

Southend-on-Sea Borough Council

Agenda
Item No.

24

Report of Corporate Director for Corporate Services

to
Council
on
23rd July 2015

Report prepared by: John Williams,
Head of Legal & Democratic Services

Revised Contracts Procedure Rules and Financial Procedure Rules

Part 1 Public Agenda Item

1. Purpose of Report

To recommend revised Contracts Procedure Rules (**CPR's**) and Financial Procedure Rules (**FPR's**).

2. Recommendations

2.1 That the revised Contracts Procedure Rules set out in Appendix 1 be agreed and that Part 4(g) of the Constitution be amended accordingly.

2.2 That the revised Financial Procedure Rules set out in Appendix 2 be agreed and that Part 4(f) of the Constitution be amended accordingly.

2.3 That the consequential amendment to the scheme of Delegation to Officers set out in section 3.3 be agreed and that Part 3 of Schedule 3 of the Constitution be amended accordingly

3. Background

3.1 The Council's Procurement Team in conjunction with other Council officers (including Finance and Audit staff) have updated the Council's CPR's which are contained in Part 4(g) of the Constitution.

The revised CPR's set out in Appendix 1:

- Reflect recent changes in EU law and the Public Contract Regulations 2015;
- Have been designed to be as clear as possible to aid understanding and compliance;

- Clearly define roles and responsibilities;
- Improve controls;
- Align processes for exceptions, exemptions and emergencies;
- Make processes as straightforward as possible;
- Provide for developments in technology / processes such as E-Procurement, E-Invoices and Purchasing Cards;
- Regulate contract management as per Internal Audit recommendations; and
- Address some inconsistencies with FPR's (particularly financial levels of authority) which were flagged up by Internal Audit.

3.2 Revisions have also been made to the Council's FPR's which are set out in Part 4(f) of the Constitution.

The revised FPR's set out in **Appendix 2**:

- Address the inconsistencies with CPR's, as referred to in 3.2 and remove duplication;
- Fully align with CPR's to ensure best business practices and their enforceability;
- Incorporate consistent terminology;
- Give increased clarity and accessibility for non-finance staff, whilst maintaining the essential nature of the existing FPR's; and
- Clarify the virement rules, as per Internal Audit recommendations.

3.3 As a result of the revisions in 3.1 and 3.2 and the fact that the revised CPR's now address financial authority limits (rather than there being a separate List of Authorised Signatories), a small consequential amendment is required to section 3.4 of the scheme of Delegation to Officers in Part 3 of Schedule 3 of the Constitution:

3.4 ~~“Chief Officers and Other Officers whose names appear in the “List of Authorised Signatories” maintained by the Head of Finance and Resources (pursuant to Contracts Procedure Rules) may enter into contracts, make payments, write off debts etc. in accordance with the parameters of, and thresholds within, the said List the financial levels of authority set out in Contracts Procedure Rules in Part 4(g) and Financial Procedure Rules in Part 4(f)”~~

3.4 The revised CPR's and FPR's meet the objectives and key controls required by CIPFA (Chartered Institute of Public Finance and Accountancy) and CIPS (Chartered Institute of Procurement and Supply). They also reflect best practice and industry standards.

Furthermore, to ensure they are comprehensive and fit for purpose; key stakeholders have been involved in their development and review. Their format has also been checked for ease of reference and readability with non-procurement / finance professionals.

3.5 If the Council agrees the revised CPR's and FPR's, it is planned to roll out them from 1st September 2015 in a series of workshops with key staff and stakeholders. There will also be training sessions with each Departmental Management Team, with details being placed on the Intranet and Internet.

4. Corporate Implications

4.1 Contribution to Council's Vision & Corporate Priorities

Becoming an excellent and high performing organisation

4.2 Financial Implications

None

4.3 Legal Implications

Amending the Constitution is a function reserved to the Council.

4.4 People Implications

None

4.5 Property Implications

None

4.6 Consultation

Internal consultation

4.7 Equalities and Diversity Implications

None

4.8 Risk Assessment

The revised CPR's and FPR's should improve procurement practices and financial management throughout the Council.

4.9 Value for Money

The revised CPR's and FPR's should improve procurement practices.

4.10 Community Safety Implications

None

4.11 Environmental Impact

None

5. Background Papers

None

6. Appendices

Appendix 1 Revised Contracts Procedure Rules

Appendix 2 Revised Financial Procedure Rules