count against those periods where there is cash in

hand. Where a school has an overall overdrawn cash position at the end of the financial year the County Council will impose a charge.

- (c) All interest payments referred to in paragraph D9 will be calculated on the following basis. The net cumulative cash position calculated will attract interest at the prevailing 7 day interest rate obtained by the County Council in its dealings in the money markets. The total interest calculated for the year will be added to or subtracted from the school's account at the end of the financial year.

D5 Licensed Deficits

- (a) Where a deficit budget has been approved by the Section 151 Officer, the agreed amount will not be subject to an interest charge. If during the year the overdrawn balance exceeds the agreed deficit amount, interest will be charged on the excess.

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115 Appendix 8

Protocol for Dealing with Surplus Property Assets

1. When a property asset is vacated by the occupying service it will be deemed to be declared surplus to operational requirements unless the service can justify a case to retain the property asset for an already identified and approved future operational use.
2. The Head of Commercial and Property Services should be advised six months before a property becomes vacant.
3. Vacant property will be held as a corporate asset for re-use or disposal within the framework of the Corporate Asset Management Plan.
4. When a property asset is deemed to be surplus to requirements, the ongoing premises related expenditure (PRE) costs will be identified, and the appropriate PRE budget held by the previous occupying service will be transferred to the corporate surplus property budget. When the property asset is re-used or disposed of, the transferred PRE budget can then be counted as a saving by the service. In instances where it is necessary to board up a vacant property and/or arrange for on site security, the costs incurred above the existing PRE budget will be recharged against the project where a property is to be re-used, or in the case of a disposal, against the future capital receipt, subject to the prior consultation with the Section 151 Officer.

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DRAFT CONSTITUTION

Part 11

Regulatory Functions

This Part sets out how the Council will conduct its regulatory and licensing functions.

Contents

Sections

1. Introduction	
2. Planning Code	Content
3. Licensing guide	Content
4. Training syllabus for members	Add
5. Delegations from and reservations to Planning Committee	Place in constitution here? Include how planning decisions get called in from officer delegation to committee

Part 11

Section 1

1. Introduction

There are some non-executive functions, those over which the cabinet does not have responsibility, which are considered regulatory or quasi-judicial in that they determine individual applications and reviews of permission or licences and deal with the rights and civil liberties of individuals.

The functions of determining such matters as planning applications, making decisions on licensing are delegated to three separate committees of the Council. These fall into three categories:

- Planning (development control) applications and enforcement, which is dealt with by the Strategic Planning Committee and the Local Area Committees
- Matters regulated by the Licensing Act and Gambling Act, which are the responsibility of the Licensing Committee
- All other regulatory licenses to be determined by the Council, which are dealt with by the Regulatory Licensing Committee.

Given their nature, these matters require a set of duties placed upon Members, whether on the Committee or when asked to become involved in these affairs in respect of their electoral division or involvement in or by campaigns and lobby groups. As a response, the Council has adopted particular guides, code of behaviours and training syllabus that is included here. Councillors are required to observe the code when engaged in these matters and, for example, a Member cannot sit on a relevant committee without first having completed the associated training to a certain standard.

2. Meetings and Procedures

A Regulatory Licensing Panel (Sub-Committee) may regulate, where necessary, its own procedures to deal with any matter arising in connection with its duties, provided that the procedures remain in accordance with the principles set out at Article 13 of this Constitution. This includes that, subject to any statutory rules or procedures detailed elsewhere in the Constitution, a Panel acting as a tribunal is permitted, when all evidence has been submitted and speakers (if any) have finished, to hold discussion in the presence of the speakers and, as appropriate and in compliance with the Access to information Procedure Rules, the public and press, but that the decision making may thereafter be taken in private adjournment.

It is expected that decisions will then normally be announced to those present and remaining post-adjournment, at least in summary form, before a decision is issued in writing

Part 11
Section 2
Licensing Guide

Introduction

- 1.1** This guidance sets out principles to assist Members in dealing with those matters that fall within the remit of the Licensing Committee. It applies to all Members of the Council who may become involved in these matters and also contains special advice for Members of the Licensing Committee.
- 1.2** The guidance supports (but does not form part of) the Code of Conduct for Members of Northumberland Council, which Members must observe at all times. The Code of Conduct for Members avoids reference to specific functions of the Council, such as licensing, but has direct relevance to Members conduct in relation to their involvement in the licensing process. Members are therefore recommended to consider carefully the provisions of both the Code of Conduct for Members, and this guidance, in relation to their involvement in licensing matters.
- 1.3** The Council must act fairly and reasonably in all its dealings. Licensing matters in particular can sometimes raise difficult issues. Because the grant or variation of a licence can have a substantial effect on the success or failure of an applicant's business, applicants may try to put pressure on decision makers. Similar pressures may be exerted by objectors. Also, licensing issues can be emotive because they affect individuals' quality of life. A disappointed applicant or objector can all too easily form the belief that they lost because a Member had been subjected to undue influence. It is important, therefore, that the Council is open and transparent in its decision-making on licensing matters.
- 1.4** Members who are responsible for making licensing decisions should take account of the needs and interests of the local community, but this must be in the context of the four Licensing Objectives (prevention of crime and disorder, public safety, prevention of public nuisance and protection of children from harm), and the Licensing Council's Licensing Policy Statement. Members must also maintain impartiality and the appearance of impartiality.
- 1.5** Any investigation by the Local Government Ombudsman into a complaint of maladministration against the Council as a licensing body or any internal investigation of complaints under the Complaints Procedure, would be likely to include consideration of whether this guidance was observed by Members.

Key principles

- 1.6** There are two key principles to follow. The first is that the Licensing Committee (or a Sub-Committee of the Licensing Committee) will determine each case before it on its merits. It will consider
- ☐ relevant representations presented to it by interested parties or responsible authorities
 - ☐ the promotion of the four licensing objectives

- ② guidance issued by central Government
- ② the Licensing Council's Statement of Licensing Policy

1.7 Members must:

- place due weight on all the facts and arguments, avoiding pre-conceived ideas and pre-determined approaches and giving full consideration to all parties;
- not take irrelevant or improper considerations into account (this includes considerations which are not relevant to the Licensing Objectives or Statement of Licensing Policy);
- have sound reasons for their decision

The grounds for the decision must be made clear. Local opposition to, or support for, an application is not in itself a ground for refusing or granting it, unless that opposition or support is founded on valid reasons in terms of the Licensing Objectives or Licensing Policy Statement.

1.8 The Licensing Officer or the relevant Legal Officers are available to give advice, prior to or at Committee meetings, on what might constitute valid grounds for granting or refusing applications.

1.9 The second principle is that the Council must avoid maladministration. This generally refers to the process by which the decision is taken (and how that process appears to the outside world) rather than the decision itself. It covers such things as failure to be impartial and failure to consider all the facts. For the individual Member, this means being cautious in dealings with applicants and people making representations, so that both sides are dealt with fairly. Members must not appear to have been unduly influenced or to have a closed mind. It is also vital to observe the Members Code of Conduct as a breach of the Code can amount to maladministration.

1.10 An applicant who is aggrieved by the Licensing Committee's decision may appeal to the Magistrates' Court. In addition, if a person believes that the Licensing Committee has not acted reasonably, they can apply to the High Court for judicial review. This could mean that the Court overturns the decision, and possibly awards substantial damages and costs against the Council.

1.11 Allegations of maladministration are investigated by the Local Government Ombudsman. If the Ombudsman finds that maladministration has occurred, the Council will be required to publish the finding, and may also be asked to compensate the complainant. A finding of maladministration can be made against the Council even where the actions giving rise to that finding are those of a single Member.

2 What this means for Members

2.1 The following guidelines apply to all Members. They are intended to translate these principles into practical advice, and to help Members deal with a range of situations that may arise.

- (i)** You should always think carefully about how you deal with anyone who approaches you about a licence application. This may be an applicant, an objector, a supporter or someone simply requiring information about an application. It is always open to you to refer the person to the Licensing Officer

or the appropriate member of staff, and you would be well-advised to do this if you feel that anyone is trying to put you under undue pressure or influence you unfairly. In particular, you should not allow yourself to be pressured into giving an `instant opinion' on the application.

- (ii)** You should be particularly careful in dealing with any approaches you may personally receive from applicants. They may attempt to put pressure on you in order to secure some expression of commitment. Again, Members should always refer the person concerned to the Licensing Officer. If you feel that the approach was inappropriate or improper, you should raise the matter with the Licensing Officer or the Head of Paid Service
- (iii)** You should not accept gifts or hospitality from applicants or objectors in connection with your membership of the Committee, as this might reasonably be interpreted as likely to influence your judgement. In addition, all Members are reminded of their obligation under the Code of Conduct for Members regarding registration of gifts and hospitality over the value of £50.
- (iv)** Nevertheless, as a Member you are the representative, indeed the champion, of your community, and there will be times when you feel you must represent the community's views on a particular application. The Licensing Committee will normally allow ward Councillors' to make representations at the Committee hearing on applications affecting their ward, provided they observe the Committee's procedures on giving notice. However this will not apply if you are personally affected by the application; in that case, you will have a personal and prejudicial interest in the matter and may not make representations at the hearing, nor even attend it. (You may however ask someone to represent you).
- (v)** If you are a Member of the Licensing Committee, you should not close your mind to the outcome of an application before it is considered by the Committee, or give the impression that you have done so, even though you may hold strong views about it. You should bear in mind that your colleagues who are not Members of the Committee will be better placed to undertake this role. Similarly, if the question arises of writing letters of objection (or support) to the Licensing Officer, it would be more appropriate if these came from colleagues who are not on the Committee.
- (vi)** Members are not in a position to give instructions to officers about any application. Only the Licensing Committee can do that. For the same reason, until a formal decision is taken, any views you may express in discussion with other parties are personal and not the Committee's and you should make this clear. In addition, Members are reminded of their obligation under paragraph 3 of the Code of Conduct, which requires them "not to do anything which compromises or which is likely to compromise the impartiality of those who work for, or on behalf of the Council". In particular, Members must not put Council employees under pressure to handle a licensing application in a particular way.
- (vii)** Members must also avoid putting undue pressure on Members of the Licensing Committee, particularly those Members who have been selected to hear a case in which the Member concerned may be interested. For example, it would be wrong to seek to obtain a commitment as to how a Member might vote.
- (viii)** Members should also avoid entering any premises or site in connection with an application. However, they may sometimes be asked by constituents to visit them in their homes, and on these occasions the question of a licence

application (or objection or support) may be raised. You should be cautious about giving any commitment in these circumstances. Apart from anything else, you may only have heard one side of the story.

At the Licensing Committee

2.2 There are some specific rules which you must observe when you are considering applications at a hearing of the Licensing Committee or a Licensing Sub-Committee:

- 1** You must avoid predetermination – that is, making up your mind about an application before the hearing, or giving the impression that you have made your mind up. You must listen to all the arguments for and against the application and weigh them up carefully before reaching your decision.
- 2** You should consider whether any statement that you may have made could give the impression that you are not coming to the hearing with an open mind. Have you, for example, spoken out against adding to the number of licensed premises in the street or area in which the application that you are about to hear is located? if so, there is a risk of challenge on the grounds of bias and you should consider withdrawing from the hearing so that another Member of the Licensing Committee can take your place.
- 3** It follows from this that you must not base your decision on any discussion that may have taken place in a political group meeting. To do so would imply that you have not come to the hearing with an open mind, and that you were influenced by group discipline rather than the merits of the case. The Ombudsman has found maladministration in cases where Members have been influenced by political group decisions in deciding planning applications, and the same principles apply to licence applications.
- 4** Make sure that you are not swayed by arguments which are not directly related to the merits of the application. For example, you should not vote against or for an application just because you are opposed to or support the aims of the organisation that is applying. Also, it may sometimes happen that views expressed at the Committee meeting by applicants, objectors, or people who are in favour are not matters which the Committee can properly take into account. The officers will advise on this.
- 5** You should also make sure that your reasons for arriving at a decision are clearly expressed and understood by your colleagues. Furthermore, your reasons must be valid in terms of the Licensing Objectives and the Statement of Licensing Policy and you should seek advice on this if you are not sure. Reasons for the Sub-Committee's decision will need to be recorded.
- 6** You must comply with the requirements of the law, and the Members Code of Conduct on disclosure of interests. In particular, if you have a personal and prejudicial interest in an application, you must not take part in the hearing; you must declare the interest and withdraw from the meeting room. You may not remain in the meeting room, and you cannot represent the applicants or objectors at the hearing, or express any views on the matter at the hearing.
- 7** If you are aware that an application in which you have a personal and prejudicial interest is coming up for a hearing, you should notify Committee Services so that you are not selected for the Sub-Committee which will consider the application.
- 8** Even if you consider that your interest in an application is personal but not prejudicial, you should not participate as a Sub-Committee Member in the hearing of the application because of the risk that your impartiality could be challenged. Examples of situations where you should not participate include

- ② where you have prominently supported the development of a particular Council facility (such as a Leisure Centre) in respect of which the application is made
- ② where you are a Member of an outside body which is applying for a licence, whether or not you were appointed to that body by the Council.

While these situations may not strictly speaking amount to personal and prejudicial interests in terms of the Code of Conduct, they could nevertheless give rise to an appearance of bias.

The Monitoring Officer is available to give advice.

Conclusion

2.3 Observing this protocol will go a long way towards achieving the Council's goal of an open and inclusive licensing system. It will increase public confidence, reduce the likelihood of Council decisions being challenged, and help Members in dealing with what may be difficult situations.

The purpose of the protocol is to ensure that justice is not only done but is seen to be done.

DRAFT CONSTITUTION

Part 11
Section 3

Planning Code

Guidance for Elected Members and Officers Dealing with Planning Matters

The term 'Planning Committee' in this Code is used in a generic sense and applies to any Council Committee, sub-committee or Cabinet when considering a planning matter. Planning matters include the consideration of planning applications, the preparation of development plans and other planning policy and the enforcement of planning control.

1 Introduction

- 1.1** The Localism Act 2011 requires the Council to promote and maintain high standards of conduct by Members of the authority. This has resulted in the preparation of a Council Code of Conduct for Members. This guidance deals specifically with the role of elected Members and officers in planning matters.
- 1.2** The guidance sets out practices and procedures that Members and officers of the Council should follow when involved in planning matters. Planning matters include the consideration of planning applications, the preparation of development plans and other planning policy and the enforcement of planning control.
- 1.3** The guidance is largely based upon the Code of Conduct, the Royal Town Planning Institute's Code of Professional Conduct, together with advice issued by the Commission for Local Administration in England, central government, the National Planning Forum, and the Local Government Association.
- 1.4** The existence of the guidance and the Council's commitment to follow it are intended to establish and improve upon the trust between the Council as decision maker and those who seek decisions from it or are otherwise affected by those decisions. Failure to follow this guidance without good reason, could be taken into account in investigations into possible maladministration against the Council, or have implications for the position of individual elected Members and officers.

2 The need for guidance on the conduct of Planning Matters

- 2.1** Planning is not an exact science. Rather it relies on informed judgement within a firm policy context. It affects land and property interests, including the financial value of land and the quality of their settings. It is also often highly contentious because decisions affect the daily lives of everyone and the private interests of individuals, landowners and developers. This is heightened by the openness of the system which invites public opinion before taking decisions. It has a quasi-judicial element which particularly distinguishes planning from most other local government business. It is important, therefore, that the process is characterized by open and transparent decision making.

2.2 The Council is committed to open and transparent decision making as set out in Article 13 of the Constitution. Planning decisions should be made impartially, with sound judgement and for justifiable reasons.

3 The role and conduct of Members and Officers

3.1 Members and officers have different, but complementary roles. Both serve the public but Members are responsible to the electorate, while officers are responsible to the Council as a whole.

3.2 The Council's Code of Conduct (as supplemented by guidance from the Standards Committee and the Standards Board for England) provides guidance and standards for Members. It covers issues central to the preservation of an ethical approach to Council business, including the need to register and declare interests (see next section). Of particular relevance to Members dealing with planning matters is the requirement that a Members must not use their position as a Members improperly to confer on or secure for themselves or any other person, an advantage or disadvantage.

3.3 Whilst Members have a special duty to their electoral division constituents, including those who did not vote for them, their overriding duty is to the whole community. This is particularly pertinent to Members involved in making a planning decision. The basis of the planning system is the balancing of individual proposals with wider public interests. Much is often at stake and opposing views are often strongly held by those involved.

3.4 Members decisions must not discriminate in favour of any individuals or groups and, although they may be influenced by the opinions of others, they alone have the responsibility to decide what view to take. Members must, therefore, balance out all of the material issues and influences in the light of their own individual assessments and their collective policies and strategies.

3.5 Whilst Members should take account of all views expressed, they must not favour any person, company, group or locality, nor put themselves in a position where they appear to do so.

3.6 Members shall follow the advice in the Council's Code of Conduct about accepting gifts and hospitality. Whilst there are no hard and fast rules about the acceptance or refusal of hospitality or tokens of goodwill, Members should treat with extreme caution any offer which is made to them personally; the normal presumption should be that such offers must be courteously declined. Members are personally responsible for all decisions connected with the acceptance or offer of gifts or hospitality and for avoiding the risk of damage to public confidence in local government.

3.7 Officers shall follow the guidance on their standards of conduct as set out in the Council's Employees Code of Conduct. Officers who are Chartered Town Planners are guided by the Royal Town Planning Institute's (RTPI) Code of Professional Conduct. Breaches of that code may be subject to disciplinary action by the Institute.

- 3.8** That the Council may not always follow the advice of their professional planning officers is perfectly proper. The professional officer too, may have a change of opinion, but this must be on the basis of professional judgement, and not because a council, its Members or other officers, have prevailed upon the officer to put forward their professional view as something other than it really is.
- 3.9** The Council endorses the statement in the RTPI code that, “RTPI Members shall not make or subscribe to any statements or reports which are contrary to their own professional opinions”, and extends it to apply to all officers in the Council advising on planning matters.
- 3.10** The Council shall have a designated head of the planning service, who is qualified for election to membership of the RTPI and who has direct access to elected Members as their professional adviser on planning matters. No senior officer shall have the power to overrule the professional advice of the head of the planning service.
- 3.11** Members who are required to take decisions on planning matters must undertake initial training in the planning process. Further regular training sessions should be attended so that Members can be updated on changes to legislation or procedures.

4 4. Declaration of Interests

- 4.1** The Localism Act 2011 and the Council’s Code of Conduct place requirements on Members in respect of the registration and disclosure of their interests and the consequences for the Members participation in consideration of an issue, in the light of those interests. These requirements must be followed scrupulously.
- 4.2** Where a Member has a personal interest (which includes any disclosable pecuniary interest) in the matter being considered, they must always declare it unless the interest is already entered in the Council’s Register of Members interests. Where the personal interest is a prejudicial one i.e. “...if the interest is one which a member of the public with knowledge of the relevant facts would reasonably think it so significant that it is likely to prejudice the Members judgement of the public interest”, then the Member must declare that fact to the meeting, not participate in any discussion or vote on the matter and must leave the room whilst the matter is being discussed.
- 4.3** If a Member, in advance of the decision-making meeting, takes a firm or closed view on the planning matter, either in public or private, they would not be able to demonstrate that all the relevant facts and arguments had been taken into account. They would have fettered their discretion. The time for individual Members of the planning committee to make a decision on a proposal is at the committee meeting when all available information is to hand and has been duly considered. A Member who has declared an opinion on the merits of the proposal prior to this stage might place the Council in danger of judicial review. Care should be taken if opinions are expressed to ensure that the Member demonstrates at the time of giving any opinion that they have not closed their mind to the consideration of further evidence and debate prior to taking a decision in the matter at the committee meeting. If a Member does close their mind to the merits of a planning matter in advance of making a

decision at the committee meeting, they must take no part in the discussion of the proposal or the decision by the committee on that matter.

- 4.4** The above advice is relevant where, for example, a Member of the planning committee is also a Member of a Local Area Committee which may be consulted on a planning application. If a Member of a planning committee expresses a firm or closed views on a planning application at the Local Area Committee meeting, then that Member should not participate at the planning committee meeting when the decision is made. If the Member simply notes the debate at the Local Area Committee but takes no part in it, other than perhaps to seek clarification, then they could take part in the decision-making meeting. The Local Area Committee minutes must record that position. A Member of the Local Area Committee who is also a Member of a planning committee must not present the views of the Local Area Committee to the planning committee as this may give the appearance of the Member having prejudged the issue. The important point to bear in mind is that in order to act impartially in making decisions on planning applications, Members of the planning committee must not pre-judge an application prior to the decision-making meeting when all the facts are available.
- 4.5** Serving Members, or their relatives or partners, who submit, or act as agents for people pursuing a planning matter within the Council, must play no part in the decision-making process for that proposal. Members who have been appointed to or otherwise serve on trusts established by the Council may have a conflict of interests in an application which may require them to declare an interest. In such a case the Members duty as a trustee must take precedence.
- 4.6** In some circumstances a county councillor may ask a fellow councillor to represent the interests of the electors. This can occur when a Member has a personal and prejudicial interest (e.g. the application is made by a member of their family) and should take no part in the decision making process. In such circumstances references in this guidance to “the local county councillor” shall be read as references to the fellow county councillor.
- 4.7** Planning legislation allows the Council to submit and determine proposals for development that it proposes to carry out itself. Such proposals shall be considered in the same way as those by other developers. Where Members of the planning committee are also Members of the Cabinet with responsibility for promoting the development, they must consider whether they are so committed to that particular development that they may well not be able to demonstrate that they are able to take account of counter arguments before a final decision is reached.
- 4.8** Officers must always act impartially. An officer who believes they may be seen to have a personal interest in a planning matter shall declare it at the earliest opportunity, so advise the Director of Local Services or the Head of Paid Service, and have no further involvement in the processing or consideration of that matter.

5 Lobbying of and by Members

- 5.1** Lobbying is a legitimate part of the political and planning process. Those who may be affected by a proposal will often seek to influence the decision by an approach to their local Member or Members of a planning committee. However, reacting to lobbying can lead to the impartiality of a Member being called into question and require that Member to declare an interest.
- 5.2** The information provided by lobbyists is likely to represent an incomplete picture of the relevant considerations in respect of a planning matter. The views of consultees, neighbours and the assessment of the case by the planning officer all need to be considered before a Member is in a position to make a balanced judgement on the merits of the case. The time for individual Members of the planning committee to make a decision on a proposal is at the committee meeting when all available information is to hand and has been duly considered.
- 5.3** A planning committee Member shall be free to listen to a point of view about a planning proposal and to provide procedural advice (in particular referring the person to officers). Even though they may agree with a particular view, planning committee Members shall take care not to commit themselves to vote for or against a proposal before a decision is to be taken. To do so, without all the relevant information and views, would be unfair and prejudicial. Members should make clear that they reserve their final decision on a proposal until the committee meeting.
- 5.4** A planning committee Member who represents an electoral division affected by an application is in a particularly sensitive position if it is a controversial matter around which a lot of lobbying takes place. If the Member responds to lobbying by deciding to go public in support of a particular outcome, then that Member would have prejudiced their position in terms of demonstrating that they could impartially weigh the arguments presented at the committee meeting. The proper course of action is therefore for such a Member to declare an interest and not vote or decide on the matter and to leave the room.
- 5.5** Members of the planning committees shall not organise support for or opposition to a proposal (without having first made it clear that they will not be participating in the decision), lobby other Members or put pressure on officers for a particular recommendation.
- 5.6** Members of a planning committee must be free to vote or decide as they consider appropriate on the individual merits of planning matters. Political group meetings prior to the Committee meeting shall not be used to decide how Members should be instructed to vote.

6 Pre- and Post-Application Discussions and Negotiations

- 6.1** Discussions between an applicant and a planning council, prior to the submission of an application, can be of considerable benefit to both parties and is encouraged as best practice. Continued discussions and negotiations between these parties, after the submission of proposals, is a common and important facet of the planning process.

- 6.2** Members need to preserve their role as impartial decision-makers and should not take part in pre- or post- submission discussions and negotiations with applicants regarding development proposals. Should there be occasions when Members are involved, it should be part of a structured arrangement in the presence of at least one senior planning officer.
- 6.3** Members may receive information from, and give information to, applicants and members of the public but, to safeguard their impartiality; they must maintain a clear distinction between receiving information and negotiating. Any information received by Members should normally be provided to the officers dealing with the application.
- 6.4** Pre- or post-application discussions or negotiations by officers shall be conducted in accordance with the following guidelines.
- (i)** It must always be made clear at the outset that the discussions will not bind a council to making a particular decision and that any views expressed are those of the officer only.
 - (ii)** Advice should be consistent and based upon the Local Development Framework or its equivalent and material considerations.

There should be no significant difference of interpretation of planning policies between planning officers.

2 A written note will be made of the meeting and, if appropriate, a follow-up letter sent. Two or more officers should, wherever possible, attend potentially contentious meetings. A note should also be taken of potentially contentious telephone discussions.

- 6.5** Members must avoid indicating the likely decision on an application or otherwise committing the Council during contact with applicants or objectors.

7 Officer Reports to Committee

- 7.1** Officers' written reports to committee shall be accurate and provide all relevant information. They should include the substance of objections and the views of people who have been consulted, a clear exposition of the Local Development Framework or its equivalent and any other material considerations, a reasoned assessment of the proposal, and a justified written recommendation.
- 7.2** Oral reports (except to present and update a report) should be extremely rare and carefully minuted when they do occur.
- 7.3** If the report's recommendation is contrary to the provisions of the Local Development Framework or its equivalent, the material considerations which justify this must be clearly stated.

8 Public Speaking at Planning (Development Control) Committee Meetings

- 8.1** The principle of whether or not public speaking should be allowed at planning committee is a matter for each local council to decide. However, the Nolan

Committee recommended that there should be opportunities for applicants and objectors, and other interested parties to make presentations at planning committee.

8.2 Speaking by the public at committee meetings shall be conducted in accordance with the following procedures and the Council's relevant public speaking protocol.

In this section "Local Councillor" means the councillor for the unitary council in whose electoral division the proposal or development is sited.

Who is allowed to speak?

Applicants/agents and any third party (including Town and Parish Councils) who have submitted written comments on an application may speak at the Committee. Speaking offers the opportunity to clarify points raised in the written representations.

Such representations should normally be made prior to the end of the period neighbour notification/site notices, but those making written representations outside this period but prior to the publication of the Committee report will be allowed to address the Committee. A local Councillor who has a Code of Conduct interest in relation to the application which would otherwise mean that they would have to withdraw from the meeting cannot speak as a local Councillor and must withdraw unless they have the benefit of a dispensation. In the event that a local Councillor has to withdraw from the meeting in such circumstances, another Member nominated by the local Councillor so affected may speak in place of that local Councillor.

Those entitled to speak can nominate anyone to speak on their behalf.

If a Local Councillor is also a Member of the Planning Committee but chooses to speak as Local Councillor then they can take no part in the determination of that application.

How much time will be allocated for speaking?

Five minutes for

- objector(s)
- local Councillor and/or parish/town council
- applicant/supporter(s)

How many people can speak?

Normally only one person in support and one person in opposition will be expected to speak

If there is more than one person wishing to speak, and a spokesperson cannot be nominated, the five minute time slot must be divided between the speakers.

In exceptional cases, for example, where there is an exceptional degree of public interest in a particular application or otherwise where it is considered appropriate to do so in all the circumstances in the interests of transparency and openness, this procedure may be varied at the discretion of the Committee Chair. In such circumstances all categories of speaker will be afforded the same opportunities to address the Committee.

How to register to speak at Committee

- ☐ The agent (or in the absence of an agent the applicant), and all third parties who have submitted written comments will be sent notification of their right to request to speak at Committee at least 5 working days prior to the Committee at which the application is to be considered.
- ☐ The relevant Local Councillor(s) will be informed by e mail at least 5 working days prior to the Committee of the applications in their ward which are to be considered and of their right to request to speak at the Committee.
- ☐ Those who wish to speak, including the Local Councillor(s) and the agent/applicant, must notify Democratic Services before 12 noon the day before Committee. Only those registering their request in accordance with this requirement will normally be allowed to speak.
- ☐ This request must be in person or via telephone or e-mail to Democratic Services. Names and contact details of all those who ask to speak will be publicly available from Democratic Services.
- ☐ If more than one objector or supporter requests to speak they will be able to request details of others wishing to speak in order to arrange a spokesperson or to divide the time. They should inform the Democratic Services Officer of any arrangements made.
- ☐ Requests to speak can be withdrawn at any time.

Committee Site Visits

8.3 A site visit by Members of a Planning Committee may be held where a proposal is contentious or particularly complex and the impact is difficult to visualise or assess from the plans and supporting information. A request by the Town/Parish Council or local Member for a site visit will normally be acceded to, provided the application is contentious or there is a substantial issue that needs to be seen first-hand.

8.4 Site visits will be organised in accordance with the following procedures:

- (i)** The relevant planning committee will authorise Members to attend the site visit.
- (ii)** The Head of Paid Service will invite Town/Parish Council representatives to site visits in respect of planning applications determined by the County Council. Where the proposal would have a significant direct impact upon an adjacent Town/Parish, National Park or County, they too will be invited. Invited councils and authorities may send the number of representatives they wish.
- (iii)** Representatives from other councils and authorities will not be invited to site visits arising from strategic planning consultations. The County Council may seek a formal meeting with the other local council or National Park Authority where the views of the two Authorities are likely to differ.
- (iv)** The Head of Paid Service will invite the local county councillor to all site visits. Where a proposal would have significant direct impact upon an adjacent electoral division, the adjacent local county councillor will be invited.
- (v)** In appropriate cases, the Head of Paid Service will invite the applicant to the site visit. The role of the applicant shall be to secure access to the site in accordance with Health and Safety considerations and to answer questions on factual matters, but otherwise should not participate in discussions.

- (vi) In appropriate cases, and with the applicant's consent, the Chief Planning Officer shall invite objectors (or their selected spokesperson) and other interested parties to the site visit. Such persons will only be permitted to speak at the site visit for the purpose of answering questions on factual matters.
- (vii) In appropriate cases representatives of the media shall be allowed to make recordings immediately before the formal start of a site visit (this shall also apply to public meetings).
- (viii) On assembling at the site, at the time specified, the Chair will explain the purpose and procedures of the site visit so that all are aware that it is a fact finding exercise only and that no decision will be taken until the committee meeting. The planning officer will describe the application and outline the relevant policies and planning considerations. The Chair will then invite other relevant parties to speak on matters of fact. The Chair will bring the site visit to a close and inform those attending of when the application is likely to be determined.

Public Meetings

10.1 A public meeting may be held where a proposal results in a significant number of representations from local citizens or groups.

10.2 Public meetings will be organised in accordance with the following procedures.

- (i) The planning committee will authorise Members (including relevant local county councillors) to attend the public meeting.
- (ii) The Head of Paid Service will advertise the public meeting by site notices and, if appropriate, by a notice in a local newspaper.
- (iii) The Chief Planning Officer will notify the applicant and all who have made representations on the application of the public meeting.
- (iv) Accessible venues will be used and reasonable adjustments made to allow disabled people to participate in proceedings as and when necessary.
- (v) The Chair shall begin the public meeting by explaining the purpose and procedures so that all are aware that it provides an opportunity for the application to be explained and for the public to ask questions or make known their views. The planning officer will describe the application and outline the relevant policies and planning considerations. The Chair will then invite questions or statements from the public to be answered either by the County Council officers or, if appropriate, the applicants. The Chair will bring the public meeting to a close and inform those attending of when the application is likely to be determined.

Training and Review of Decisions

8.5 The need for all Members of the planning committee to receive training in the planning system and on the issues set out in the Code of Conduct is stressed in the advice issued by the Committee on Standards in Public Life and the Local Government Association. The Head of Development Services will organise training for all Members of the planning committee on a regular basis.

8.6 The Audit Commission's Report, Building in Quality, also recommended that elected Members should visit a sample of implemented planning permissions to assess the

quality of decisions. This can improve the quality and consistency of decision making and help with reviews of planning policy. The Chief Planning Officer will organise on a regular basis a review of the quality of its decisions, either by undertaking selected visits or by some other visual means for Members of the planning committee, local County Council Members and their advisers.

Collateral Agreements

8.7 Where a permission is agreed by the County Council subject to the conclusion of a planning obligation under Section 106 of the Town and Country Planning Act 1990 or under the Highways Act 1980 in order to secure legitimate planning or highway interests which can only be secured by such means, a clear statement will be given to the planning committee as to the principles upon which the Obligation/Agreement will be concluded.

Community Benefits

8.8 A developer may be advised of the County Council's policies and procedures in respect of community benefits or may, on their own initiative, seek to make some payment in money or in kind to ameliorate some adverse effect of a development on a locality. Such a payment would be offered and considered having regard to the scale and impact of the development proposed, and the degree to which disbenefits can be mitigated by modifications to the proposals or planning conditions.

8.9 The County Council has established arrangements to deal with the issue of community benefits which separate the handling of the planning application from the negotiations of such benefits. Members of the planning committee should not normally take part in or seek to influence the course of any negotiations relating to community benefits with any prospective developer. The results of any negotiations with a developer will normally be reported to a planning committee as part of the full report leading to a decision on the application. A Member, including a local Member, may need to consider declaring an interest at that stage if they have been involved or influential in the community benefits negotiations, or have an interest in the outcome of the negotiations.

Part 11
Section 4

Planning Syllabus

The Committee will determine a syllabus of required training before a Member may sit on a regulatory committee

That syllabus will be included here for information

DRAFT CONSTITUTION

Part 11
Section 5

Planning Delegations

It is the responsibility of the Strategic Planning Committee to establish a scheme of delegation for its functions.

All local planning authorities delegate the determination of the majority of planning applications to their professional officers through the officer scheme of delegation with the equivalent of the senior Planning officer for the Authority acting as the main lead on delegated decisions. The overarching scheme contained in this Constitution directs delegated decisions to the relevant Director, who in turn delegates them to the officer who fulfils the role of senior planning officer for the authority.

Delegated decisions represent about 95% of all applications made and cover different types of applications mainly householder, telecoms, prior approval, advertisement consents and smaller developments.

The Committee will agree a scheme for reservation of significant matters to itself, together with a form by which Members may request the senior planning officer to bring matters before the Committee.

The Scheme of delegation and reservation will be included here for information.

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DRAFT CONSTITUTION

Part 12

Members Allowances Scheme

The Council has to agree and adopt an allowance scheme

Members Allowances Scheme 2013

Northumberland Council hereby makes this Scheme under The Local Authorities (Members Allowances) (England) Regulations 2003 (as amended) and all other powers enabling the Council in this behalf
(This scheme should be read in conjunction with the Members Allowances, Statutory Sick Pay, and Insurance Guidance Notes)

Introduction

This scheme may be cited as The Northumberland Council Members Allowances Scheme 2013 (“this Scheme”), and shall have effect from 22 May 2013 and shall continue in force thereafter until revoked or amended.

The previous Northumberland Council Allowances Scheme is revoked.

In this scheme:

- ☐ “**the Council**” means Northumberland County Council.
- ☐ “**Co-optee**” means a person who is not a Member but who is a co-opted Member of a Committee of the Council.
- ☐ “**Councillor**” means an elected Member of the Council.
- ☐ “**the Regulations**” means The Local Authorities (Members Allowances) (England) Regulations 2003 as amended by The Local Authorities (Members Allowances) (England) (Amendment) Regulations 2003.
- ☐ “**Year**” means –
 - (a) the period beginning on 22 May 2013 and ending on 31st March 2014; and
 - (b) any period of 12 months ending on 31st March in any year after 2014.

2. Basic Allowance

2.1 For each year a basic allowance (“basic allowance”) set out in [Schedule 1](#) shall be paid to each Member.

2.2 The basic allowance shall be automatically linked to annual pay awards for NJC for Local Government Services staff and shall be increased at the same level from 1st April each year. If these rises apply at different periods in the year, then the basic allowance shall be similarly adjusted at the same time.

2.3 Where the term of office of a Member begins or ends otherwise than at the beginning or end of a year, his or her entitlement shall be to payment of such part of the basic allowance as bears to the whole the same proportion as the number of days during which his or her term of office as Member subsists bears to the number of days in that year.

2.4 Where a Member is suspended or partially suspended from their responsibilities or duties as a Member of the Council in accordance with Part III of the Local Government Act 2000 or regulations made under that Part, the part of basic allowance payable to them in respect of the period for which they are suspended or partially suspended may be withheld by the Council.

Special Responsibility Allowance

3.1 For each year for which this scheme relates a special responsibility allowance (“special responsibility allowance”) shall be paid to those Members who have the special responsibilities in relation to the Council that are specified in [Schedule 2](#).

3.2 The amount of each special responsibility allowance shall be the amount specified against that special responsibility in [Schedule 2](#).

3.3 Where a Member does not have throughout the whole of a year any such special responsibilities as entitle them to a special responsibility allowance, their entitlement shall be to payment of such part of the special responsibility allowance as bears to the whole the same proportion as the number of days during which they have such special responsibilities bears to the number of days in that year.

3.4 Where a Member is suspended or partially suspended from their responsibilities or duties as a Member of the Council in accordance with Part III of the Local Government Act 2000 or regulations made under that Part, the part of special responsibility allowance payable to them in respect of the responsibilities or duties from which they are suspended or partially suspended may be withheld by the Council.

3.5 Any Member who would be entitled to claim more than one special responsibility allowance, in accordance with [Schedule 2](#), shall only be entitled to receive one such allowance (and where the allowances are of different amounts, the entitlement shall be to the highest amount), unless otherwise provided in [Schedule 2](#).

Dependants’ Carers’ Allowance

4.1 An allowance (“the Dependants’ carers’ allowance”) will be paid to each Member who needs to incur the expenses of arranging for the care of their children or dependants while undertaking the duties specified in [Schedule 3](#).

4.2 The Dependants’ carers’ allowance will be payable in respect of actual expenditure up to the amount specified in [Schedule 3](#) and will be subject to the eligibility criteria set out in that Schedule.

Travelling and Subsistence Allowance

5.1 Members and Co-optees may claim expenses in respect of travelling and subsistence up to scale rates in accordance with [Schedule 4](#) undertaken in connection with or relating to the duties specified in [Schedule 5](#).

5.2 The travelling and subsistence allowance will comprise the rates specified in [Schedule 4](#).

5.3 Where a Member or Co-optee is suspended or partially suspended from their responsibilities or duties as a Member or Co-optee of the Council in accordance with Part III of the Local Government Act 2000 or regulations made under that Part, any travelling and subsistence allowance payable to them in respect of the responsibilities or duties from which they are suspended or partially suspended may be withheld by the Council.

Amendments and Repayment of Part of Allowances

6.1 This Scheme may be amended at any time.

6.2 Where an amendment is to be made which affects an allowance payable for the Year in which the amendment is made, the entitlement to such allowance as amended may apply with effect from the beginning of the Year in which the amendment is made unless determined otherwise by full council.

6.3 Where payment of any allowance has already been made in respect of any period during which the Member or Co-optee concerned:

is suspended or partially suspended from their responsibilities or duties as a Member of the Council in accordance with Part III of the Local Government Act 2000 or regulations made under that Part then the Standards Committee should be empowered to suspend in whole or part the allowances payable to that Member and/or co-optee;

ceases to be a Member or a Co-optee;

or

is in any other way not entitled to receive the allowance in respect of that period,

the Council may require that such part of the allowance as relates to any such period be repaid to the Council.

6.4 Where a Member is also a Member of another council (as defined in the Regulations) that Member may not receive allowances from more than one council in respect of the same duties.

Election to forgo allowances

7.1 A person may, by notice in writing given to the Section 151 Officer, elect to forgo all or any part of their entitlement to any allowances under this scheme.

Claims and Payments

8.1 Payments of basic and special responsibility allowances shall be made in instalments of one twelfth of the amount specified in this scheme on the fifteenth day of each month (the fourteenth day when the fifteenth is a Saturday and the sixteenth day when the fifteenth is a Sunday).

8.2 Where a payment of one twelfth of the amount specified in this scheme in respect of a basic allowance or a special responsibility allowance would result in the Member receiving more than the amount to which, by virtue of parts 2 and 3 of this scheme, they are entitled, the payment shall be restricted to such amount as will ensure that no more is paid than the amount to which they are entitled.

8.3 A claim for the following allowances must be made by the person to whom they are payable within a month from the date on which an entitlement to the relevant allowance arises:

Dependants' carers' allowance.

Travelling and subsistence allowance.

8.4 Nothing in paragraph 8.3 shall prevent the Council from making a payment where the allowance is not claimed within the period specified in paragraph 8.3.

Delegations

9.1 The Standards Committee shall have full delegated power to make the following determinations under this Scheme-

- (a)** under paragraph 2.4, whether to withhold payment of a basic allowance during the suspension etc. of a Member;
- (b)** under paragraph 3.4, whether to withhold payment of a special responsibility allowance during the suspension etc. of a Member;
- (c)** under paragraph 5.3, whether to withhold payment of travelling and subsistence allowances during the suspension etc. of a Member or co-optee;
- (d)** under paragraph 6.3, whether to require re-payment of an allowance from a Member or co-optee in certain circumstances.

9.2 The Head of Paid Service shall have delegated power to permit claims to be paid outside the period referred to in paragraph 8.3.

Schedule 1

Basic Allowance

Subject to paragraphs 2.2 and 2.3 of this Scheme, the amount of the basic allowance is £13,329

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Schedule 2
Special Responsibility Allowances

Post	Nos.	SRA
Leader of Council	1	£27,000.00
Deputy Leader	1	£18,090.00
Cabinet Members with Portfolio	6	£14,850.00
Business Chair of Council	1	£14,850.00
Deputy Business Chair of Council	1	£9,900.00
Chairs Scrutiny Committees	4	£12,150.00
Vice Chairs Scrutiny Committees	4	£5,467.00
Chair Strategic Planning Committee	1	£12,150.00
Vice Chair Strategic Planning Committees	1	£5,467.00
Chairs Local Area Councils	5	£10,800.00
Vice Chairs Local Area Councils	5	£3,645.00
Vice Chairs (Planning) Local Area Councils	5	£3,645.00
Rights of Way Committee Chair	1	£9,450.00
Rights of Way Committee Vice Chair	1	£5,467.00
Chair Licensing & Regulatory and Licensing Committees	1	£9,450.00
Vice Chair Licensing & Regulatory and Licensing Committees	1	£2,362.50
Chair of Audit Committee	1	£4,005.00
Vice Chair of Audit Committee	1	£1,350.00
Chair Pension Fund Panel	1	£4,005.00
Vice Chair Pension Fund Panel	1	£1,350.00
Chairs Cabinet Working Groups	3	£4,005.00
Vice Chairs Cabinet Working Groups	3	£1,350.00
Chairs Council Working Groups	2	£4,005.00
Vice Chairs Council Working Groups	2	£1,350.00
Major Opposition Group Leader	1	£12,150.00
Major Opposition Group Deputy Leader	1	£4,860.00
Other Opposition Group Deputy Leaders (with 7 Members)	0	£2,430.00
Civic Allowance for Civic Head	1	£5,400.00
Civic Allowance for Deputy Civic Head	1	£1,620.00
Group Secretaries SRA @ £15 per Group Member:		Group Secretaries not subject to 1 SRA only rule

Independent Chair – Standards Committee
 Independent Person – Standards Committee

£2,700 pa
 £2,700 pa

Co-optees – Standards Committee
Independent Co-opted Members - Audit Committee

£500 pa
£1,000 pa

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Schedule 3

Dependants' Carers' Allowance

The Northumberland County Council, in exercise of the powers conferred by the Local Government Act 1972, hereby makes the following scheme:-

1. This scheme provides for Members to be reimbursed their carers' costs when engaged on official County Council business, and may be cited as the Northumberland County Council Carers' Allowance Scheme. The scheme came into effect on 1st October 1998 and was reviewed by the Council on 4 December 2013.
2. This scheme applies to elected Members of Northumberland County Council.
3. The allowance is available in relation to all approved duties, and duties in respect of which travel and subsistence are paid.
4. The allowance is payable in respect of the cost of caring for children aged 14 and under, and in respect of dependent relatives who are suffering from illness or disability, and who the Occupational Health Service have confirmed require constant care.
5. In relation to relatives suffering from illness or disability, Members should contact the Head of Paid Service, who will engage the Occupational Health Service to carry out the necessary confirmation.
6. The allowance is not payable in respect of Members of the Members household who may be providing the care.
7. The allowance will be paid at up to £7.74 per hour for weekdays and £9.21 per hour for weekends, providing this does not exceed the actual costs incurred, and is inclusive of all travel costs of the carer. This rate equates to the current hourly rate for County Council Home Carers and the hourly rate should be increased at the same time and the same level as County Council Home Carers. The allowance is payable for the duration of the meeting, and for the reasonable travelling time of the Member before and after the meeting in relation to the care arrangements.
8. If a Member has a second dependant then the DCA rate payable should be paid at 50% of the full claimable rate. For subsequent dependants the DCA rate payable should be paid at 25% of the full claimable rate.
9. Claims are to be made on the appropriate form, signed by both the Member and the carer, and should be made within one month of the date of the meeting in respect of which the entitlement to the allowance arises. Claim forms may be obtained from the Head of Paid Service.
10. Payments in relation to this scheme will be made on the same basis as those made for other Members allowances.

Schedule 4

Travelling Subsistence

1. Mileage Rates

The following Inland Revenue authorised mileage rates will apply from 1st November 2003 and will automatically be adjusted, in line with any variations made by the Inland Revenue.

Mode of Transport	Mileage rate
Cars (all CC's)	45p per mile (first 10,000 miles) 25p per mile (over 10,000 miles) 5p per mile (each additional passenger)
Motorcycles	24p per mile
Bicycles	20p per mile

Journeys by car in excess of 100 miles in each direction can only be made where they are more cost effective than using public transport or where public transport arrangements would be impractical.

2. Subsistence Rates

Entitlement to subsistence rates requires an absence from home of four hours or more. Breakfast allowance may only be claimed where the absence from home has commenced at least four hours before 11.00 a.m. i.e. from 7.00 a.m. or before. In addition, absences must include the period shown in brackets for the relevant meal claimed.

The following subsistence rates will apply and will automatically be adjusted, in line with annual RPI increases.

Subsistence	Rate
Breakfast	£5.28 (before 11 a.m.)
Lunch	£7.26 (12 noon and 2 p.m.)
Tea	£2.86 (3 p.m. and 6 p.m.)
Dinner	£8.99 (after 7 p.m.)
Overnight (outside London)	£103.20
Overnight (inside London)	£117.69

These rates represent the maximum rates payable. They do not imply an automatic entitlement to claim at that level. Where actual expenditure incurred is lower than the relevant subsistence rates in this Schedule, reimbursement will be made at the lower level. Receipts must accompany all claims.

The guidance notes, which supplement this scheme, set out the procedure for undertaking foreign travel and for claiming out of pocket expenses.

3. Parish and Town Councils

The Independent Review Panel recommended that parish and town councillors should be paid at the same rates and conditions that apply to the new unitary council, namely mileage rates at HMRC rates and subsistence rates based on the Northumberland unitary subsistence scheme.

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Schedule 5

Approved Duty for Dependants' Carers' Allowance and Travel and Subsistence Allowance

Approved duties for the purpose of the payment of Dependants' Carers' allowance and travel and subsistence allowance shall be:

1. The attendance at a meeting of the Council or of any committee or sub-committee of the Council, or of any other body to which the Council makes appointments or nominations, or of any committee or sub-committee of such a body.
2. The attendance at any other meeting, the holding of which is authorised by the Council, or a committee or sub-committee of the Council, or a joint committee of the Council and at least one other local council within the meaning of section 270(1) of the Local Government Act 1972, or a sub-committee of such a joint committee.

Note 1 In relation to category 2 meetings, it must be a meeting to which Members of at least two political groups have been invited.

3. The attendance at a meeting of any association of authorities of which the Council is a Member. The attendance at a meeting of the Cabinet or a meeting of any of its committees, where the Council is operating executive arrangements and where a Member is invited to attend by an Cabinet Member, Chair of meeting, or Senior Officer, or is specified in a Members role profile.
4. The performance of any duty in pursuance of any standing order made under Section 135 of the Local Government Act 1972 requiring a Member or Members to be present while tender documents are opened.
5. The performance of any duty in connection with the discharge of any function of the Council conferred by or under any enactment and empowering or requiring the Council to inspect or authorise the inspection of premises.
6. The performance of any duty in connection with arrangements made by the Council for the attendance of pupils at any school approved for the purposes of Section 342 of the Education Act 1996 (approval of non-maintained Special Schools).
7. The carrying out of any other duty approved by the Council, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the Council or of any of its committees or sub-committees.

Note 2 In relation to paragraph 8, the following will be classed as being approved duties:

- ☐ the attendance at a meeting of a Working Group or Panel of the Council (provided that at least two political groups have been invited);
- ☐ the attendance at site visits and inspections arranged by the Council;
- ☐ the attendance at training activities arranged/approved by the Council, and
- ☐ journeys not exceeding twenty four in a twelve month period, by backbench Members in furtherance of consultations with Cabinet Members, other Members and/or officers about matters within their electoral divisions (to include surgeries, trips to County Hall and other constituency business).

8. Members can claim mileage for attending parish council meetings within their division.

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Part 13

Other Materials

This Part includes documents and references that are useful to have alongside the Constitution.

Sections

Glossary of Terms

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Glossary of Terms

Agenda	This sets out the business to be conducted at Council meetings and must be published in advance of the meeting in accordance with legislation and the Access to Information Rules.
Annual Governance Statement	<p>The Annual Governance Statement is a statutory document which explains the processes and procedures in place to enable the Council to carry out its functions effectively.</p> <p>The statement is produced following an annual review of the Council's governance arrangements and the effectiveness of its system of internal control. The statement includes an action plan to address any significant governance issues identified.</p> <p>The Annual Governance Statement is prepared in accordance with the CIPFA Framework. The Annual Governance Statement must be published by the Council by 31 July each year. It is usually published alongside the Council's Statement of Accounts.</p>
Audit Committee	The Audit Committee considers the Council's governance arrangements and ensures that the financial affairs of the Council are properly conducted.
Authority	An alternative name for the Council, usually when referring to a specific function of the Council or a meeting of Full Council
Background Papers	Papers which relate to agenda items and meetings and which must be referred to in the reports with the agenda for inspection by the public, in accordance with the Access to information Rules
Best Value	<p>The 'Best Value Duty' is a legal duty on the Council, in accordance with section 3 of the Local Government Act 1999. This general duty of Best Value requires the Council to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.</p> <p>When reviewing service provision the Council should consider overall value, including economic, environmental and social value.</p>
Budget	The financial statement that is prepared and agreed each year. It contains all of the financial resources allocated to

	<p>different services and projects and aligned to various funds and budget heads.</p> <p>The Budget will include:</p> <ul style="list-style-type: none"> (i) the expenditure the authority estimates they will incur in the year in performing their functions and will charge to a revenue account for the year in accordance with proper practices, (ii) such allowance as the authority estimate will be appropriate for contingencies in relation to amounts to be charged or credited to a revenue account for a year in accordance with proper practices, (iii) the financial reserves which the authority estimate it will be appropriate to raise in the year for meeting their estimated future expenditure, and (iv) such financial reserves as are sufficient to meet so much of the amount estimated by the authority to be a revenue account deficit for any earlier financial year as has not already been provided for.
Budget and Policy Framework	The Council is responsible for setting the Budget and Policy Framework. The Budget and Policy Framework sets out the Council's key policies and agreed budget for each year. All decisions must be taken in accordance with these agreed documents. Only Council can change the Budget and Policy Framework
Budget Council or Budget Decision Making Meeting	The meeting of the Council that takes place each year in order to calculate the council tax requirement and agree the Budget as defined by the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended).
Cabinet	The Cabinet comprises the Leader of the Council and up to 9 individual Cabinet Members selected by the Leader. Cabinet meets in committee form under the Executive Procedure Rules.
Cabinet Member	A Member of the Cabinet with specific responsibilities (a 'portfolio') delegated by the Leader of the Council. Also known as 'portfolio holders' and 'Cabinet Members'
Call-In	A mechanism, which allows the Overview and Scrutiny Committee to examine, and challenge, a Cabinet or other executive Key Decision before it is implemented.

Chair of the Council	The Member elected each year to act as Chair of the Council under sections 3 and 4 of the Local Government Act 1972.
Chief Executive	The most senior officer, with overall responsibility for the management of the Council, also known as the Head of Paid Service.
Chief Finance (s.151) Officer	The officer responsible for the administration of the financial affairs of the Council (under section 151 of the Local Government Act 1972). Also known as the Section 151 Officer.
Chief Officer(s)	<p>The most senior of the Council staff who are responsible for managing each of the Council's departments, as last defined by section 43(2) of the Localism Act 2011, as meaning:</p> <p>(d) the statutory chief officers, being:</p> <ul style="list-style-type: none"> (i) the head of its paid service designated under section 4(1) of the Local Government and Housing Act 1989; (ii) the monitoring officer designated under section 5(1) of the Local Government and Housing Act 1989; (iii) the officer (also known as the chief finance officer) having responsibility, for the purposes of section 151 of the Local Government Act 1972, for the administration of the authority's financial affairs; (iv) the director of children's services appointed under section 18 of the Children Act 2004; (v) the director of adult social services appointed under section 6(A1) of the Local Authority Social Services Act 1970; and (vi) the director of public health appointed under section 73A(1) of the National Health Service Act 2006; (vii) the chief fire officer in respect of the Fire and Rescue Services Act 2004; <p>(e) a non-statutory chief officer mentioned in section 2(7) of the 1989 Act; and</p>

	(f) a deputy chief officer mentioned in section 2(8) of the 1989 Act.
CIPFA	The Chartered Institute of Public Finance and Accountancy.
Code of Conduct for Members	The Code which sets out the standards of behaviour expected of Members and co-opted Members.
Code of Conduct for Officers	The Code which sets out the standards of behaviour expected of officers.
Code of Corporate Governance	The Code setting out the Council's governance framework. The Code of Corporate Governance is prepared in accordance with the CIPFA Framework.
Committee	A Committee authorised to make executive or non-executive decisions.
Confidential Information	Information either given to the Council by the Government on terms which forbid its public disclosure or which cannot be publicly disclosed by Court Order.
Constituency Coterminous	A constituency having some of the same boundaries as another constituency
Constitution	The document setting out how the Council operates, how decisions are made and all the procedures that have to be followed.
Contract Standing Orders/Procedure Rules	The rules which set out how the Council buys goods and services and enters into contracts.
Co-optee/Co-opted	A person appointed to serve on a Committee/Sub-Committee in an advisory capacity. They are not Members and are not entitled to vote.
Corporate Directors	The Chief Officers holding posts referred to as Corporate Director by the Chief Executive
[Corporate Management Team]	The meeting of Chief Officers, also known as CMT
Council	A shortened form, meaning the council for the county and district of Northumberland (Northumberland County Council) as established by the Northumberland (Structural Change) Order 2008

Council companies	A company or body corporate in which the Council has an interest as a shareholder or Member as defined by Part V of the Local Government and Housing Act 1989
Councillor	A person elected by voters to be a Member of the Council. Also known as a 'Member' of the Council.
Council and Cabinet Forward Plan	A list of all major decisions to be made by Council and key decisions to be made by Cabinet.
Data Protection Legislation	means all privacy laws applicable to personal data including the Data Protection Act 2018 and regulations made under it and the General Data Protection Regulation (Regulation (EU) 2016/679); together with all codes of practice and other statutory guidance issued by the Information Commissioner's Office
Deputy Chief Officers	The second most senior Council staff, whom report directly to the Council's Chief Officers
Development Plan	Development plan and development plan documents include the local plan, neighbourhood plans, and other information contained in section 38 Planning and Compulsory Purchase Act 2004 The collective term for the Leader of the Council, individual Cabinet Members, the Cabinet or a committee of the Cabinet
Executive Functions/ Executive Decisions	The majority of the Council's functions, which are the responsibility of the Leader of the Council or, if they so decide, by the Cabinet, individual Cabinet Members a committee of the Cabinet, a joint committee, another local authority, or an officer. Functions that are not stated in the Local Authorities (Functions and Responsibilities) Regulations 2000 or in other legislation to be non-executive functions are, by default, executive functions.
Exempt Information	Information falling into one of the categories set out in the law which usually cannot be publicly disclosed – see the Access to Information Procedure Rules at (to insert hyperlinks and remove reference to 'Part 3')
Finance Procedure Rules	The Rules which sets out how the Council's financial procedures operate to safeguard public money
Five Clear Days	The period during which copies of the agenda and reports of a meeting must normally be available for inspection under the Access to Information Procedure Rules. The period of five working days not counting; <ul style="list-style-type: none"> · the day of the meeting

	<ul style="list-style-type: none"> · the day on which the meeting is called · days which fall at the weekends, public holidays or bank holidays.
Full Council	The meeting of all Members of the Council
Group Leaders	People appointed by a Political Group to act as the leader of that group of Members.
Head of Paid Service	The most senior officer, with overall responsibility for the management and operation of the Council; also known as the Chief Executive.
Imprest Account	The imprest system is a form of financial accounting system. The most common imprest system is the petty cash system. The base characteristic of an imprest system is that a fixed amount is reserved, which after a certain period of time or when circumstances require, because money was spent, it will be replenished.
Independent Persons Panel	The Panel established by the Council to review the recommendations of the Panel of the Staffing Committee into Statutory Officer discipline and compile a recommendation of its own for consideration by the Council.
Investigation Disciplinary Committee	The Committee as referred to in the JNC Conditions of Service for Chief Executives and Chief Officers. This role is carried out by the Staffing Committee, to consider disciplinary issues in relation the Council's Chief Executive (Head of Paid Service), Chief Finance Officer and Monitoring Officer.
Joint Committee	A committee appointed jointly by the Council and one or more other Council's to jointly oversee carrying out functions.
Key Decision	<p>An executive decision which is either:</p> <ul style="list-style-type: none"> (i) likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates (for which purposes, savings and expenditure are "significant" if they are equal to or greater than £500,000 revenue or £2M capital); or (ii) is likely to be significant in terms of its effects on communities living or working in an area

	<p>comprising one or more wards in the area of the Council (where the meaning of 'significant' is subject to any guidance to be issued by the Secretary of State and, in the absence of any such guidance, is to be interpreted as a decision which, in the view of the Leader, will have a significant effect on a significant number of people).</p>
Leader	<p>The person elected as the Leader of the Council under the Local Government Act 2000 and who is the senior executive Member responsible for the discharge of the executive functions of the Council for the purposes of section 9E of that Act.</p>
Licensing Committee	<p>The committee that makes carries out the Council's responsibilities under the Licensing Act 2003 Act and the Gambling Act 2005.</p>
Local Choice Functions	<p>These are functions specified in Regulations issued under the Local Government Act 2000 Act and which the Council can choose to be either executive or non-executive functions.</p>
Local Government Application Note	<p>The guidance note on the requirements and practice of internal audit in the local government environment, in line with Public Sector Internal Audit Standards.</p>
Monitoring Officer	<p>The officer charged with ensuring that everything that the Council does is fair and lawful.</p>
Non-Executive Functions	<p>These are functions specified in Regulations issued under the Local Government Act 2000 Act as not to be an executive function. These include functions such as those relating to Officers, Planning and Licensing. Responsibility for the exercise of non-executive functions may be delegated to a committees, sub-committees, an officer or another local authority under Section 101 of the Local Government Act 1972 ("the 1972 Act"). Unless specified as a non-executive function, a function is presumed to be an executive function.</p>
Officer	<p>A person employed by the Council to carry out the work of the authority. Officers cannot be Members.</p> <p>The way in which the officers of the Council can make decisions and which decisions they have the power to make, as set out at (to insert hyperlinks and remove reference to 'Part 2) of the Constitution.</p>

Overview & Scrutiny	Overview & Scrutiny is the function of the Council undertaken by the Overview and Scrutiny Committees, the purpose of which is to enable the rest of the Council to scrutinise the exercise of executive functions by investigating decisions and policies and by issuing reports and recommendations where any shortcomings are identified.
Plan or Strategy	<p>A plan or strategy that:</p> <ul style="list-style-type: none"> (i) is referred to in Regulation 4 or Schedule 3 Local Authorities (Functions and Responsibilities) (England) Regulations 2000; or (ii) that the authority has determined that the decision whether the plan or strategy should be adopted or approved should be taken by them, <p>which is to be listed in [(to insert hyperlinks and remove reference to 'Part 3')] of this Constitution (Matters reserved to full Council)]</p>
Planning Code of Conduct	The Members Code which sets out the standards of behaviour expected of Members on Planning Committee
Political Balance	Political balance means the duty, if the Members of the Council are divided into different Political Groups, to undertake a process to appoint Members to committees, sub-committees, panels and certain other bodies proportionally to the number of Members of each Political Group according to a set of principles contained within Part 1 of the the Local Government and Housing Act 1989 Act and Regulations made under it.
Political Group	Two or more Members who have joined together and asked to be recognised as a political group.
Politically Restricted Post	Employees in politically restricted posts are prevented from having any active political role either in or outside of work
Portfolios/Portfolio Holder/Responsibility	A portfolio describes the specific responsibilities delegated by the Leader of the Council to a Cabinet Member, for which they are the portfolio holder.
Private Meeting	A private meeting' means a meeting or part of a meeting of the Cabinet or a Cabinet Committee during which the public are excluded in accordance with Procedure Rule 42 (Exclusion of Access by the Public to Meetings).

Procedure Rules	The rules governing the processes of the Council's decision-making
Proper Officer	An officer designated as being responsible for a specific function.
Protocols	Codes of Practice, which set out how, for example, various elements of the Council, are expected to interact with each other.
Public Sector Internal Audit Standards	The UK Public Sector Internal Audit Standards (PSIAS) have been developed to apply across the whole of the public sector in all sectors of government. The PSIAS are based on standards issued by the Institute of Internal Auditors (IIA), with additional requirements and interpretations that make them directly applicable to the UK public sector. The PSIAS are developed jointly by the relevant internal audit standard setters (RIASS) for central government, local government, devolved government administration bodies and the National Health Service (NHS). The PSIAS set out requirements which apply generally to all UK public sector engagements, but do not include any sector requirements or guidance for specific parts of government.
Quorum	The minimum number of people who have to be present before a meeting can take place.
Section 151 Officer	The officer responsible for the administration of the financial affairs of the Council (under section 151 of the Local Government Act 1972). Also known as the Chief Finance Officer
Standards & Governance Committee	The Committee responsible for promoting and maintaining high standards of conduct by Member and considering written allegations that a Member has failed to comply with their Code of Conduct.
Statement of Accounts	The Statement of Accounts inform interested parties of the Council's finances and includes such information as the Council's assets and liabilities at the end of the financial year, the cost of the services provided by the Council and the way in which these services were financed. These must be published by the Council by 31 July each year.
Statutory Officers	These are officers that the authority must have in place, some of which may be combined and some of which cannot, but they all have additional personal responsibilities. In this council they are the Head of Paid

	Service, the Monitoring Officer and the Director Of Resources (Chief Finance Officer/s151 Officer)
Sub-Committee	A sub-committee authorised to make executive decisions and non-executive decisions.
Treasury Management	Treasury management functions are those functions carried out in accordance with the approved Treasury Management Strategy. The Chief Finance Officer is responsible for the Treasury Management Strategy.
Vice-Chair of the Council	The Member appointed each year to act as Vice-Chair of the Council under section 5 of the Local Government Act 1972.
Virement	Moving funds from one area of expenditure to another.
Whip	The Member of a political group appointed to ensure discipline amongst other Members of the same political group. A whip's role included ensuring Members of the party vote according to the party platform. In certain regulatory functions, such as Planning and Licensing, Members are required to act independently and are not subject to the group/party whip. Special training is arranged for Members for this.