



Northumberland County Council

CONSTITUTION

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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

PART 1 – Introduction to the Constitution

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Section 1

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 and 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 and 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 Members 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](#).

Section 2

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 foundation for relationships between elected Members, 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 [Part 7](#).
- 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](#). In carrying out their role, Members must observe the Members Code of Conduct and the [Protocol on Member/Officer Relations](#) at [Part 7](#).
- 2.5.3** Members are entitled to allowances in accordance with the Members' Allowances Scheme set out in [Part 12](#). 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 [Part 4](#)
- 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 [Part 5](#)
- 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 [Article 18](#)).
- (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.

2.7.2 This list is not exhaustive – more information on Members roles and how the Council will support and protect Members can be found at [Part 3](#).

2.7.3 [Part 3](#) 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 [Part 6](#).

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.

Section 3

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 [Part 5](#).
- 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 [Part 5](#).
- 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 [Part 9](#).

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 [Part 9](#). 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;
- (m) Adopting or amending the Code of Conduct for elected Members.

3.2.2 A full list of functions is set out in [Part 5, section 3](#).

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 [Part 9, section 2](#). Information about how Council meetings are carried out can be found in the procedure rules at [Part 9](#).

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 [Part 5](#). Rules setting out how Cabinet meetings operate can be found in [Part 5 section 4](#).

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 [Part 5 section 4](#).

3.4.4 Cabinet makes decisions collectively. There are some small exceptions to this rule which are set out in [Part 5](#).

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 [Part 6](#) 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 [Part 6](#), and detailed procedure rules for the operation of committee meetings can be found in [Part 9 section 5](#).
- 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

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 [Part 5 section 3](#). 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 [Part 5](#).
- 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:
- 4.7.1** A Member-Officer Protocol (set out in [Part 7, section 4](#)).

- 4.7.2** 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 [Part 5, section 7](#))
 - 4.7.3** Codes of Conduct for both officers and Members
- 4.8** The Council's commitments on value and behaviours (which are explained more fully in [Part 7](#)) also set out detail on how relationships should be managed.

Section 5

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).

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 [here](#).

Section 6

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 [Part 9](#) cover this in more detail.

Section 7

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 [Part 7](#). (Governance and Culture).

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PART 2

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.

PART 2 – THE RIGHTS OF THE PUBLIC

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Section 1

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:

- 1.1** 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 [Part 2, section 6](#) 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;
- 1.2** When attending such meetings, ask questions in accordance with the procedure rules;
- 1.3** 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 [Article 13](#).
- 1.4** 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;
- 1.5** 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;
- 1.6** 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;
- 1.7** 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 [Part 2, section 5](#).

- 1.8** Obtain any personal information held by the Council which relates to them, in accordance to data protection legislation;
- 1.9** Record and film public meetings of the Council, Cabinet or a committee meeting, subject to the terms set out in the procedure rules at [Part 9](#).

Section 2

2 ELECTIONS AND ELECTORAL ARRANGEMENTS

- 2.1** 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.
- 2.2** The Council appoints a Returning Officer and an Electoral Registration Officer to undertake responsibility for electoral matters.

Section 3

3 LOCAL AREA COMMITTEES

- 3.1** 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).
- 3.2** 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 Parts 4 and 5.

Section 4

4 PETITIONS AND THE PETITIONS COMMITTEE

4.1 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 [Part 5](#).

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.

4.2 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.

4.3 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

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:

- (a) The right for a member of the public to access personal information that the Council holds about them, by making a "subject access request";
- (b) The right to make a request to the Council to provide information under the Freedom of Information Act;
- (c) 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.

5.2 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 in [Part 9, section 2](#)) 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](#).

5.3 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:

- (a)** 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;
- (b)** The right to rectification. This means that where personal data is accurate, a person has the right to have that information corrected;
- (c)** 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;
- (d)** 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;
- (e)** 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;
- (f)** 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;
- (g)** 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

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>

5.4 Freedom of Information requests

[The Freedom of Information Act 2000](#) gives people the right to access a range of information held by the Council.

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 [Part 9, section 2](#). 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:

- (a) 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
- (b) specifying the information which falls into the classes below
- (c) reviewing and updating information on a regular basis
- (d) 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>

5.5 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, 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:
 - i. A record of the decision, including the date it was made;
 - ii. A record of the reasons for the decision;
 - iii. Details of any alternative options considered and rejected by the decision-making body at the meeting in question;
 - iv. A record of any conflict of interest relating to the matter decided which is declared by a decision-maker;
 - v. In respect of any declared conflict of interest, a note of dispensation granted by the Head of Paid Service.
 - vi. 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:
 - vii. Disclose any facts or matters on which a report, or an important part of a report, is based;
 - viii. 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.

5.6 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 [Part 5](#).

5.7 Exceptions to the duties described above

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

- (a) 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 [Part 9, section 2](#).
- (b) 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.
- (c) 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](#).

5.7.2 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:

- (a) 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;
- (b) 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.

- (c) Where a meeting will involve a committee acting as a tribunal to determine any person's civil rights of 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

6 INTRODUCTION TO PUBLIC ACCESS AND SPEAKING RIGHTS IN MEETINGS

6.1 Access

- 6.1.1** The public have the right to access formal meetings of the Council unless those meetings are considering matters that are exempt or confidential.
- 6.1.2** 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.
- 6.1.3** 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.
- 6.1.4** 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.
- 6.1.5** 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.

6.2 Asking questions

- 6.2.1** 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.
- 6.2.2** 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.
- 6.2.3** 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 [Part 9](#). In general:

- (a) 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;
- (b) 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;
- (c) 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.
- (d) 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.

6.3 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

7 COMPLAINTS

Members of the public have the right to complain to:

- 7.1** The Council, under the [complaints procedure](#);
- 7.2** The Local Government and Social Care Ombudsman, after using the Council's own complaints scheme;
- 7.3** The Council's Monitoring Officer about a breach of the Member Code of Conduct.

Section 8 APPENDIX

8 PETITIONS PROTOCOL

8.1 Introduction

Northumberland County Council is committed to engaging with its citizens, getting closer to communities, and improving services. We particularly welcome petitions as one way in which you can let us know your concerns or ideas. Petitions are commonly used to air an objection or service complaint. They can also be a positive measure. For example, residents or service users may request new facilities and in so doing become more involved in securing benefits for their communities. Even if residents do not get the exact result they want, petitioning ensures that their concerns are listened to and taken seriously.

8.2 What is a petition?

8.2.1 We treat as a petition any communication which is signed by and sent to us on behalf of a minimum number of 50 individuals for local issues and 100 or more signatures for countywide / corporate issues.

8.2.2 In the vast majority of cases, the issue will relate to something which is the responsibility of the Council or something over which it has some influence. Valid signatories will be limited to people who live, work, study or use services in Northumberland. There is no minimum age. Democratic Services publicise the procedure and can provide a standard form for petitioners to use; a copy is also available on the Council website. Petitioners can use their own format if they prefer. An officer in Democratic Services carries out the role of the Petitions Officer.

8.2.3 Where the petition is in paper form, each person should include their name, address (including postcode) and signature. If the Petitions Officer is not satisfied that these requirements have been adequately met, the petition may be rejected if the number of invalid signatures reduces the total beneath the minimum signature threshold. If there are sufficient signatures to make the petition valid it will qualify for a response, but the Petitions Officer has the discretion to rule that any further signatures will not be counted towards the total if there is no evidence that they qualify as valid.

8.2.4 The Petitions Officer needs to be satisfied that petitions contain the minimum number of valid signatures before a response is organised. If the intended petition contains less than the required number of valid signatures, the Petitions Officer will forward the document to the relevant head of service asking them to consider the request outwith the petitions process. This will not necessarily require action to be taken or a formal response, unless the head of service agrees to do so.

- 8.2.5** Electronic petitions may be submitted using the council website. Petitioners are requested to include their postcode, email address and indicate whether they live, work, study or use services in Northumberland. Only one signature is allowed per each individual email address. E-petitions can be opened for signatures on the Council's website for two calendar months from first publication date, with the option to allow the lead petitioner to ask to keep it open longer, up to a maximum of six months in total. Petitions may include a combination of both paper and electronic signatures, using the e-petitioning service on the Council's website. The total number of electronic and paper signatures will be combined and recorded. Reports will be produced in response to qualifying petitions whether they contain electronic or handwritten signatures (or a combination of the two).
- 8.2.6** Only one signature is allowed per person per petition and people cannot sign on behalf of others. If somebody signs both a paper petition and e-petition that jointly form part of the same request, only one signature will count towards the total.
- 8.2.7** E-petitions from external websites will be accepted at the discretion of the Petitions Officer if satisfied that the e-petition meets the requirements (as per sections 2 (i) - (v) above).

8.3 What else should a petition contain?

The petition should include a clear and concise statement covering the subject of the petition. It should state what action the petitioners wish the Council to take. In addition to the minimum number of signatures, a petition should include the name and contact details (including a postal or email address) of the "petition organiser" (or "lead petitioner") to which correspondence about the petition can be sent. Due to the costs involved we cannot write to all the signatories on paper petitions, however e-petitioning does enable updates to be emailed to everybody who signs.

8.4 Who should you send a petition to?

Petitions should be addressed to The Petitions Officer, Democratic Services, Northumberland County Council, County Hall, Morpeth, Northumberland, NE61 2EF. (Petitioners should retain a copy of their petition for their records.) Scanned copies can be emailed to; Petitions@northumberland.gov.uk. The Petitions Officer will lead in the administration of petitions.

8.5 Types of Petition

How we deal with a petition depends on the subject matter of a petition submitted:

- 8.5.1** If the petition concerns a local issue, it will be considered by the relevant Local Area Council responsible for that area (subject to the exceptional reasons listed in 8.5.2 below).
- 8.5.2** Petitions of a corporate or county wide nature which do not fall within the remit of the Local Area Councils, or planning and other regulatory committees will be considered by the Petitions Committee, which can make appropriate recommendations to full Council, Cabinet, or regulatory committees depending upon the subject matter. The Petitions Committee can also consider petitions about local issues in exceptional circumstances when agreed by the Chair.
- 8.5.3** Some issues might have a local element, for example a school closure or repair works to a school, but if it requires a Cabinet decision, or will incur other significant expenditure, it will qualify as a Petitions Committee issue. Any such judgements will be taken by the Petitions Officer in discussion with the Petitions Committee Chair.
- 8.5.4** Petitions responding to consultation on licensing, planning applications or rights of way matters will be considered by the relevant planning committee (Local Area Council or Strategic Planning committee), or licensing hearing/subcommittee when they consider the applications in question. In such cases, a petition is classed as one written representation, so the signature threshold identified in section 2(i) above does not apply. This protocol does not apply to planning or licensing consultation petitions.
- 8.5.5** Petitions about planning and licensing policy matters, but not consultations, can be considered by the Petitions Committee when the Chair considers it appropriate, unless there are considered to be quasi-judicial implications, in which case they should just be referred to the relevant senior director for their consideration.
- 8.5.6** Petitions responding to other consultation processes initiated by the County Council will be reported to the committee responsible for making a decision on the matter in question and will be considered alongside the other letters of representation and correspondence received. Petitions regarding other matters for which the Council has other established processes for considering requests (for example the Local Transport Plan), will be reported to the officer/committee responsible for taking decisions. In this way, petitions feed into the established consultation processes (consultation petitions have no right of veto over any council decision). If a petition is received which concerns an issue that the Council is shortly about to consult on / take a decision about, it will also be considered by the relevant committee amongst the other letters of representation/views received.
- 8.5.7** If a petition is received after a consultation has closed but before the issue in question has gone to the committee, it should be accepted as

another response. Consultation petitions will not automatically require a response to be produced for a Local Area Council or Petitions Committee. If a request is made for one of these committees to discuss a consultation petition due to exceptional circumstances, this decision will be at the discretion of the respective Committee Chair. This will not include planning or licensing applications. If the issue being petitioned about concerns a decision delegated to officers, the petition will be reported to the officer responsible amongst the other representations received. The named officer is responsible for the final decision.

- 8.5.8** Where a petition is submitted arising from a specific statute of Parliament, it will be reported to the next meeting of the Petitions Committee, time allowing. It may need to be referred as part of a report to full Council later, but only if it requires a change in the Council's policy framework, budget or constitution.

8.6 What happens when a petition is received?

- 8.6.1** Petitions should be submitted to Democratic Services Officers at committee meetings, or presented in person, posted or emailed to Democratic Services. Lead petitioners may wish to hand their petitions in at the Council headquarters; petitioners are welcome to have their photograph taken by somebody accompanying them when handing a petition in, but the Council reserves the right for officers not to be photographed if it is considered inappropriate in the circumstances (one for example being to avoid any possible accusation of bias). The lead petitioner should seek permission from the officer collecting the petition at least one working day in advance of the day they are requesting that the photo be taken. The officer may assist the petitioner by taking a photo of them outside the HQ rather than participate. A response to a petition will not be organised until Democratic Services have received a handwritten petition, or they have been notified directly that an e-petition has closed for signatures. If officers in other service areas receive petitions (excluding ones about licensing and planning applications and other consultation processes), they should redirect them to Democratic Services immediately.
- 8.6.2** Local Area Councils have a permanent item on their agendas for both the receipt of and the reporting of petitions. If a petition is handed in at a Local Area Council meeting the petition organiser can introduce it for five minutes, but the Committee cannot debate the issue until an officer report has been produced for a future meeting (petition organisers are advised that there will likely be a minimum of three weeks between a petition being handed in and a report on it being considered at a meeting). The local county councillor may be given a brief opportunity to speak after the lead petitioner has introduced their

petition, but this is at the discretion of the Committee Chair. The Petitions Committee meets quarterly; any additional meetings will be organised if it is essential that any petitions need to be considered urgently, subject to the agreement of the Committee Chair.

- 8.6.3** After the petitioner has introduced the petition at the Local Area Council meeting, the petition should then be passed to the Democratic Services Officer present, who will refer it to the Petitions Officer without any further discussion. Officers can however provide a short statement acknowledging receipt of a petition, with the Chair's permission. If it is subsequently judged to be an invalid petition, this will be dealt with outside of the meeting (see section 8.10 of this protocol).
- 8.6.4** If the petition meets the required criteria for acceptance, the Petitions Officer will ask officers (in the service area responsible) to produce a report responding to the issues raised. This should ideally be considered at the next available meeting of the appropriate committee. Where it is necessary to undertake a significant amount of work to investigate the issue and/or collect information, the issue will be considered at a later meeting instead. If there are other exceptional reasons why the consideration of a petition might be delayed, this should be agreed with the respective Committee Chair.
- 8.6.5** The Petitions Officer will also send a copy of any petitions about local issues for information/comment to the relevant ward councillor/s, Cabinet portfolio holder, Local Area Council chair and the local parish/town council. Countywide and corporate issues are sent to the portfolio holder and Petitions Committee chair.
- 8.6.6** If there is likely to be a delay in the response being presented to a Local Area Council or Petitions Committee, or an urgent update is considered appropriate, an interim update can be provided to the lead petitioner, and also by email to anybody who has signed the relevant e-petition.

8.7 Notifications to the petition organiser before the meeting

- 8.7.1** The Petitions Officer will acknowledge receipt of the petition to the petition organiser (in writing or email) within seven working days of receiving it.

If possible the petition organiser will also be advised which meeting will consider a report on the petition, the date, time and place of the meeting at which it will be considered, and that they may address the meeting for up to five minutes. If at the time of receipt it can't be confirmed which meeting the petition will be considered at, it will be acknowledged and the petition organiser written to again at a later date when details of the meeting are confirmed.

- 8.7.2** A week in advance of the meeting, the Petitions Officer will send a copy of the report to the lead petitioner for their information and ask them to confirm whether they wish to attend.

8.8 **Procedure to be followed at the Local Area Council or Petitions Committee meeting**

- 8.8.1** The petitioners may present their petition at either at a Local Area Council or the Petitions Committee in person and speak about the matter for a maximum of five minutes. The Chair may curtail a petitioner's speech in exceptional circumstances if the petitioner is disclosing information that should not be heard in public as defined by the Access to Information Act. Petitions will be considered in the order in which they were received, unless the Chair determines otherwise. The time taken by the committee to discuss reports on petitions will be at the Chair's discretion.
- 8.8.2** The Chair will firstly invite the lead petitioner to speak. Committee members may then ask questions of the lead petitioner. The Chair will then invite a relevant officer(s) to respond, after which the matter will be open for debate among members. The Local Area Council or the Petitions Committee will decide on the appropriate action to take in respect of the petition. This may involve making recommendations to full Council, Cabinet, a regulatory committee or another body, or to officers.
- 8.8.3** There may be limited circumstances following a petition being considered by either a Local Area Council or Petitions Committee, whereby the issue in question is referred for further consideration to another committee. For example, if a local issue is considered by a Local Area Council following which corporate, countywide or budgetary implications arise, it may then be referred on to the Petitions Committee. Any such possible further referrals will be at the discretion of the Business Chair or Council Leader.

8.9 **Required actions following the meeting**

- 8.9.1** After the meeting, the Petitions Officer will notify the lead petitioner of the decision by sending an extract from the draft minutes of the meeting that discussed the petition.
- 8.9.2** The lead petitioner will also be advised to contact the Petitions Officer if they are seeking any further updates, particularly if they have petitioned about an issue which needs longer term action. An update will then be requested from the council service responsible for the subject matter of the petition.
- 8.9.3** There is no right of appeal to another committee. If a petition organiser is dissatisfied with how their petition has been handled, they should use the corporate complaints process.

8.10 Petitions that will be rejected / for which a report will not be produced

8.10.1 Issues not within the remit of Northumberland County Council;

Where a petition relates to a matter which is within the responsibility of another public authority or organisation, the Petitions Officer will either suggest redirection of the petition to that other authority or forward the petition on to the other authority when appropriate. A report will not be produced. However, if the Petitions Officer considers it appropriate, the appropriate committee responsible for considering petitions may consider making representations to another authority on the petitioner's behalf. It may also consider the petition if it is felt to be an important local issue. This will be at the discretion of the Chair of the respective committee.

8.10.2 Duplicate Petitions;

Where more than one petition is received in time for a particular Local Area Council or Petitions Committee meeting, each supporting the same outcome on one matter, each petition organiser will be treated as an independent petition organiser. However, the right for more than one lead petitioner to address the relevant meeting will be at the Chair's discretion. (There are separate public speaking arrangements for planning committees and licensing hearings/sub-committees.)

8.10.3 Repeat Petitions;

A petition will not normally be considered by a Local Area Council or the Petitions Committee if it is received within 12 months of the meeting where another petition on the same matter was considered. In such cases, the petition will be reported for information to the relevant head of service.

8.10.4 Counter Petitions;

Petitions should be considered in a timely process, irrespective of whether the matter concerned is the subject of wider controversy or other petitions. Counter-petitions must close five days before the published meeting of the relevant committee in order to be considered at that committee (and for the lead petitioner to have speaking rights). Considering counter arguments is a normal part of the petitions process, and should be covered by the officer's report, so the 12 month rule (for repeat petitions) shall apply to prevent further consideration of the topic once a petition has been considered by the relevant committee.

8.10.5 Rejected Petitions;

Petitions will not have a report provided in response at a committee meeting if in the opinion of the Petitions Officer, they are offensive or use other inappropriate language which might offend, include false,

misleading, inaccurate or defamatory statements. Petitions will not be considered if they concern categories of Freedom of Information/Access to information exemptions, such as any considered commercially sensitive or disclose confidential material, include complaints or other issues about individuals whether employed by the authority or not, or include issues which are the subject of judicial proceedings. They will not be considered if they concern appeals or enforcement matters. Petitions will not be responded to separately if they are received whilst also being addressed through the corporate complaints process.

If a petition is subsequently rejected following its presentation, the Committee Chair and ward member will be advised as to why it is not being considered. In limited circumstances a petition or an e-petition request may be dealt with by a written response when there is a simple explanation to be provided, if the appropriate chief officer considers this appropriate (in consultation with the Petitions Officer).

8.10.6 Requests with less than 50 signatures;

By definition, communications which include less than 50 signatures are not petitions so will not be dealt with through this procedure. The Petitions Officer will treat any such correspondence as a 'written request' which will in the first instance be sent to the respective head of service for their attention. Such requests may also be progressed through other means such as discussion with the local elected member or the responsible portfolio holder.

8.10.7 Late Petitions;

If a petition is received whose subject matter relates to a decision imminently due to be taken by the Council, and the subject matter would usually require consideration by the Petitions Committee or a Local Area Council, reference will be made to the petition at the committee meeting taking the respective decision. If it is an officer decision, details of the petition will be reported to the officer responsible.

8.10.8 Insufficient detail included on paper petitions;

Petitions must include the details required detailed in 2 (ii) and (iii) above. If the Petitions Officer is not satisfied that these requirements have been met, the petition may be rejected.

8.10.9 Petitions about Planning and Licensing Applications;

These must be treated separately and will be reported direct to the planning and licensing committees where applications are considered.

8.10.10 Action taken on rejected petitions;

Where the petition is not accepted for consideration, the Petitions Officer will advise the petition organizer, local councillor and local area council / Petitions Committee Chair of the rejection and the grounds for it.

8.11 Data Protection

8.11.1 We will retain your personal data at County Hall, Morpeth from the date you start or sign a petition until 12 months after a decision has been made on that particular petition, after which petitions are disposed of.

We use this information to:

- (a) make sure that people only sign a petition once
- (b) check that you're eligible to sign a petition
- (c) contact you about petitions you start

8.11.2 If you start a petition and we accept it, your name will be published with the petition. We won't publish any other personal information about you. If you've signed a petition, we won't publish any personal information about you. We'll use your postcode to work out how many people in Northumberland have signed a petition. We will publish the name of the lead petitioner on our petition log, but will anonymise this if requested to do so by the lead petitioner.

8.11.3 Depending on the nature of the petition, we may need to share details about you to enable us to process your petition. For example, if your petition is in relation to a planning matter we would share this information with planning and this would form part of a wider consultation.

8.11.4 Information will only be shared with third parties if they have genuine and lawful need for it. Occasions when your information may need to be shared include:

- (a) at the relevant committee meeting where petitions are considered
- (b) with the relevant service area i.e. planning, licencing, school closure teams.
- (c) where the health and safety of others is at risk,
- (d) when the law requires us to pass on information under special circumstances (crime prevention or the detection of fraud as part of the National Fraud Initiative)

8.11.5 Information will be processed within the EEA and will not be shared with overseas recipients.

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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.

PART 3 – THE RIGHTS AND RESPONSIBILITIES OF MEMBERS**CONTENTS**

Section	Title	Page No
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2	<u>Members general rights to access information</u>	55

Section 1

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 [Part 5](#)).

- 1.1** Representing their communities and bringing their views into the Council's decision- making process;
- 1.2** Dealing with individual casework, and where appropriate acting as advocates for constituents in resolving particular concerns or grievances;
- 1.3** Balancing different interests identified within their electoral division, and representing the electoral division as a whole;
- 1.4** 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);
- 1.5** Being involved in holding decision-makers to account. This may happen at Council meetings, at meetings of overview and scrutiny committee meetings, and elsewhere;
- 1.6** 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;
- 1.7** 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

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:

- (a) Members generally enjoy the same access rights as members of the public in respect of public papers;
- (b) 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);
- (c) 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;
- (d) 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.

2.2 Sources of information rights

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

- (a) 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;

- (b) Additional rights held by all Members. This includes:
- (c) Where the Member in question can demonstrate a “need to know” certain information in order to carry out their duties and responsibilities;
- (d) Where legislation, or rules in this constitution, confer additional rights on all Members;
- (e) Further additional rights held by the Members of overview and scrutiny committees.

2.3 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.

2.4 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:

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

Where documents might otherwise be exempt because they relate to:

- (c) 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

- (d) 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.

2.5 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:

- (a) The Member making the request must themselves demonstrate this need. Mere curiosity is not sufficient;
- (b) The validity of the request should be determined by the relevant officer (on the advice of the Monitoring Officer);
- (c) 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;
- (d) 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;

- (e) Officers will adopt a permissive approach to the provision of this information on the understanding that the Member role is a broad one.

2.6 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.

2.7 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, i.e. 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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PART 4

The Articles

The basic rules governing the Council's business.

PART 4 – ARTICLES

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Article 1

1 THE CONSTITUTION

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

1.1 The Constitution

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

1.2 Purpose of the Constitution

The purpose of the Constitution is to:

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

1.3 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 [Article 15](#).

Article 2

2 MEMBERS OF THE COUNCIL

2.1 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.

2.2 Eligibility

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

2.3 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.

2.4 Roles and functions of all Members

2.4.1 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.

2.4.2 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 [Part 9](#) of this Constitution.

Members will at all times observe the [Members Code of Conduct](#) and the [Protocol on Member/Officer Relations](#) set out in [Part 7](#) of this Constitution.

2.5 Allowances

Members will be entitled to receive allowances in accordance with the Members’ Allowances Scheme set out in [Part 12](#) of this Constitution.

2.6 Member Details

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

Article 3

3 LOCAL RESIDENTS AND THE PUBLIC

3.1 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 [Part 9](#) of this Constitution):

3.2 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.

3.3 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](#)).

3.4 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 and Scrutiny Procedure Rules](#);
- (b) Ask Questions in accordance with the Council Procedure Rules.

3.5 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](#).

3.6 Petitions

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

3.7 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

4 THE FULL COUNCIL

4.1 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 4.3 below.

4.2 Meanings

Budget and Policy Framework

4.2.1 Policy Framework

The plans or strategies forming the Council's Policy Framework are set out as matters reserved to full Council at [Part 5](#).

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 [Part 5](#) (Matters reserved to full Council)

4.2.2 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.

4.3 Functions of the Full Council

Only the Council will exercise the following functions:

- (i) adopting and changing the Constitution;
- (ii) approving or adopting the policy framework and the budget;

- (iii) subject to the urgency procedure contained in the Access to Information Procedure Rules in [Part 9](#), 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.
- (iv) electing the Leader;
- (v) 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.
- (vi) appointing representatives to outside bodies unless the appointment is an executive function, has been delegated by the Council or otherwise.
- (vii) adopting a [Members' Allowances Scheme](#)
- (viii) confirming the appointment of the Head of Paid Service and designation of the Monitoring Officer and s.151 officer;
- (ix) changing the name of the area, conferring the title of honorary alderman or alderwoman;
- (x) all local choice functions set out in [Part 5](#) of this Constitution which the Council decides should not be undertaken by the Cabinet
- (xi) all other matters which, by law, must be reserved to Council

4.4 Council meetings

There are three types of Council meeting:

- (i) the annual meeting
- (ii) ordinary meetings
- (iii) extraordinary meetings

and they will be conducted in accordance with the [Council Procedure Rules](#) in [Part 9](#) of this Constitution.

Article 5

5 CHAIRING THE COUNCIL

5.1 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:

- (a) to uphold and promote the purposes of the Constitution, and to interpret the Constitution when necessary;
- (b) 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;
- (c) 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;
- (d) to promote public involvement in the Council's activities;
- (e) to be the conscience of the Council;
- (f) to attend or be represented at such civic and ceremonial functions as the Council and they determine appropriate; and
- (g) 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.

5.2 Prohibition on membership of the Cabinet

Neither the Chair nor the Deputy- Chair may be a Member of the Cabinet.

Article 6

6 THE CABINET

6.1 Role

- (a) 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.
- (b) 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.

6.2 Form

- (a) 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.
- (b) No substitution arrangements will apply to the Cabinet, and neither the Chair nor Deputy Chair of the Council may be appointed to the Cabinet.

6.3 Leader

6.3.1 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:

- (a) they resign from office;
- (b) they become ineligible to be a Member of the Council, either for a specific period or indefinitely;
- (c) they cease to be a Councillor;
- (d) 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.)

6.3.2 In the event of there being a vacancy in the office of Leader:

- (a) If this is in consequence of being removed by resolution of Council, a new Leader may be elected at the same meeting; or
- (b) 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.

6.4 Other Cabinet Members

6.4.1 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 (a) – (c) above apply to them or to the Leader, or until the Leader brings their term of office to an end.

6.5 Deputy Leader

6.5.1 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.

6.5.2 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

7 OVERVIEW AND SCRUTINY COMMITTEES

7.1 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 [Part 6](#) of this Constitution

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.

7.2 General

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

- (a) Review and/or scrutinise decisions made (and proposed), or actions taken in connection with the discharge of any of the Council's functions;
- (b) 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;
- (c) Consider any matter affecting the area or its inhabitants; and
- (d) 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.

7.3 Specific functions

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

- (a) Assist the Council and the Cabinet in the development of the [Council's Budget and Policy Framework](#)
- (b) 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
- (c) Review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas

- (d) 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
- (e) Make recommendations to the Cabinet and/or appropriate committee and/or Council arising from the outcome of the scrutiny process
- (f) 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
- (g) Report and make recommendations to the Council or Cabinet on matters which affect the Council's area or the inhabitants of the area, and
- (h) Question and gather evidence from any person (with their consent).

7.4 Overview and Scrutiny Budget

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

7.5 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.

7.6 Proceedings

Overview and Scrutiny Committees will conduct their proceedings in accordance with the [Overview and Scrutiny Rules](#) as set out in [Part 9](#) of this Constitution.

Article 8

8 REGULATORY AND OTHER COMMITTEES

- 8.1** The Council will appoint those committees set out in [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.
- 8.2** 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.
- 8.3** 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.
- 8.4** The committees will include those responsible for:
- (a)** 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;
 - (b)** audit matters on behalf of the Authority;
 - (c)** planning (development control) matters; and
 - (d)** regulatory (non-Licensing Act 2003) matters.

Article 9

9 STATUTORY COMMITTEES

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.

9.1 Licensing Committee

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 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.

9.2 Health and 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

10 AREA COMMITTEES

10.1 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.

10.2 Form, composition, and function

- (a) 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 at [Part 5, section 6](#) of the Constitution and their membership consists of all Members whose divisions lie in each area.
- (b) Delegations. The Council and the Cabinet will include details of any delegations to Local Area Committee's in Finance and Contract Procedure Rules at [Part 10](#) 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.
- (c) 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.

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

10.3.1 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](#).

10.3.2 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.

10.4 Local Area Committee's – access to information

Local Area Committee's will comply with the Access to Information Rules at [Part 9](#) and Finance and Contract Procedure Rules at [Part 10](#) 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.

10.5 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.

Article 11

11 JOINT ARRANGEMENTS

11.1 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:

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

11.2 Joint arrangements

11.2.1 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.

11.2.2 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.

11.2.3 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.

11.2.4 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.

11.2.5 The political balance requirements do not apply to such appointments. Details of any joint arrangements including any delegations to joint committees will be found in the Council's scheme of delegations in [Part 5](#) of this Constitution.

11.3 Delegation to and from other local authorities

- 11.3.1** The Council may delegate non-executive functions to another Council or, in certain circumstances, the Executive of another local Council.
- 11.3.2** The Cabinet may delegate executive functions to another Council or the Executive of another Council in certain circumstances.
- 11.3.3** The decision whether or not to accept such a delegation from another local Council shall be reserved to the Council meeting.

Article 12

12 OFFICERS

12.1 General

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

12.2 Chief Officer

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:

12.2.1 the statutory chief officers, being:

- (a) the head of its paid service designated under section 4(1) of the Local Government and Housing Act 1989;
- (b) the Monitoring Officer designated under section 5(1) of the Local Government and Housing Act 1989;
- (c) 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;
- (d) the director of children's services appointed under section 18 of the Children Act 2004;
- (e) the director of adult social services appointed under section 6(A1) of the Local Authority Social Services Act 1970; and
- (f) the director of public health appointed under section 73A(1) of the National Health Service Act 2006;
- (g) the chief fire officer in respect of the Fire and Rescue Services Act 2004;

12.2.2 a non-statutory chief officer mentioned in section 2(7) of the 1989 Act; and

12.2.3 a deputy chief officer mentioned in section 2(8) of the 1989 Act.

12.2.4 The Head of Paid Service, Monitoring Officer and section 151 (chief financial)

12.2.5 The Council will designate the following posts as shown:

Chief Executive	Head of Paid Service
Director of Law and Corporate Governance	Monitoring Officer

Executive Director of Transformation and Resources	S.151 Officer
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12.3 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 [here](#).

12.4 Functions of the Head of Paid Service

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.

12.5 Functions of the Monitoring Officer

12.5.1 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.

12.5.2 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.

12.5.3 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.

12.5.4 Receiving reports – The Monitoring Officer will receive and act on reports made by the Local Government and Social Care Ombudsman

12.5.5 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

- 12.5.6** (whistleblowing) complaints in accordance with the authority's adopted procedures, policies and protocols.
- 12.5.7** 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.
- 12.5.8** 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.
- 12.5.9** 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.
- 12.5.10** 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.
- 12.5.11** 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.
- 12.5.12** Monitoring Officer Protocol- Set out at [Part 7, section 7](#) 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.

12.6 Functions of the Section 151 Officer

- 12.6.1** 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.
- 12.6.2** 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 Procedure Rules.

12.6.3 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.

12.6.4 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.

12.6.5 Give financial information. The Chief Finance Officer will provide appropriate financial information to the media, members of the public and the community.

12.7 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.

12.8 Conduct

Officers will comply with the [Officers' Code of Conduct](#) and the [Protocol on Member/Officer Relations](#) set out in [Part 7](#) of this Constitution.

12.9 Employment

The recruitment, selection and dismissal of officers will comply with the Officer Employment Procedure Rules set out in [Part 9, section 6](#) of this Constitution.

Article 13

13 DECISION MAKING

13.1 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.

13.2 Principles of decision making

All decisions of [the Council](#) will be made in accordance with the following principles:

- 13.2.1** Proportionality (i.e. the action must be proportionate to the desired outcome)
- 13.2.2** Due and appropriate consultation and the taking of professional advice from officers
- 13.2.3** Respect for human rights
- 13.2.4** A presumption in favour of openness
- 13.2.5** Clarity of aims and desired outcomes.

13.3 Types of decision

13.3.1 Decisions reserved to full Council

Decisions relating to the functions listed in Finance and Contract Procedure Rules at [Part 10](#) will be made by the full Council and not delegated.

13.3.2 Key decisions

A key decision means an executive decision which is likely:

- (a)** 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
- (b)** 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.

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 Procedure Rules at [Part 9](#) of this Constitution.

13.3.3 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 will be defined as a significant amount if it equates to more than £500,000 revenue or more than £2 million capital.
- (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.

13.4 Decision making by the Full Council

Subject to 13.8 below, the Council meeting will follow the [Council Procedure Rules](#) set out in [Part 9](#) of this Constitution when considering any matter.

13.5 Decision making by the Cabinet

Subject to 13.8 below, the Cabinet will follow the [Cabinet Procedure Rules](#) set out in [Part 9, section 4](#) of this Constitution when considering any matter.

13.6 Decision making by Overview and Scrutiny Committees

Overview and Scrutiny Committees will follow the [Overview and Scrutiny Procedure Rules](#) set out in [Part 9](#) of this Constitution when considering any matter.

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

Subject to 13.8 below, other Council committees and sub-committees will follow those parts of the Council Procedures Rules set out in [Part 9, section 1](#) of this Constitution as apply to them.

13.8 Decision making by Council bodies acting as tribunals

- 13.8.1** 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](#).

- 13.8.2** 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

14 FINANCE, CONTRACTS AND LEGAL MATTERS

14.1 Financial management

The management of the Council's financial affairs will be conducted in accordance with the Finance and Contract Procedure Rules at [Part 10](#) and any guidance made under those Rules.

14.2 Contracts

Every contract made by the Council will comply with the Finance and Contract Procedure Rules at [Part 10](#) and any guidance made under those Rules.

14.3 Legal proceedings

The Director of Law and Corporate 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 Corporate 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 Corporate Governance or equivalent under their own name. For the sake of clarity, the Director of Law and Corporate 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.

14.4 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 Corporate Governance or equivalent should be sealed. The affixing of the Common Seal will be attested by the Director of Law and Corporate Governance or equivalent or some other officer authorised by the Director of Law and Corporate Governance and will be entered into a book provided for the purpose and signed by the person who attested the seal.

Article 15

15 REVIEW AND REVISION OF THE CONSTITUTION

15.1 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.

15.2 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:

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

15.3 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

16 SUSPENSION, INTERPRETATION AND PUBLICATION OF THE CONSTITUTION

16.1 Suspension of the Constitution

16.1.1 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.

16.1.2 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 [Article 1](#).

The [Council Procedure Rules](#) at [Part 9](#) deal with the suspension of the rules relating to Council and Committee meetings.

16.2 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 [Article 1](#).

16.3 Publication

16.3.1 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.

16.3.2 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.

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

Article 17**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 can be found [here](#).

Article 18

18 NORTHUMBERLAND COUNTY FIRE AND RESCUE AUTHORITY

18.1 Fire and Rescue Authority

18.1.1 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.

18.1.2 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 in [Article 4.](#)

18.2 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:

- (a) To provide assurance on behalf of the Fire Authority on the performance of Northumberland Fire and Rescue Service
- (b) To receive reports from the Chief Fire Officer on the development and delivery of NFRS strategy, budgets, and policy
- (c) To develop expertise and knowledge in their portfolio area
- (d) To be the Council's lead spokesperson for their portfolio
- (e) 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
- (f) To respond to questions relating to their portfolio arising at Council, Cabinet and Committee meetings

18.3 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.

18.4 The Statutory Framework

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

- (a)** Promoting Fire safety
- (b)** 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
- (c)** Rescuing people involved in road traffic collisions
- (d)** Rescuing and protecting people in the event of other emergencies

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

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

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

18.4.4 These national priorities are addressed through three main mechanisms:

- (a)** Integrated Risk Management Planning (currently the Community Risk Management Plan (CRMP) 2022-2026)
- (b)** An Annual Statement of Assurance

(c) Effective Financial Planning

18.4.5 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.

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

18.5 The Chief Fire Officer and Operational Arrangements

The Chief Fire 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 [Part 5, section 7](#) under the Delegation Scheme to Officers.

18.6 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:

- (a)** 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
- (b)** To ensure the effective and efficient governance and administration of the FPS
- (c)** The Membership of the Board is constituted as follows:
- (d)** Two elected Members as employer representatives
- (e)** Two scheme Member representatives
- (f)** 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 Chief Fire Officer the exercise of the Scheme Manager function for the Firefighters' Pension Scheme who is to consult with the Chief Finance Officer where there are financial implications for the Council

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)

18.7 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 (fbu.org.uk)

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PART 5

Responsibility for Functions (Decision Making)

This Part sets out who makes the decisions within the Council

PART 5 – RESPONSIBILITY FOR FUNCTIONS (DECISION-MAKING)

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

1. Principles which will govern decision-making, including principles which will govern the delegation of decision-making;
2. Those decisions which must, by law, be made by the full Council;
3. Those decisions which will be made by cabinet collectively, and by individual cabinet Members;
4. 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;
5. Where certain decisions can be made by officers under delegated powers, and how those delegated powers will be exercised and overseen.

Section 1

1 PRINCIPLES FOR DECISION MAKING AND DELEGATION

Decision-making, by Members and officers, must happen within a framework which complies 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:

- 1.1** 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;
- 1.2** It provides confidence that decision-making will be legal, procedurally proper, reasonable and proportionate, because the principles provide a framework that assures this;
- 1.3** It ensures that the right people are involved in decision-making, in the right way, at the right time.
- 1.4** 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.
- 1.5** 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.
- 1.6** 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.
- 1.7** 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.
- 1.8** 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;

- 1.9** 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;
- 1.10** 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.
- 1.11** The following principles are additionally relevant to the delegation of decision-making. Delegation should be exercised:
 - 1.11.1** In a clear, consistent and legal way (including within spending limits);
 - 1.11.2** 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;
 - 1.11.3** 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;
 - 1.11.4** With regard to the presence of conflicts of interest.
 - 1.11.5** 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.
- 1.12** 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:
 - 1.12.1** the matter under consideration is a high profile matter;
 - 1.12.2** the decision has a significant budgetary impact;
 - 1.12.3** there is a need or it is considered prudent to engage the public and/or raise public awareness; and/or
 - 1.12.4** the function/matter provides important performance management information.

Section 2

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 this Part.

This part of the constitution sets out how Council, Cabinet and other bodies will transact their responsibilities.

Section 3

3 RESPONSIBILITIES OF COUNCIL

3.1 Meetings of Council

- 3.1.1** Ordinary Council meetings (ones which form part of the regular Council and committee calendar)
- 3.1.2** Extraordinary Council meetings (which may be called at short notice for a particular purpose)
- 3.1.3** The Annual General Meeting of Council.

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.

3.2 Functions of Council; General

Only the Council will exercise the following functions:

- 3.2.1** Electing the Chair and appointing the Deputy Chair;
- 3.2.2** Electing and removing the Leader of the Council;
- 3.2.3** Appointing to such other offices and/or positions as may be required under this Constitution or by law;
- 3.2.4** 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);
- 3.2.5** 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;
- 3.2.6** 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;
- 3.2.7** Approving and adopting the Budget and Policy Framework;
- 3.2.8** Approving the Council's Budget and levying Council Tax;
- 3.2.9** 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;
- 3.2.10** Making or revising a Council Tax Reduction Scheme;
- 3.2.11** Approval of the Community Infrastructure Levy Charging Schedule;

- 3.2.12** 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 [Part 9](#)).
- 3.2.13** 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);
- 3.2.14** Determining any matter which is properly referred to it for determination by a committee or sub-committee in relation to non-executive functions;
- 3.2.15** Adopting and/or amending a Members' Allowances Scheme following a report from the Independent Remuneration Panel;
- 3.2.16** Changing the name of the area, and conferring the title of Honorary Alderman or Honorary Freeman;
- 3.2.17** Approving the Annual Pay Policy Statement;
- 3.2.18** Making payments or providing other benefits in cases of maladministration under Section 92 of the Local Government Act 2000;
- 3.2.19** 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);
- 3.2.20** Appointing the Electoral Registration Officer and Returning Officer;
- 3.2.21** 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;
- 3.2.22** Designating streets for street trading under the Local Government (Miscellaneous Provisions) Act 1982;
- 3.2.23** Determining whether functions which are classified as "Local Choice" functions should be reserved to the Council or exercised by Cabinet;
- 3.2.24** Adopting the Council's Code of Conduct for Members, Code of Conduct for Officers and the Member Officer Protocol;
- 3.2.25** Adopting (or otherwise) Motions submitted in accordance with the Council Procedure Rules except those that relate solely to an executive function;
- 3.2.26** Making, amending, revoking, re-enacting or adopting byelaws and promoting or opposing the making of local legislation or personal Bills;

- 3.2.27** Approving Development Plan Documents (DPDs) prior to submission to the Secretary of State;
- 3.2.28** Approving any application to the Secretary of State in respect of any Housing Land Transfer pursuant to the Housing Act 1985;
- 3.2.29** 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;
- 3.2.30** 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;
- 3.2.31** 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:
 - (a) approving and revising any Statement of Gambling Policy;
 - (b) resolving not to issue any casino premises licences in the next three years; and
- 3.2.32** 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).

3.3 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 [Part 9](#) of this Constitution.

3.3.1 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:

The Budget

- (a) The allocation of financial resources to different services and projects both revenue and the capital programme;
- (b) Setting the Council Tax;
- (c) The Council's borrowing requirement;
- (d) The Council's capital expenditure;

3.3.2 Any changes to virement limits.

The Policy Framework

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:

- (a) Annual Library Plan;
- (b) Children and Young People's Plan
- (c) Crime and Disorder Reduction Strategy;
- (d) Development plan documents, including
 - i. Local Plan;
 - ii. Core Strategy and Development Plan; and
 - iii. Minerals and Waste Local Plan
- (e) Local Transport Plan;
- (f) Licensing Authority Policy Statement;
- (g) Gambling Authority Policy Statement;
- (h) Youth Justice Plan;
- (i) Pay Policy Statement; and
- (j) Plan or strategy for the control of the authority's borrowing, investments or capital expenditure.

3.3.3 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

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.

4.1 The Leader

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

In accordance with [Part 5](#) of the Constitution, to deliver those executive functions, the Leader has:

- 4.1.1** 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;
- 4.1.2** appointed one of those Members as Deputy Leader of the Council to act in the absence of the Leader;
- 4.1.3** 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;
- 4.1.4** established and appointed to a Cabinet Committee and to a Joint Committee (if any);
- 4.1.5** 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; e with regards to executive functions, the Leader has:
 - (a)** 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
 - (b)** determined the process and circumstances in which those decisions must be made.

4.1.6 The 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.

4.1.7 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.

4.2 Cabinet's responsibilities

Cabinet has a particular responsibility for:

4.2.1 Providing strategic leadership and direction for the Council;

4.2.2 Determine policies and objectives for services delivered by the Council;

4.2.3 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;

4.2.4 Advising the Council on all matters relating to Standing Orders, and Finance and Contracts' Code of Practice, in consultation with the Audit Committee;

4.2.5 Making appointments to outside bodies, where those powers are not reserved to Council or another committee;

4.2.6 Exercising powers relating to emergencies and civil contingencies;

4.2.7 Preparing, monitoring and reviewing following consultation with Members and the public, recommending the adoption or modification of the Framework to Council;

4.2.8 Make agreements with other local authorities for placing staff at the disposal of those other local authorities.

4.2.9 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 [Part 5, section 5](#).

4.2.10 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;

4.2.11 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;
- (e) 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.

4.3 How Cabinet will deliver its responsibilities

- (a) ensure the effective and efficient discharge of the functions delegated to them;
- (b) 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;
- (c) ensure that good external relationships and effective local liaison are promoted in relation to Council services within their remit;
- (d) 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;

- (e) determine the Council's views on matters specific to their areas of responsibility and related external matters;
- (f) 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.

4.4 How executive decisions are made

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

4.4.1 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.

4.4.2 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.

4.4.3 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 [Part 9](#) of the Council's Constitution.

4.4.4 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:

- (b) decisions to approve a draft document or proposal and to commence formal consultation on that document or proposal; or
- (c) 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;
- (d) any decision taken by the Cabinet, a committee of Cabinet or by the Leader or another individual Cabinet Member;
- (e) decisions taken by an officer in specific consultation with the Cabinet, a Cabinet Committee or an individual Cabinet Member; and
- (f) 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:
- (g) under a specific express authorisation; or
- (h) under a general authorisation to officers to take such decisions and the effect of the decision is to-
 - i. grant a permission or licence;
 - ii. affect the rights of an individual; or
 - iii. incur expenditure or make savings 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)

4.4.5 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.

4.4.6 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.

4.4.7 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 of the Council's Constitution.

4.4.8 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 [Part 5 section 5](#).

4.5 Responsibilities of committees of Cabinet

- 4.5.1** 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.
- 4.5.2** 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.
- 4.5.3** On being established, committees of Cabinet come into existence immediately (i.e., 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.
- 4.5.4** 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.
- 4.5.5** 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.
- 4.5.6** 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.
- 4.5.7** 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.

4.6 Responsibilities of individual Cabinet Members

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

4.6.1 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.

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

- (a) lead on developing Council policy and make recommendations to the Cabinet;
- (b) provide guidance to the Cabinet on delivering services within their portfolio area;
- (c) give guidance to the Cabinet on budget priorities;
- (d) monitor performance and make sure policy is delivered;
- (e) lead on improving Council services;
- (f) ensure that activities meet the Council's overall vision, core values and guiding principles;
- (g) represent the Council at a national and local level;
- (h) contribute to debate and decision-making;
- (i) 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
- (j) ensure appropriate consultation and liaison with partners and the community on matters within the scope of their portfolio.

4.7 Scope of delegation for individual Cabinet Member decision-making

4.7.1 The Leader of the Council has allocated a Portfolio of responsibility to each Cabinet Member, which is set out at Cabinet-Portfolios-Summary.pdf (northumberland.gov.uk)

4.7.2 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.

4.7.3 A Cabinet Member may then take a decision only:

- (a) 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;

- (b) where it is considered on the basis of a written report prepared in accordance with paragraphs 3.6 above;
- (c) 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
- (d) the decision is reported to the next meeting of Cabinet.

4.7.4 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).

4.7.5 The Cabinet Member Decision Notice shall be delivered it to the Monitoring Officer who shall publish the Decision Notice and accompanying report in accordance with the Constitution.

4.7.6 The decisions taken by a Cabinet Member are subject to the Council's procedures for delayed implementation and call-in set out at [Part 9, section 5](#).

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

Section 5

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.

Function	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)	Cabinet	Relevant Executive Director
2. Any function under a Local Act in respect of a licensing, consent, permission or registration function including development control functions	Regulatory Committee or (in respect of any development control functions) Planning Committee	Relevant Executive Director
3. The determination of any appeal against any decision made by or on behalf of the Council	Council	Employment (Appeals) Committee
4. The making of arrangements in relation to appeals against the exclusion of pupils from maintained schools.	Cabinet	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).	Cabinet	Relevant Executive Director
6. The making of arrangements pursuant to section 95(2) of the 1998 Act (children to whom section 87 applies: appeals by governing bodies).	Cabinet	Relevant Executive Director
7. The making of appointments of Members under the Police Reform and Social Responsibility Act 2011.	Council	

Function	Decision Maker	Further Delegation
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:	Cabinet And Regulatory Committee – depending on function	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:	Cabinet And Regulatory Committee – depending on function	Relevant Executive Director
10. The service of an abatement notice in respect of a statutory nuisance.	Regulatory Committee	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.	Cabinet	
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 direct regulation of any person or the enforcement of any of the above, in which case	Cabinet and Regulatory Committee depending on function	Relevant Executive Director
14. The obtaining of information under section 330 of the Town and Country Planning Act 1990 as to interests in land.	Planning Committee and (in respect of actions which are preliminary to the exercise of	Relevant Executive Director

Function	Decision Maker	Further Delegation
	powers to make compulsory purchase orders only) Executive	
15. The obtaining of particulars of persons interested in land under section 16 of the Local Government (Miscellaneous Provisions) Act 1976.t		Relevant Executive Director
16. The making of agreements for the execution of highways works.	Cabinet	
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 c. to any committee or sub-committee of such a body, and the revocation of any such appointment	Council except where the function to which the appointment relates is an executive function in which case Cabinet	
18. The making of agreements with other local authorities for the placing of staff at the disposal of those other authorities.	Staffing Committee Except where the arrangement relates to the discharge of an executive function in which case Executive	Head of Paid Service
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.	Executive Cabinet	Relevant Executive Director
20. Functions under sections 106, 110, 111 and 113 of the Local Government and Public Involvement in Health Act 2007		

Function	Decision Maker	Further Delegation
relating to local area agreements.		

Section 6

6 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:

<u>Part 1</u>	<u>Introduction</u>
<u>Part 2</u>	<u>General Delegations (executive and non-executive)</u>
<u>Part 3</u>	<u>Delegations to Chief Executive and Chief Officers</u>
<u>Part 4</u>	<u>Statutory Officer and Proper Officer Appointments</u>

Part 1

6.1 Introduction to Delegation

- 6.1.1** “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.
- 6.1.2** 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.
- 6.1.3** 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.
- 6.1.4** 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.
- 6.1.5** 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.
- 6.1.6** 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.

6.2 General Principles Relating to Officer Delegation

- 6.2.1** 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:
- (a)** The Chief Executive (Head of Paid Service)
 - (b)** The Executive Director of Transformation and Resources (Chief Finance/ s.151 Officer)
 - (c)** The Director of Law and Corporate Governance (Monitoring Officer)
 - (d)** The Executive Director of Public Health, Stronger Communities and Inequalities (Director of Public Health)

- (e) The Executive Director of Children, Young People and Education (DCS) The Executive Director of Adults, Ageing and Wellbeing (DASS)
- (f) The Executive Director of Place and Regeneration The Chief Fire Officer
- (g) A Deputy Chief Officer may act where delegated to do so by their Chief Officer

6.2.2 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:

- (a) a matter is prohibited by law from being delegated to an officer, or
- (b) a matter has been specifically excluded from delegation by this scheme, by a decision of the Council, a Committee or Sub-Committee.
- (c) Chief Officers may not take decisions unless specifically provided for within the constitution or specifically delegated by Council, Cabinet, a Committee or Sub- Committee.
- (d) 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.

6.2.3 All local schemes of delegation must be reviewed annually by the relevant Chief Officer, and any changes to them must be agreed by the Monitoring Officer.

- (a) 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.
- (b) 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.
- (c) 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.

- (d) 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.
- (e) 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.
- (f) 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.
- (g) Officer decisions must be evidenced in writing using the agreed standard form, dated and signed by the officer exercising the delegated authority.
- (h) 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.

- (i) 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.
- (j) 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.
- (k) 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.

Part 2

6.3 General Delegations

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

6.3.1 Urgent action

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:

- (a) shall be reported to the appropriate Committee
- (b) shall take account of advice of the Monitoring Officer and the Director of Transformation and Resources (Chief Finance Officer / s151 Officer)
- (c) 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.

6.3.2 Implementation of decisions

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.

6.3.3 General operational

- (a) 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.
- (b) 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).

6.3.4 Consultation

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

- (a) To respond to Government Consultations and consultations from other bodies, in consultation with the Leader or the relevant Committee Chair.
- (b) To undertake all steps required to complete Government Statistical Returns.

6.3.5 Finance

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.

- (a) 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 at [Part 10](#).
- (b) 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.
- (c) 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.

6.3.6 Staffing

- (a) 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.
- (b) 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.

6.3.7 Land and assets

To manage land, premises, vehicles, plant, equipment, machinery, stock, stores, supplies, materials, furniture appliances and uniforms necessary for the provision of services.

- (a) 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.
- (b) To make application for planning permission and any other necessary applications for other consents required for the development of land.

6.3.8 Legal authorisation and enforcement

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):

- (a) 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
- (b) 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.
- (c) 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.)

6.3.9 Safeguarding children and vulnerable adults

- (a) 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.

Part 3**6.4 Delegations to Chief Executive and Chief Officers****6.4.1 The Chief Executive/Head of Paid Service**

- (a) 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.
- (b) 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.
- (c) 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.
- (d) 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:
 - i. To be the Council's principal officer representative and to promote its good image and reputation
 - ii. To lead and direct the strategic management of the Council
 - iii. 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
 - iv. 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
 - v. To discharge emergency planning and civil protection functions;

- vi.** 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
- vii.** To undertake the communications, marketing and media functions of the Council with regard to policy and strategic direction.
- viii.** 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.
- ix.** 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;
- x.** 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.

6.4.2 Delegations to the Monitoring Officer

- (a)** 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:
 - i.** the lawfulness and fairness of the decision making of the Council;
 - ii.** the Council's compliance with its legal responsibilities and requirements, and
 - iii.** matters relating to the conduct of Members (including town and parish Councillors).

- (b)** 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.
- (c)** 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.
- (d)** 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.
- (e)** The Monitoring Officer has power to exercise any function of the Monitoring Officer contained in any other Part of this Constitution.
- (f)** The Monitoring Officer shall have the following delegated powers and responsibilities:
 - i.** 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.
 - ii.** 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).
 - iii.** To institute legal proceedings for any offences within the Council's area.
 - iv.** To lodge objections to any proposal affecting the Council's interests.
 - v.** To determine applications for the display of the crest or logo of the Council.
 - vi.** To approve the Council's response to any investigation carried out by the Local Government Ombudsman.
 - vii.** To approve the Council's response to any request for information under the Freedom of Information Act 2000 or the Environmental Information Regulations 2003.

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

- (o) To deal with the initial stages of allegations under the grievance procedure against the Chief Executive or Chief Finance Officer;
- (p) To deal with the initial stages of allegations under the Bullying and Harassment Procedure against the Chief Executive or Chief Finance Officer.
- (q) 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:

 - i. amounting to routine revisions
 - ii. to provide appropriate clarity
 - iii. to correct typographical and other drafting errors
 - iv. to reflect new legislation
 - v. to correct inconsistencies in drafting
 - vi. to reflect new officer structures and job titles, properly approved through Council processes.
- (r) 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:

 - i. 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;
 - ii. 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;
 - iii. if it is considered that granting the dispensation is in the interests of persons living in the authority's area; or

iv. if it is considered that it is otherwise appropriate to grant a dispensation.

(s) 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:

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

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

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

- i. The financial adviser to the Council, Committees and Officers
- ii. The Authority's 'responsible financial officer', and
- iii. 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.
- iv. "Proper Administration" is not defined but shall also include responsibilities for compliance with the statutory requirements for accounting and internal audit.

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

- i. To carry out the functions and responsibilities which are detailed in the Finance Procedure Rules.

- ii. 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.
- iii. 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.
- iv. 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.
- v. 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.
- vi. To act as the Council's shareholder representative in respect of the Council's holding of interests in a company or group of companies.

6.4.4 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 and Non Domestic 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.

(a) 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:

- Finance
- Procurement
- Digital and IT
- Strategic change and service Improvement

- Audit and Risk Management

6.4.5 The Executive Director of Public Health, Inequalities and Stronger Communities

- (a) 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).
- (b) 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 Executive Director of Public Health, Inequalities and Stronger Communities by the Chief Executive

6.4.6 Executive Director of Children, Young People and Learning

- (a) 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.
- (b) 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:
- Children's Social Care,

- Education and Skills,
- Adoption,
- Corporate Parenting,
- Any other services allocated or reallocated to the Executive Director of Children, Young People and Learning by the Chief Executive

6.4.7 Executive Director of Adults, Ageing and Wellbeing

- (a) 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).
- (b) 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:
- Safeguarding Adults,
 - Adult Social Care,
 - Strategic Commissioning
 - Any other services allocated or reallocated to the Executive Director of Adults, Ageing and Wellbeing by the Chief Executive

6.4.8 Executive Director of Place and Regeneration

- (a) 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:
- Economy and Regeneration,
 - Borderlands Programme Management,
 - Planning,
 - Housing,

- Strategic Housing,
- Neighbourhood Services,
- Strategic Transport,
- Local Services,
- Countryside,
- Highways,
- Technical Services,
- Fleet
- Any other services allocated or reallocated to the Executive Director of Place and Regeneration by the Chief Executive

6.4.9 Chief Fire Officer

- (a) 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:
- Fire and Rescue Services,
 - Business Resilience and Emergency Planning,
 - Public Protection

Part 4

6.5 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 Corporate 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 Children, Young People and Education
Section 18 Children Act 2004	Director of Children's Services	Executive Director of Adults, Ageing and Wellbeing
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 and Fire and Rescue National Framework	Chief Fire Officer	Chief Fire Officer
s73A NHS Act 2006 and s30 Health and Social Care Act 2012	Director of Public Health	Executive Director of Public Health, Inequalities and Stronger Communities
Data Protection Legislation	Senior Information Risk Officer (SIRO)	Director of Law and Corporate Governance
S 69 Data Protection Act 2018 and Article 37 General Data Protection Regulations 2018 (GDPR)	Data Protection Officer (DPO)	Information Governance Manager

Legislation	Function	Proper Officer
Local Authority Circular LAC 2002/2	Caldicott Guardian	Executive Director of Public Health, Inequalities and Stronger Communities
Regulation of Investigatory Powers Act 2000	Senior Responsible Officer	Executive Director of Place and Regeneration

The Council employs the following Proper or appropriate Officers:

Legislation	Function	Proper Officer
<u>Local Government Act 1972</u>		
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 100A – 100H (except 100(D))	Admission of public (including press) to meetings	Head of Paid Service
Section 89(1)	Notice of casual vacancy	Chief Executive
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
Section 146(1)(a) and (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

Legislation	Function	Proper Officer
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 Corporate Governance
Section 234	Authentication of documents	Director of Law and Corporate Governance
Section 238	Certification of byelaws	Director of Law and Corporate Governance
Section 248	Officer who will keep the Roll of Freeman	Head of Paid Service
<u>Schedule 12</u>		
Para 4(3)	Receipt of notice about address to which summons to meeting is to be sent	Head of Paid Service
Para 4(2)(b)	Signing of summons to Council meeting	Head of Paid Service
<u>Schedule 14</u>		
Para 25	Certification of resolution concerning the Public Health Acts 1875 to 1925	Officer nominated under Section 73B National Health Service Act
<u>Local Government Act 1974</u>		
Section 30(5)	To give notice that copies of an Ombudsman's report are available	Head of Paid Service
<u>Local Government (Miscellaneous Provisions) Act 1976</u>		
Section 41(1)	The officer who will certify copies of evidence of resolutions and minutes of proceedings	Head of Paid Service
<u>Local Authorities Cemeteries Order 1977</u>		
Regulation 10	To sign exclusive rights of burial	Executive Director of Place and Regeneration
<u>Representation of the People Act 1983</u>		
Sections 82 and 89	Receipt of election expense declarations and	Chief Executive

Legislation	Function	Proper Officer
	returns and the holding of those documents for public inspection	
<u>Local Elections (Principal Areas) (England) Rules 2006</u>		
Schedule 2, Rule 53	Retention and public inspection of documents after an election	Chief Executive
<u>Local Government and Housing Act 1989</u>		
Section 2(4)	Recipient of the list of politically restricted posts	Director of Law and Corporate Governance
<u>Local Government (Committees and Political Groups) Regulations 1990</u>		
Regulation 8	For the purposes of the composition of committees and nominations to political Groups	Director of Law and Corporate Governance
<u>Local Authorities (Members Interests) Regulations 1992</u>		
Regulations 3,4,5 and 6	Functions relating to keeping a record of Members interests	Director of Law and Corporate Governance
<u>Local Authorities (Standing Orders)(England) Regulations 2001</u>		
Schedule 1 Part 2	Notification of appointment or dismissal of officers	Head of Paid Service
<u>The Local Authorities (Executive Arrangements) Meetings and Access to Information (England) Regulations 2012</u>		
Regulations 7, 10, 12-16	Arrangements for Cabinet Meetings including attendance, recording decisions and inspection of documents	Head of Paid Service
<u>Building Act 1984</u>		
Section 93	Authentication of documents	Head of Public Protection
<u>Food Safety Act 1990</u>		
Section 49(3)(a)	Authentication of documents	Head of Public Protection
<u>Public Health Act 1936</u>		

Legislation	Function	Proper Officer
Section 85(2)	To serve notice requiring remedial action where there are verminous persons or articles	Head of Public Protection
<u>Public Health Act 1961</u>		
Section 37	Control of any verminous article	Head of Public Protection
<u>Local Government Act 2000</u>		
Section 21ZA	Scrutiny Officer	Executive Director of Place and Regeneration
<u>Registration Service Act 1953</u>		
Section 6	Superintendent Registrar and Registrar of Births and Deaths	Service Manager – Registrars, Coroners and Archives
<u>Traffic Management Act 2004</u>		
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

Section 7

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 6](#) of the constitution.

Section 8

8 MAKING AND KEEPING RECORDS OF DECISIONS

8.1 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 [Part 9](#) of this Constitution, and which shall contain as a minimum:

- (a) 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;
 - (b) 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;
 - (c) 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
 - (d) 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:
 - 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.
 - (e) When decisions are taken, the decision record and/or minutes must be produced which will include the following information:
 - who took the decision (the person or body);
 - i. the details of the decision including the date it was made;
- 8.1.2** the reasons for the decision;
- i. a summary of any alternative options considered and rejected by the officer, Member or decision-making body when the decision was made;

- ii. 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
- iii. in respect of any declared conflict of interest, a note of any dispensation granted by the Monitoring Officer or Standards Committee.

8.2 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.
- (g) The minutes of the meeting must, as a minimum, contain:
 - i. a record of the decision;
 - ii. the date the decision was taken;

- iii.** a record of the reasons for the decision;
- iv.** details of any alternative options considered and rejected by the Cabinet at the meeting at which the decision was made;
- v.** a record of any declaration of interest and, in respect of decision making by elected Members, a note of any dispensation granted; and
- vi.** 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
- vii.** 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.

Section 9

9

APPENDIX A

Cabinet Member	Portfolio
Leader of the Council	<ul style="list-style-type: none"> (a) Corporate Strategy (b) Liaison and partnership development with external bodies, including town and parish councils (c) Environment and Climate Policy (d) Communications (e) Consultation & Engagement; (f) Rural Growth & Sustainability; (g) Coast and river protection
Deputy Leader / Supporting Business and Opportunities	<ul style="list-style-type: none"> (a) Economic Development and Growth (b) Digital Connectivity (c) Public Transport (d) Home to School Transport (e) Employability (f) Cycling & Walking Strategy (g) Strategic Transport and Infrastructure
Caring for Adults	<ul style="list-style-type: none"> (a) Adult Social Care (b) Safeguarding and Strategic Commissioning including shared and traded services. (c) Mental Health and Emotional Well-being (d) Adult Learning Disability Services (e) Carer's Wellbeing (f) Extra Care and Supported Housing
Looking After Our Communities	<ul style="list-style-type: none"> (a) Fire and Rescue Service (b) Emergency Planning and Resilience

Cabinet Member	Portfolio
	<ul style="list-style-type: none"> (c) Civil Contingencies (d) Public Protection (e) Community Safety (f) Environmental Health (g) Trading Standards (h) Licensing (i) Registration and Coroners
Corporate Services	<ul style="list-style-type: none"> (a) BEST (b) Finance & MTFP (c) Asset Management (d) Customer Services (e) HR & OD (f) Procurement (g) Revenues and Benefits (h) Performance (i) Audit & Risk (j) Governance (k) Member Services (l) Elections (m) ICT (n) Corporate Health and Safety
Inspiring Young People	<ul style="list-style-type: none"> (a) Schools and Children's Services (b) Early Years (c) Family Services (d) SEND (e) Safeguarding and LAC (f) Youth Services and Youth offending (g) Skills and training (h) Post 16 and adult education (i) Family HUBS

Cabinet Member	Portfolio
Improving Our Roads and Highways	<ul style="list-style-type: none"> (a) Highways Asset Management (b) Local Transport Plan (c) Street Lighting (d) Public Conveniences (e) Street Cleaning (f) Public conveniences (g) Car Parks and parking enforcement (h) AONB/Rights of Way (i) Fleet Management (j) Town Markets (k) Road Safety (l) Winter Services
Promoting Healthy Lives	<ul style="list-style-type: none"> (a) Leisure (b) Tourism (c) Culture (d) Play & Sport Strategies and Services (e) Libraries & Museums (f) Archives (g) Arts & Heritage (h) Events
Looking After Our Environment	<ul style="list-style-type: none"> (a) Environment (b) Waste & Recycling (c) Litter (d) Cemeteries & Crematoria (e) Parks & Open Spaces (f) Housing (g) Planning
Tackling Inequalities	<ul style="list-style-type: none"> (a) Inequalities (b) Public Health & Wellbeing (c) Social Inclusion (d) Communities First

Cabinet Member	Portfolio
	(e) Voluntary Sector/VCS

9.1 Equality and Diversity Champion

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

Section 10

10 TERMS OF REFERENCE FOR COMMITTEES OF THE COUNCIL

10.1 Introduction

10.1.1 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.

10.1.2 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 [Part 5, section 6](#).

10.1.3 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)

10.1.4 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.

10.1.5 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.

10.2 Appointments Committee (School Governors and Academies)

Terms of Reference and Powers

- (a) To recommend individuals for Local Authority representative appointments to maintained Schools and Academies;
- (b) To appoint additional Governors as appropriate to schools requiring intervention;
- (c) To remove Local Authority Governors from maintained Schools and Academies;
- (d) To delegate decisions in relation to the above to officers as the Committee feels appropriate

10.3 Audit Committee

Terms of Reference and Powers

10.3.1 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.

10.3.2 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 approve the Regulation of Investigatory Powers Act 2000 (RIPA) policy and procedures, monitor the Council's use of RIPA powers and to undertake the annual review of the Council's use of the Regulation of Investigatory Powers Act 2000 (RIPA) ensuring compliance with the Code of Practice.
- (i) To monitor the counter fraud strategy, actions and resources.
- (j) To review the governance and assurance arrangements for significant partnerships or collaborations.

10.3.3 Financial and governance reporting

- (a) Governance reporting
 - i. 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.

- ii. 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.

(a) Financial reporting:

- i. To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.
- ii. 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.
- iii. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

10.3.4 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.

10.3.5 External audit

- (a)** 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.
- (b)** To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
- (c)** To consider specific reports as agreed with the external auditor.
- (d)** To comment on the scope and depth of external audit work and to ensure it gives value for money.
- (e)** To consider additional commissions of work from external audit.
- (f)** To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

- (g) To provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with the committee.

10.3.6 Internal audit

- (a) To approve the internal audit charter.
- (b) To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- (c) 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.
- (d) To approve significant interim changes to the risk-based internal audit plan and resource requirements.
- (e) To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- (f) 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.
- (g) 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:
 - i. updates on the work of internal audit, including key findings, issues of concern and action in hand as a result of internal audit work
 - ii. regular reports on the results of the Quality Assurance and Improvement Programme
 - iii. 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.
- (h) To consider the head of internal audit's annual report, including:

- i. 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 and Improvement Programme that support the statement (these will indicate the reliability of the conclusions of internal audit)
 - ii. 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).
- (i) To consider summaries of specific internal audit reports as requested.
- (j) 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.
- (k) To contribute to the Quality Assurance and Improvement Programme and in particular to the external quality assessment of internal audit that takes place at least once every five years.
- (l) 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
- (m) 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.

10.3.7 Accountability arrangements

- (a) 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.
- (b) 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.

- (c) To publish an annual report on the work of the committee, including a conclusion on the compliance with the CIPFA Position Statement.
- (d) Designation of the County Council's Audit Committee as Group Audit Committee for all entities within Northumberland County Council's Accounting Group Boundary
- (e) 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.

10.4 Group Audit Committee

10.4.1 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.

10.5 Membership and Constitution

- 10.5.1** 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.
- 10.5.2** 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.
- 10.5.3** It is expected that the Executive Director of Transformation and Resources/S151 Officer and Head of Internal Audit and 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.
- 10.5.4** 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.
- 10.5.5** 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.
- 10.5.6** 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.

10.6 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:

10.6.1 Financial reporting

- (a) To review and, if appropriate, approve the Group Accounts, focusing particularly on:
- i. any changes in accounting policies and practice;
 - ii. significant financial reporting judgements;
 - iii. material adjustments resulting from the External Audit;

- iv. the going concern assumption;
 - v. compliance with accounting standards and best practice;
 - vi. compliance with any regulatory or legal requirements;
 - vii. monitoring the integrity of all formal announcements relating to financial performance as appropriate, reviewing significant financial reporting judgements contained in them;
 - viii. ensuring that all financial reports to external parties are balanced and fair, and conform with accounting and other regulatory requirements and standards;
 - ix. 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
 - x. 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.

10.6.2 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.

10.6.3 Internal Control

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;

- (a) to maintain oversight on whether any significant weaknesses identified are dealt with and reported to an appropriate committee or officer of the County Council;
- (b) to review and approve, on a biennial basis, the Group Audit Policy;
- (c) to monitor any instances of fraud within group entities
- (d) to commission special investigations into matters of particular concern relating to internal control within group entities;
- (e) to learn from the internal and external auditors of any major audit findings within group entities, and to advise thereon;
- (f) to receive an annual report on compliance with all Health and Safety requirements from each entity within the Group; and
- (g) report any recommendations relating to Group activities to the County Council's Chief Executive and / or to Cabinet as appropriate.

10.6.4 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;
- (d) 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.

10.6.5 High Level Risk and 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.

10.6.6 Fraud Awareness

- (a) The County Council's Audit Committee when acting as Group Audit Committee will review the effectiveness of fraud awareness issues throughout the Group by:
 - i. 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.
 - ii. 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;
 - iii. receiving, periodically, reports on fraud issues as they have affected the Group;

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

10.6.7 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 of Transformation and Resources/s.151 Officer of the County Council.

10.7 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.

10.8 Accountability

10.8.1 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 of Transformation and Resources/s.151 Officer an updated list of all entities which are within Northumberland County Council's accounting group boundary.

10.8.2 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.

10.8.3 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.

10.8.4 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.

10.9 Authority

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

- (a) 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

- (b) instruct Internal Audit in consultation with the Chief Executive, Executive Director of Transformation and resources/s.151 Officer or Director of Law and Corporate Governance, as appropriate, to take forward any tasks or actions prescribed by the Committee towards the fulfilment of the Committee's Terms of Reference.

10.10 Scrutiny Committees

Please see link for [Part 6](#)

Name of Overview and Scrutiny Committee	Purpose of Committee
(a) Communities and Place	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.
(b) Corporate Services and Economic Growth	Matters relating to economic development and the Council's corporate services, strategic transport, and budgetary and performance management.
(c) Family and Children's Services	Matters relating to the provision of education, lifelong learning, and safeguarding children.
(d) Health and Well Being	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 and Wellbeing Board.

10.11 Communities and Place Overview and Scrutiny Committee

10.11.1 Terms of Reference

- (a) To maintain an overview of the Management Agreements in place between the County Council and Places for People Leisure Management, 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
- (c) 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.

10.12 Corporate Services and Economic Growth Overview and Scrutiny Committee

Terms of Reference

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

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

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

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

10.12.5 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

10.13 Family and Children's Services Overview and Scrutiny Committee

Terms of Reference

10.13.1 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

10.13.2 To oversee and monitor school improvement, as follows:

- (a) To receive feedback on the Ofsted inspection of schools.
- (b) To support the work of the County Council and the progress of schools on the School Intervention and Support Programme in specified categories.
- (c) 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.
- (d) To receive an annual report on the performance of schools.

10.14 Health and Wellbeing Overview and Scrutiny Committee

Terms of Reference

10.14.1 To promote well-being and reduce health inequality, particularly in supporting those people who feel more vulnerable or are at risk.

10.14.2 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.

10.14.3 To take a holistic view of health in promoting the social, environmental and economic well-being of local people.

10.14.4 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.

10.14.5 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

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

10.15.1 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.

10.16 Dismissal Advisory Committee

10.16.1 Terms of Reference and Powers

- (a) 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.
- (b) 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.

10.17 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

10.18 Fostering Panel (Advisory Panel to be revised)

10.18.1 Terms of Reference and Powers

- (a) The functions of the Fostering Panel are specified in [Part 5 Regulation 25 of the Fostering Service \(England\) Regulations](#):
- i. To consider each application for approval and to recommend whether or not a person is suitable to be a foster parent
 - ii. Where it recommends approval of an application, to recommend any terms on which the approval is to be given
 - iii. 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:
 - iv. on the first Review carried out in accordance with Regulation 28(2)
 - v. on the occasion of any other Review, if requested to do so by the Fostering Service provider in accordance with Regulation 28(5), and
 - vi. To consider any case referred to it under Regulation 27(9) or 28(10).
- (b) The Fostering Panel must also:
- i. 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
 - ii. oversee the conduct of assessment carried out by the Fostering Service provider, and
 - iii. give advice and make recommendations on such other matters or cases as the Fostering Service provider may refer to it.

10.19 Governing Body of Netherton Park (Advisory)

Terms of Reference and Powers

To exercise the functions of the Responsible Body of the Home.

10.20 Health and Wellbeing Board (separate rules for appointment)

10.20.1 Terms of Reference

- (a) 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.

- (b) 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.
- (c) To promote a shared transformational culture and set of key principles, across constituent organisations of the board, to drive positive change.
- (d) To hold the system to account to prioritise early intervention and primary intervention.
- (e) To improve democratic accountability for health and wellbeing decision making.
- (f) To provide a focus for Health and Wellbeing Board partners and total public sector commitment to improving population wellbeing and health outcomes.
- (g) To ensure the engagement of the public in determining needs and service commissioning.
- (h) To undertake regular reviews of the Board's activity to ensure that it is achieving what it is setting out to do.

10.20.2 Statutory functions

- (a) To encourage all health and social care organisations which operate within Northumberland to work together in an integrated manner.
- (b) 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.
- (c) 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.
- (d) To produce a joint health and wellbeing strategy (JHWS) for Northumberland, on behalf of the Council and Northumberland Clinical Commissioning Group.
- (e) 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.
- (f) To maintain and update Northumberland's Pharmaceutical Needs Assessment.

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

10.20.3 Additional functions delegated by Council

- (a) To monitor performance against designated health and wellbeing outcomes as detailed in the Health and Well Being Strategy and to hold partners to account.
- (b) 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
- (c) To promote broader integration and partnership working between the NHS, social care, public health and other local services
- (d) Any other functions that may be delegated by the Council under section 196 (2) of the Health and Social Care Act 2012.

10.21 Joint Consultative Committee (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.

10.22 Licensing Committee (Not subject to Proportionate Political Rules)

10.22.1 Terms of Reference and Powers

- (a) 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.
- (b) The Licensing Committee may arrange for any functions which it exercises to be discharged by:
 - i. a Sub-Committee established by it, or
 - ii. an officer of the Council as Licensing Authority.
 - iii. The Committee will report to the Council on any such arrangements it may make.
- (c) Where the Licensing Committee exercises the function of determining any application or similar matter, it will do so through a Sub Committee.

10.23 Licensing and Regulatory Committee

10.23.1 Terms of Reference and Powers

Except where the matter is delegated either expressly to the Head of 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:-

- (a) 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:-
- animal boarding establishments
 - betting tracks
 - dangerous wild animals
 - dog breeding establishments
 - game dealers
 - hackney carriage drivers and proprietors
 - hypnotism
 - lotteries
 - motor salvage operators
 - pet shops
 - pleasure boats and navigators
 - private hire vehicle drivers, proprietors and operators
 - sex establishments
 - street collections
 - street trading – prohibited areas
 - theatres and cinemas
 - film classification
 - use of land as a caravan site
 - use of moveable dwellings and camping sites
 - premises for acupuncture, tattooing, ear piercing and electrolysis
 - safety certificates for sports grounds

- zoos
 - knackers yards
- (b) to be responsible for any other licensing matters, including applications for licenses or registrations which are not delegated to any other body;
- (c) to make recommendations on licensing policy;
- (d) to make an order identifying a place as a designated public place for the purposes of police powers in relation to alcohol consumption;
- (e) to make recommendations to full Council in respect of bye-laws, including making new, or amending or revoking existing bye-laws;
- (f) 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.

10.24 Local Area Committee's

10.24.1 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 and criteria set out at (n) below
- (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.

(n) Planning Function

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 Local Area Committee to determined:

1. Applications (other than those for the discharge of reserved matters or conditions or for applications under s73 Town and Country Planning Act 1990, as amended) submitted by or on behalf of elected Members of the Council or by their spouses/partners.
2. Applications (other than those for the discharge of reserved matters or conditions or for applications under s73 Town and Country Planning Act 1990, as amended) involving land and/or premises in the ownership or under the control of elected Members of the Council or their spouses/partners.
3. Applications submitted by or on behalf of any senior officer* of the Council or by their spouses/partners (other than those for the discharge of reserved matters or conditions or for applications under s73 Town and Country Planning Act 1990, as amended)
4. Non Major Applications (other than those for the discharge of reserved matters or conditions or for applications under s73 Town and Country Planning Act 1990, as amended) 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 if the Council was minded to grant permission and which are the subject of substantive planning objections which raise issues of strategic or wider community concerns and have not been resolved by negotiation or the imposition of conditions.
5. Applications (other than applications under s73 Town and Country Planning Act 1990) which are a departure from the Development Plan and if the Council was minded to grant permission.

6. Any application which an elected Member of the Council requests should be considered by the Committee, provided the request is in writing to the Relevant Officer, 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).
7. Applications which are subject to a material planning objection from a statutory consultee as defined in [Article 16](#) of the Town and Country (Development Management Procedure) England Order 2010 which has not been resolved the imposition of conditions.
8. Such other matters which indicate a Committee decision to be appropriate by the Chief Planning Officer, in accordance with the criteria set out in [Appendix 1](#) below.

*Senior Officer is defined as Director or Head of Service (or equivalent title).

**Relevant Officer means the Chief Planning Officer or an officer delegated this function.

Appendix 1

Development Management Delegations

In all such cases, the delegated officer must liaise with the Chair and Vice Chair in relation to the request with the final decision made by the Relevant Officer.

1. Whether the Local County Councillor has requested in writing with reasons that the matter be determined by Committee.
2. Whether the officer recommendation is contrary to material planning concerns raised by the Town or Parish Council.
3. Whether it is desirable that significant representations for and/or against a development proposal should be heard by the Committee.
4. The impact of the development on communities, businesses or individuals.
5. The number, strength and issues raised in public representations.
6. Whether there are significant national planning policy or development plan implications raised in the proposal.
7. Whether formal Environmental Impact Assessment is involved.
8. The scale and/or complexity of the development.

9. The characteristics and sensitivity of the site or adjacent sites, including amenity and heritage considerations.
10. The nature of the planning history and the history of previous Committee involvement.
11. Whether Council owned land is involved and it is prudent and in the public interest that the decision is taken by Committee.
12. Whether the matter is likely to involve either a fine balance between alternative decisions or disputed/uncertain matters of fact or law which ought in the interests of natural justice to be considered by Committee.
13. Whether there are any legal consequences arising from the determination of the application which are of such significance that they ought to be considered by Committee.

10.24.2 Whether there are any other factors which indicate a Committee decision to be appropriate

10.25 Petitions Committee

10.25.1 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.

10.26 Schools Forum (Advisory not subject to Proportionate 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.

10.27 Employment (Appeals) Committee

10.27.1 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

10.28 Grievance Committee

10.28.1 Terms of Reference

- (a) 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.
- (b) 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.

10.28.2 Grievances raised by the Chief Executive or Chief Officer

- (a) 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.
- (b) If the grievance cannot be resolved informally to the satisfaction of the officer, the Monitoring Officer shall oversee a two stage process:
 - i. 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.

- ii. 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.

10.28.3 Grievances raised about a Chief Officer

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

10.28.4 Formal Stage One

- (a) In most cases it will be appropriate for an independent investigator to be appointed to carry out the investigation.
- (b) A grievance meeting will take place where the officer can discuss their grievance
- (c) The officer has the right to be accompanied by a Trade Union representative or work colleague to any meetings relating to their grievance.
- (d) 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.

10.28.5 Formal Stage Two

- (a) 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.
- (b) If the Employment (Appeals) Committee dismisses the appeal, then the matter would be regarded as having been concluded.

10.28.6 Grievances raised about the Chief Executive

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

- (b) 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
- (c) Director of HR and the Chair of the Grievance committee in reaching that decision.
- (d) 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.
- (e) If the matter remains unresolved, the Monitoring Officer will refer the matter for determination by the Grievance Committee.

10.28.7 Formal Stage One

- (a) 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.
- (b) A hearing will take place of the Grievance Committee at which the Chief Executive has the right to make representations.
- (c) The officer has the right to be accompanied by a Trade Union representative or work colleague to any meetings relating to their grievance.
- (d) The Grievance Committee will hear the case and reach its conclusion which may include one of the following:
- (e) Uphold the grievance. This may include a decision or recommendation on how the issue can best be resolved to the satisfaction of the complainant.
- (f) 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.
- (g) Dismiss the grievance. If dissatisfied with the outcome, the aggrieved employee then has a right of appeal.

10.28.8 Formal Stage Two

- (a) 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.

10.29 Staff and Appointments Committee

10.29.1 Terms of Reference and Powers

- (a) 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.
- (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 relation 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.
- (f) To approve staff policies
- (g) 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.

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.

10.30 Standards Committee

10.30.1 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.

10.31 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.

10.32 Strategic Planning Committee

10.32.1 Terms of Reference and Powers

1. 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 Schedule1 to the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, including the following matters which specifically require a decision by:

2. Major applications for energy and physical infrastructure proposals such as wind farms, mineral extractions and waste planning (other than those for the discharge of reserved matters or conditions or for applications under s73 Town and Country Planning Act 1990)
3. Applications for planning applications involving more than 100 units and/or more than 1,000 sq meters of commercial floorspace (other than those for the discharge of reserved matters or conditions or for applications under s73 Town and Country Planning Act 1990, as amended)
4. Applications submitted by or on behalf of the Council for its own development 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 and which are the subject of substantive planning objections which raise issues of strategic or wider community concerns and have not been resolved by negotiation or the imposition of conditions. (other than those for the discharge of reserved matters or conditions or for applications under s73 Town and Country Planning Act 1990, as amended)
5. Such other matters which indicate a Committee decision to be appropriate by the Chief Planning Officer for the reason that it raises issues of strategic, wider community or significant County Council interest.

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PART 6

Accountability

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

PART 6 – ACCOUNTIBILITY

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Section 1

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:

- (a)** To contribute to policy development on critical matters;
- (b)** To investigate matters of interest and concern to the wider community – particularly if they relate to complex, cross-cutting and high profile challenges;
- (c)** 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 9, Section 5](#)

Section 2

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:

- (a) To contribute to policy development on critical matters;
- (b) To investigate matters of interest and concern to the wider community – particularly if they relate to complex, cross-cutting and high profile challenges;
- (c) 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.

2.2 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.

2.3 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.

2.4 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 8](#) below.

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

2.5 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 5](#) 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.

2.6 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:

- (a) 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.
- (b) Require the provision of information held by the authority. In Northumberland, this means that:
- (c) officers will draft reports for submission to scrutiny committee meetings which meet requirements set out by the Chair of the relevant committee;
- (d) officers will provide information to individual members of scrutiny committees which reflects the rights laid out in the Member Access to Information Protocol.
- (e) 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 9](#).

2.7 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 8](#) of the constitution. Scrutiny has powers and obligations in relation to some of these partners. They include:

- (a)** 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;
- (b)** 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;
- (c)** 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.

Section 3

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:

- (a)** 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;
- (b)** 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;
- (c)** 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;
- (d)** 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;
- (e)** 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;
- (f)** Focus on the importance of culture, relationships and collaboration – within, and outside, the Councillor – in investigating topics and delivering recommendations.
- (g)** These values are variously built into the ways of working for scrutiny committees laid out below.

Section 4

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

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
Corporate Services and Economic Growth Overview and Scrutiny Committee	<p>(a) To maintain an overview of the Council's Annual Budget and Budgetary Management via the Medium Term Financial Plan</p> <p>(b) To review the state of Northumberland and the County Council's activity in delivering its Corporate Plan</p> <p>(c) To maintain an overview of the Council's performance management arrangements, highlighting areas of poor performance and monitoring recovery delivery plans</p> <p>(d) 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 8</p> <p>To monitor, review and make recommendations about:</p> <p>(a) Corporate Services: Organisational Development, Health and Safety, ICT Strategy, Corporate Governance, Financial Services, Procurement Strategy, Risk Strategy, Shared and Traded Services</p> <p>(b) Partnership development co-ordination with local organisations</p> <p>(c) Relationships with external bodies</p> <p>(d) Regeneration and Economic Development</p> <p>(e) Strategic Transport Network and Infrastructure</p> <p>(f) Employability, Skills, and removing barriers to work</p> <p>(g) Capital Programme and Asset Management</p> <p>(h) Support to VCS organisations and the Council's relationship with town and parish Councils</p>

Name of committee	Terms of reference
Communities and Place Overview and Scrutiny Committee	<p>To monitor, review and make recommendations about:</p> <ul style="list-style-type: none"> (a) Development planning (b) Neighbourhood Planning (c) Conservation (d) Housing (e) Climate Change (f) Countryside, Biodiversity and landscape quality (g) Waste Management and Energy Use (h) Public and community transport network and travel to school (i) Highway maintenance, Streetscape, and the local environment (j) Local and Neighbourhood services (k) Crime, Community Safety, and fear of crime, including CONTEST, Prevent and Channel (l) Antisocial behaviour and domestic violence (m) Fire and rescue (see Article 18) (n) Emergency services and Emergency planning (o) Customer Services (p) Provision of cultural and leisure facilities (q) Improving quality of life through access to culture and leisure (r) Supporting economic growth in the arts, culture, and leisure sectors (s) 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.
Family and Children's Services Overview and Scrutiny Committee	<p>To monitor, review and make recommendations about:</p> <ul style="list-style-type: none"> (a) Early Years (b) Education and Schools (c) Special education needs and disability (d) Adult and Community Education (e) Training and Vocational Education (f) Lifelong Learning (g) Youth Offending (h) Social Services for Children and Young People (i) Children's Health (j) Teenage Sexual Health

Name of committee	Terms of reference
	<p>(k) Looked After Children (l) Safeguarding – Children (m) Youth Services (n) Family Services (o) Children’s Centres</p> <p>To oversee and monitor school improvement:</p> <p>(a) To receive feedback on the Ofsted inspection of schools. (b) To support the work of the County Council and the progress of schools on the School Intervention and Support Programme in specified categories. (c) 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. (d) To receive an annual report on the performance of schools</p>
<p>Health and Wellbeing Overview and Scrutiny Committee</p>	<p>(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.</p> <p>To monitor, review and make recommendations about:</p> <p>(a) Adult Care and Social Services (b) Adults Safeguarding (c) Welfare of Vulnerable People (d) Independent Living and Supported Housing (e) Carers Well Being (f) Mental Health and Emotional Well Being (g) Financial inclusion and fuel poverty</p>

Name of committee	Terms of reference
	(h) Adult Health Services (i) Healthy Eating and Physical Activity (j) Smoking Cessation (k) Alcohol and drugs misuse (l) Community Engagement and Empowerment (m) Social Inclusion (n) 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 9](#) of the Constitution.

5.1 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.

5.2 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:

- (a) The advice of the Monitoring Officer;
- (b) The need for such work to add clear value for the people of Northumberland;
- (c) 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.

5.3 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:

- (a) 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;
- (b) Evidence-gathering, following the methods set out in this Part. Task and finish work may be carried out both in private and in public;
- (c) 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;
- (d) 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

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.

6.1 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.

6.2 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:

- (a)** The Church of England Diocese of Newcastle;
- (b)** The Roman Catholic Diocese of Hexham and Newcastle;
- (c)** 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;
- (d)** 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

7 THE ROLE OF CHAIRS OF OVERVIEW AND SCRUTINY COMMITTEES

Chairs of overview and scrutiny committees have a role, individually and collectively, to:

- (a)** Preserve and champion the independence of the scrutiny function from the executive;
- (b)** Ensure that scrutiny is looking at the right things, in the right way, at the right time;
- (c)** Ensure that scrutiny is a collaborative working environment which benefits from the experience and viewpoints of a range of Councillors;
- (d)** Ensure that scrutiny activity is planned and carried out in a way which conforms to the Council's agreed values and behaviours;
- (e)** Ensure that scrutiny is visible to the public and drawing on public insight and views;
- (f)** Ensure that Councillors sitting on scrutiny committees individually and collectively have the skills and capabilities to carry out their roles;
- (g)** 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

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>8.1 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"> a) Forthcoming policy development, with such matters usually being identified well ahead of time; b) 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</p>
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	<p>however have the discretion to place such matters on the work programme where the subject matter is high profile and contentious.</p>
<p>8.2 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"> a) 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 9 set out the arrangements for this form of evidence-gathering in more detail; b) 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 Part 6 Section 5.2 c) 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;

	<p>d) 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 Part 9</p> <p>e) 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>
<p>8.3 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> <p>a) 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;</p> <p>b) 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</p>

	<p>committee cycle, and used in support of the work programming process described above;</p> <p>c) 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;</p> <p>d) 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;</p> <p>e) 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.</p>
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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.

PART 7 – GOVERNANCE AND CULTURE

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Section 1

1 INTRODUCTION

1.1 Governance and culture

Good governance is central to the Council's ability to provide services to local people that meet their needs and expectations.

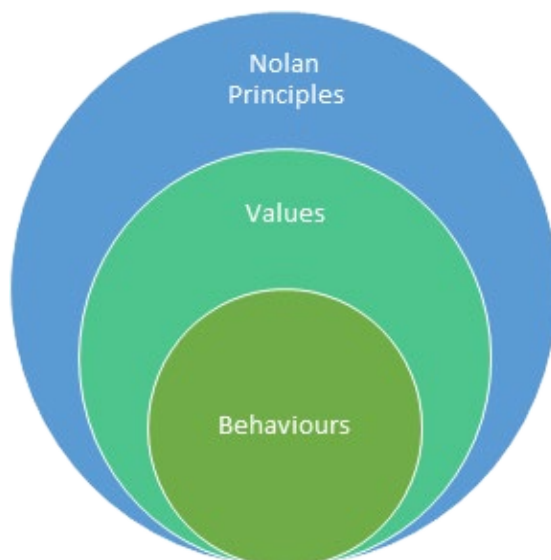
Central to good governance is an environment where Councillors, officers and others understand their roles, responsibilities and relationships, and are able to work confidently, transparently and responsibly with others.

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.

1.1.1 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.

1.1.2 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.

1.1.3 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:

- (a) 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;
- (b) 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.

1.2 Standards and relationships generally: protocols

1.2.1 Member Code of Conduct

1.2.2 Officer Code of Conduct

1.2.3 Member-Officer Protocol

1.2.4 Social Media Protocol

1.2.5 Procedure Rules on Officers Employment / disciplinary arrangements

1.2.6 Registers of Interest

1.2.7 Further protocols

1.2.8 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:

- (a)** An Executive-Scrutiny Protocol, which will be subject to agreement between Cabinet and Scrutiny Chairs;
- (b)** 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

2 CODE OF CONDUCT FOR ELECTED MEMBERS

2.1 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;
- (c) and who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee”.

2.2 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.

2.3 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.

2.3.1 In accordance with the public trust placed in me, on all occasions:

- (a) I act with integrity and honesty
- (b) I act lawfully
- (c) I treat all persons fairly and with respect; and
- (d) I lead by example and act in a way that secures public confidence in the role of Member.

2.3.2 In undertaking my role:

- (a) I impartially exercise my responsibilities in the interests of the local community
- (b) I do not improperly seek to confer an advantage, or disadvantage, on any person
- (c) I avoid conflicts of interest
- (d) I exercise reasonable care and diligence; and
- (e) I ensure that public resources are used prudently in accordance with my local authority's requirements and in the public interest.

2.4 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.

2.4.1 This Code of Conduct applies to you when you are acting in your capacity as a Member which may include when:

- (a) you misuse your position as a Member
- (b) 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;

2.4.2 The Code applies to all forms of communication and interaction, including:

- (a) at face-to-face meetings
- (b) at online or telephone meetings
- (c) in written communication
- (d) in verbal communication
- (e) in non-verbal communication
- (f) in electronic and social media communication, posts, statements and comments.

2.4.3 You are also expected to uphold high standards of conduct and show leadership at all times when acting as a Member.

2.4.4 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.

2.5 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.

2.6 General conduct

2.6.1 Respect

As a Member:

- (a) I treat other Members and members of the public with respect.
- (b) 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.

2.7 Bullying, harassment and discrimination

As a Member:

- (a) I do not bully any person.
- (b) I do not harass any person.
- (c) 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.

2.8 Impartiality of officers of the Council

As a Member:

- (a) 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.

2.9 Confidentiality and access to information

As a Member, I do not disclose information:

- (a) given to me in confidence by anyone
- (b) acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, unless
- (c) I have received the consent of a person authorised to give it;

- (d) I am required by law to do so;
- (e) 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
- (f) the disclosure is reasonable and in the public interest; and
- (g) made in good faith and in compliance with the reasonable requirements of the local authority; and
- (h) I have consulted the Monitoring Officer prior to its release.
- (i) 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.
- (j) 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.

2.10 Disrepute

As a Member:

- (a) 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 you 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.

2.11 Use of position

As a Member:

- (a) 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.

2.12 Use of local authority and resources

As a Member:

- (a) I do not misuse Council resources.
- (b) I will, when using the resources of the local authority or authorising their use by others:
- (c) 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
- (d) 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:

- (a) office support
- (b) stationery
- (c) equipment such as phones, and computers
- (d) transport
- (e) 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.

2.13 Complying with the Code of Conduct

As a Member:

- (a) I undertake Code of Conduct training provided by my local authority.

- (b) I cooperate with any Code of Conduct investigation and/or determination.
- (c) I do not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings.
- (d) 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.

2.14 Protecting your reputation and the reputation of the local authority Interests

As a Member:

- (a) 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.

2.15 Gifts and hospitality

As a Member:

- (a) 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.

- (b) I register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt.
- (c) 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.

2.16 Protocols

As a Member:

- (a) 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:

1. Selflessness

Holders of public office should act solely in terms of the public interest

2. 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.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. 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.

5. 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.

6. Honesty

Holders of public office should be truthful.

7. 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.

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.

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.

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

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.

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

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

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.

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 Registrable 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
- (d) Where a matter (referred to in paragraph 8 above) affects the financial interest or well-being:
- (e) to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
- (f) 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.

- (a) Where you have an Other Registrable Interest or Non-Registrable 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.
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)
 - (iv)** which is a fraternal or sororal organisation;
 - (v)** which is not open to members of the public without membership of that organisation and where membership includes a requirement to make a commitment of allegiance.

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:

- (a)** Guidance for Elected Members and Officers Dealing with Planning matters
- (b)** Guidance for Elected Members Dealing with Licensing matters
- (c)** Protocol on Member/Officer relations
- (d)** Records and Information Management Policies
- (e)** Acceptance Policy

Section 3

3 OFFICERS' CODE OF CONDUCT

Code of conduct for all employees of Northumberland County Council

3.1 Introduction

- 3.1.1** 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.
- 3.1.2** 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.
- 3.1.3** 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.
- 3.1.4** 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.
- 3.1.5** 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.
- 3.1.6** All employees are expected to follow the Code of Conduct. In some instances failure to do so may put your employment at risk.
- 3.1.7** 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.

3.2 **Scope**

3.2.1 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:-

- (a) secondments (both to and from the County Council),
- (b) temporary assignments (both to and from the County Council), Work Placements and Trainees,
- (c) full-time, part-time, job-share, casual, seasonal employees and volunteers
- (d) office holders such as registrars,
- (e) employees acting as Members of companies or voluntary organisations,
- (f) 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.

3.2.2 The Code also extends to additional or dual employment that has been secured as a result of working for local government.

3.2.3 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.

3.3 **Standards**

3.3.1 General

- (a) 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.
- (b) 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.

- (c) 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.
- (d) 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.

3.4 Honesty

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.

3.5 Loyalty

- 3.5.1** It is a fundamental implied term of your contract of employment that you are loyal to the County Council.
- 3.5.2** 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.
- 3.5.3** You can raise matters of concern informally with your manager, and, if the matter affects your employment, you could use the Grievance Procedure.
- 3.5.4** 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:
 - (a) not misusing the Council's property

- (b) not soliciting the customers or clients of the Council in order to transfer their custom to yourself once you have left the Council
- (c) 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)
- (d) not disrupting the Council's business

3.6 Personal behaviour

- 3.6.1** 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.
- 3.6.2** 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.
- 3.6.3** 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.
- 3.6.4** 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.

3.7 Courtesy and co-operation

- 3.7.1** 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.
- 3.7.2** 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.

3.8 Personal appearance

- 3.8.1** 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.
- 3.8.2** 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.
- 3.8.3** The County Council will enforce these rules having regard to the differences for men and women.
- 3.8.4** 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.

3.9 Internet and Social Networking

- 3.9.1** 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.
- 3.9.2** 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.
- 3.9.3** As an employee of Northumberland County Council you must;

- (a) not access social networking sites during working hours, unless you are authorised to do so for Council business.
- (b) 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.
- (c) not post information on a social networking site which is confidential to the County Council, its suppliers, customers or contractors.
- (d) refrain from making reference on a social networking site to the County Council its employees, its customers, its clients, its suppliers and contractors.
- (e) 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.
- (f) 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.
- (g) not make discriminatory or offensive comments about work colleagues on social networking sites.
- (h) 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.
- (i) 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.
- (j) 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.
- (k) Before using social networking you should read and understand the Social Networking Policy found on the HR pages of the intranet.

3.10 Relationships

3.10.1 Members

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.

3.10.2 The local community and service users

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.

3.10.3 Contractors

- (a) 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. You must declare any relationship of a private nature with potential contractors to the Head of Corporate Commissioning and Procurement prior to participating in any procurement process.
- (b) 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 Corporate Commissioning and Procurement and make HR aware of this also.
- (c) 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.

3.10.4 Appointment and other employment matters

- (a) 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.

- (b) 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.
- (c) You must follow the County Council's Recruitment Code at all times if you are engaged in the recruitment of staff.
- (d) 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.
- (e) 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.

3.10.5 Spouses, partners and close personal friends

- (a) 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.
- (b) 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.
- (c) 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.

- (d) 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.
- (e) 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.

3.10.6 Interests of spouses, partners and close personal friends

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.

3.11 Political neutrality

- 3.11.1** 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.
- 3.11.2** 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.

- 3.11.3** 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.
- 3.11.4** 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.
- 3.11.5** 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.

3.12 Use of Financial Resources

- 3.12.1** 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.
- 3.12.2** You must abide by the County Council's financial and procurement procedures and follow any instructions given by your managers and Internal Audit.

3.13 Equality Issues

- 3.13.1** 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.
- 3.13.2** 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.
- 3.13.3** 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.

3.14 Health and Safety issues

3.14.1 In line with legal and contractual obligations, all employees are required to cooperate and ensure compliance with Corporate and Group Health and 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.

3.14.2 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.

3.15 Disclosure of information

3.15.1 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.

3.15.2 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 and 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.

3.15.3 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.

3.15.4 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.

3.16 Outside commitments

3.16.1 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.

3.16.2 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.

- 3.16.3** 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

3.17 Intellectual Property

- 3.17.1** All creative designs, writings and drawings produced by employees in the course of their duties are the property of the Council.
- 3.17.2** 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.
- 3.17.3** 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.
- 3.17.4** 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.

3.18 Personal interests

- 3.18.1** 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.
- 3.18.2** 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.
- 3.18.3** 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.
- 3.18.4** 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.

3.18.5 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.

3.18.6 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.

3.19 Improper use of position, title or authority

3.19.1 General

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.

3.19.2 Influencing colleagues to purchase goods or services

- (a)** 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.
- (b)** 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.

3.19.3 Touting on behalf of secondary employment

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.

3.20 Use of County Council property

3.20.1 General

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:

- (a) 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,
- (b) the loan of equipment to enable you to do County Council work at home and so increase productivity.
- (c) 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.

3.20.2 Premises

- (a) 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.
- (b) 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.
- (c) 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.

3.20.3 Equipment and other property

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.

3.20.4 Clothing and Personal Protective Equipment

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.

3.20.5 Tools of the trade

No "tools of the trade" supplied by the County Council may be used in connection with any secondary employment.

3.20.6 Telephones

- (a) 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.
- (b) 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.

3.20.7 Photocopiers

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.

3.20.8 Facsimile (fax) machines

County Council fax machines which are not available for public use must only be used for County Council business.

3.20.9 Franking machines and stamps

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.

3.20.10 Computers

County Council computing equipment must only be used for official purposes.

3.20.11 Stationery

- (a) 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.
- (b) County Council headed paper must only be used where you are expressing the view of the County Council or acting on its behalf.

3.20.12 Leased cars

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.

3.20.13 Council Vehicles

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.

3.20.14 Vouchers

Vouchers obtained through County Council purchases are the County Council's property and are to be used only for its official purchases.

3.20.15 "Cash and Carry" cards

Cash and Carry cards obtained by the County Council are to be used only for its official purchases.

3.20.16 "Company" credit cards

- (a) 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.
- (b) 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.

3.21 Situations of personal gain or advantage

3.21.1 General

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.

- (a) Purchases from County Council stocks. 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.
- (b) Purchases from County Council contractors and clients. 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.
- (c) Purchase of surplus property. 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.
- (d) Bribery Act 2010. There are several offences under the Bribery Act 2010 which relate to local authorities including:

 - i. 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.
 - ii. 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.

- iii. 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 Policy

3.22 Corruption Strategy

3.22.1 Separation of roles during Tendering

- (a) 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
- (b) employee with both a client and contractor responsibility, you must be aware of the need for accountability and openness. In any event you must declare any conflict of interest to the Head of Corporate Commissioning and Procurement which might or could be seen to influence your judgement prior to participating in any procurement process.
- (c) 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.
- (d) 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.
- (e) 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.
- (f) 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.

3.22.2 Corruption

- (a) 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.
- (b) 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.

3.22.3 Sponsorship - Giving and Receiving

- (a) 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.
- (b) 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.
- (c) 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.

3.22.4 Hospitality

- (a) 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.

- (b) 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.
- (c) 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.
- (d) 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.
- (e) 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 Head of Corporate Commissioning and Procurement gives consent in advance and where the Head of Corporate Commissioning and Procurement is satisfied that any purchasing decisions are not compromised. Where visits to inspect equipment, etc., are required, you should ensure that the Head of Corporate Commissioning and Procurement meets the cost of such visits to avoid jeopardising the integrity of subsequent purchasing decisions.
- (f) A checklist of provided at Appendix A which you can use to help you decide whether or not it is appropriate to accept hospitality.

3.23 Gifts

3.23.1 General principles

- (a) 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.
- (b) 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.

- (c) A checklist is provided at Appendix A which you can use to help you decide whether or not it is appropriate to accept gifts.

3.23.2 Gifts from service users and clients

- (a) 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.
- (b) 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”.
- (c) 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.

- (d) Is the value of the gift/hospitality £25 or over?
- (e) If under £25 is it intended as an inducement?
- (f) Is the extent of the hospitality or nature of the gift reasonable and appropriate?
- (g) Does the donor have any form of contractual relationship with the Council, does it provide goods or services to the Council of any kind?
- (h) 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?
- (i) What do you think is the motivation behind the invitation/gift?
- (j) 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?
- (k) 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?
- (l) 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 and 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](#)".

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DECLARATIONS OF HOSPITALITY AND GIFTS

Name;	Job Title;
Group;	Grade;
This application is made in respect of:	<input type="checkbox"/> Hospitality
Name of company/ individual making the offer	
Relationship with the company/ individual	
Date Offer Received	
Approx Value of Offer (if known)	
Offer	Accepted/Declined
Head of Service Authorisation	
This application is made in respect of:	<input type="checkbox"/> Gifts
Name of company/ individual making the offer	
Relationship with the company/individual	
Date Offer Received	
Approx Value of Offer (if known)	
Offer	Accepted/Declined
Date of when referred to Head of Service	
Signed;	Dated;

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 the 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* (delete as appropriate)
<p>Signature;</p> <p>Date;</p>	
<p>If the offer is not approved, please give details to explain your reasons;</p> <p>.....</p> <p>.....</p> <p>.....</p>	



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

4 PROTOCOL ON MEMBER/OFFICER RELATIONS

4.1 Introduction and Principles

- (a) 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.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) 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.
- (f) 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.
- (g) 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.

4.2 The role of Members

- (a)** 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.
- (b)** 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.
- (c)** 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.
- (d)** 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.
- (e)** 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.
- (f)** 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.
- (g)** 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.
- (h)** 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.
- (i)** 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.
- (j)** Some Members may be appointed to represent the Council on local, regional or national bodies.

- (k) 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.
- (l) 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.
- (m) Members are not authorised to initiate or certify financial transactions, or to enter into a contract on behalf of the Council.
- (n) Members must avoid taking actions which are unlawful, financially improper or likely to amount to maladministration. Members have an obligation under
- (o) Their code of conduct to have regard, when reaching decisions, to any advice provided by the Monitoring Officer or the Chief Finance Officer.
- (p) Members must respect the impartiality of officers and do nothing to compromise it, e.g. by insisting that an officer change their professional advice.
- (q) 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 [Part 10](#) of this Constitution (Finance and Procurement)

4.3 The role of officers

- (a) 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.
- (b) 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.
- (c) 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.

- (d) 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.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) 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.

4.4 The relationship: general points

- (a) 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.
- (b) 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.
- (c) 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.

- (d) 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.
- (e) Members and officers should inform the Monitoring Officer of any relationship which might be seen as unduly influencing their work in their respective roles.
- (f) 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.
- (g) 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.
- (h) 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:

- i. avoid personal attacks on, or abuse of, the officer at all times,
- ii. ensure that any criticism is well founded and constructive,
- iii. never make a criticism in public, and
- iv. 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.

- (i) 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.
- (j) 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.
- (k) 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.

- (l) 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.

4.5 The relationship: decision making

- (a) The Cabinet arrangements adopted by the Council in December 2001 provide for a scheme of delegation. The details of this scheme are set out in [Part 5](#) of the Constitution and in separate sub delegation schemes.
- (b) Both Members and officers have responsibility for decision making within the scheme of delegation for both Council and executive functions.

4.6 The relationship: officer support to Members: general points

- (a) Officers are responsible for day-to-day managerial and operational decisions within the Council and Members should avoid inappropriate involvement in such matters.
- (b) Officers will provide support to both the Cabinet and all Members in their respective roles.
- (c) The respective roles and responsibilities of Members and Officers in relation to employment issues are set out in the Officer Employment Procedure Rules.
- (d) If participating in the appointment of officers, Members should:
 - i. remember that the sole criterion is merit²;
 - ii. never canvass support for a particular candidate;
 - iii. not take part where one of the candidates is a close friend or relative;
 - iv. not be influenced by personal preferences; and
 - v. not favour a candidate by giving them information not available to the other candidates.
- (e) 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.

- (f) Certain statutory officers – the Chief Executive as Head of Paid Service, the Monitoring Officer and the Section 151³ Officer or their deputy – have specific roles. These are addressed in the Constitution. The roles need to be understood and respected by all Members.
- i. The following key principles reflect the way in which the officer corps generally relates to Members:
 - ii. all officers are employed by, and accountable to the Council as a whole;
 - iii. they have a duty to implement the properly authorised decisions of the Council;
 - iv. 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;
 - v. day-to-day managerial and operational decisions remain the responsibility of the Head of Paid Service and other officers;
 - vi. Officers will be provided with training and development to help them support the various Member roles effectively and to understand the structures.
- (g) 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.
- (h) 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.
- (i) 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.

- (j) 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.
- (k) Members will endeavour to give timely responses to enquiries from officers⁴.
- (l) 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.
- (m) Members and officers should respect each other's free (i.e. non-Council) time.

4.7 The relationship: officer support to Members and party groups

- (a) 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.
- (b) 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.
- (c) 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.

- (d) Certain points must, however, be clearly understood by all those participating in this type of process, Members and officers alike. In particular:
- i. 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;
 - ii. 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;
 - iii. 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;
 - iv. 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.
- (e) 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 as only meeting nor give advice to such meetings.
- (f) 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.
- (g) 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.

- (h) 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.
- (i) An officer should be given the opportunity of verifying comments and advice attributed to them in any written record of a party group meeting.
- (j) No Member will refer in public or at meetings of the Council to advice or information given by officers to a party group meeting.
- (k) 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:

- i. 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
 - ii. 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.
- (l) 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.
- (m) 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).

4.8 Officer support to committees and sub-committees

- (a) The appropriate senior officers will offer to arrange regular informal meetings with chairs of committees and sub-committees.

- (b) 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.
- (c) 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.

4.9 Officer support to the Cabinet

- (a) 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.
- (b) 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:

- i. 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;
- ii. lead the preparation of the Council's policies and budget;
- iii. 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

iv. be the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.

- (c) 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.
- (d) 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.
- (e) 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.

4.9.2 In organising support for the Cabinet, there is a potential for tension between 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.

4.10 The relationship: officer and scrutiny committees

- (a) Scrutiny Committees have both a Scrutiny role and a Policy Development and Review role.
- (b) 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.
- (c) Provisions relating to the attendance of officers at a Scrutiny Committee are set out in the Scrutiny Committee Procedure Rules,
- (d) Members should not normally expect junior officers to give evidence. All requests should be made to Chief Officers in the first instance.

- (e) When making requests for officer attendance, Scrutiny Committee Members shall have regard to the workload of officers.
- (f) 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.
- (g) 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.
- (h) In giving evidence, officers must not be asked to give political views.
- (i) Officers should respect Members in the way they respond to Members questions.
- (j) Members should not question officers in a way which could be interpreted as harassment or bullying.

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:

- i. Officers' evidence should so far as possible, be confined to questions of fact and explanation relating to policies and decisions.
- ii. Officers may explain: what the policies are; the justification and objectives of those policies as the Cabinet sees them;
- iii. 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.
- iv. 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.
- v. 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.

- (k)** 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.
- (l)** 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.
- (m)** 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.
- (n)** 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.
- (o)** 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.
- (p)** 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.

4.11 The relationship, officer support to Local Area Committee's

- (a) 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.
- (b) 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.

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.

- (a) 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.
- (b) 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.
- (c) When convening meetings in relation to local matters, care should be taken to distinguish between party group meetings and area meetings.

4.12 The relationship, officer support to regulatory panels

- (a) At the request of a chair of a regulatory committee, a briefing shall be arranged prior to a meeting of the committee.
- (b) 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.

- (c) 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.

4.12.2 Council Chair and officers

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.

4.13 Members and officers on outside bodies

- (a) Members and officers serving on outside bodies will treat one another professionally and with respect.
- (b) 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:-
 - i. As a representative of the Council
 - ii. As a ward Member, representing the local community
 - iii. As a group Member, or
 - iv. 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.

- (c) 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.⁷
 - i. 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.
 - ii. 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.
- (d) 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.

- i. 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

4.14 External meetings

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.

Support services to Members and party groups

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.

4.15 Members access to information and to council documents

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.

4.16 Correspondence

- (a) 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.
- (b) Paragraph 18 a) 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.
- (c) 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.
- (d) 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.
- (e) When writing in an individual capacity as a ward Member, a Member must make clear that fact.
- (f) Officers should respond promptly to correspondence from Members and with the time limits set by service standards.
- (g) 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.
- (h) Responses by officers will be monitored and measured by internal performance standards.

4.17 Publicity and press releases

- (a) 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.
- (b) 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:

 - i. 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.
 - ii. 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.

- iii. 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.

- (c) 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.
- (d) 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.

4.18 Involvement of ward Members

- (a) 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.
- (b) 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:
 - i. the surgeries must be open to the general public, and

- ii. officers should not be requested to accompany Members to surgeries held in the offices or premises of political parties.
- (c) Officers must never be asked to attend ward or constituency political party meetings.
- (d) 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.
- (e) 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. **Access to premises**
- (a) 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.
- (b) Members have a right of access to Council land and premises to fulfil their duties.
- (c) When making visits as individual Members, Members should:
 - i. whenever practicable, notify and make advance arrangements with the appropriate manager or officer in charge;
 - ii. comply with health and safety, security and other workplace rules;
 - iii. not interfere with the services or activities being provided at the time of the visit;
 - iv. if outside their own division, notify the division Member beforehand; and
 - v. take special care at schools and establishments serving vulnerable sections of society to avoid giving any impression of improper or inappropriate behaviour.

4.20 Use of council resources

- (a) 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.
- (b) Members should ensure they understand and comply with the Council's own rules about the use of such resources, particularly:

 - i. where facilities are provided in Members homes at the Council's expense;
 - ii. In relation to any locally-agreed arrangements e.g. payment for private use or photocopying; and
 - iii. regarding ICT security.
- (c) Members should not put pressure on staff to provide resources or support which officers are not permitted to give. Examples are:

 - i. business which is solely to do with a political party;
 - ii. work in connection with a ward or constituency party political meeting; electioneering;
 - iii. work associated with an event attended by a Member in a capacity other than as a Member of the Council;
 - iv. private personal correspondence;
 - v. work in connection with another body or organisation where a Members involvement is other than as a Member of the Council; and
 - vi. support to a Member in their capacity as a Member of another local council.

4.21 Co-opted Members

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.

4.22 Conclusion

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.

4.23 Breaches of the protocol

- (a) 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.
- (b) 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.

4.24 Monitoring

The Monitoring Officer will monitor the operation of the protocol and report as necessary to the Standards Committee.

Section 5

5 LOCAL CODE OF CORPORATE GOVERNANCE

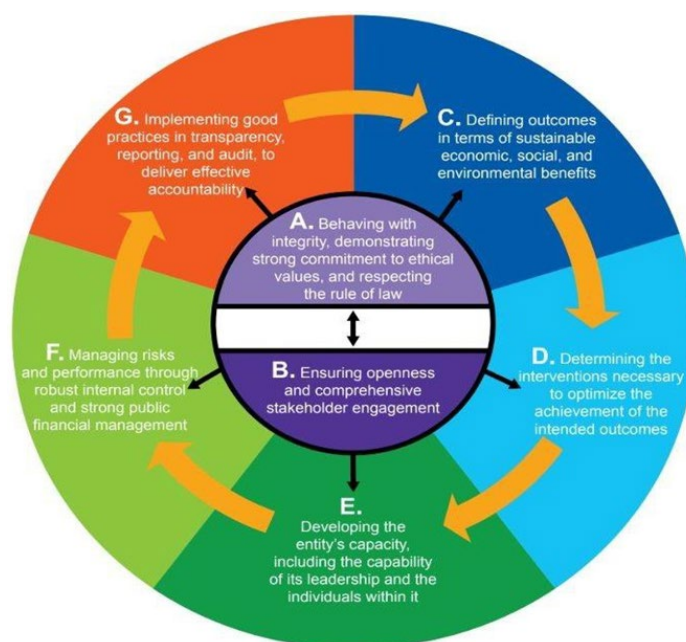
5.1 Introduction

5.1.1 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”.

5.1.2 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.

5.1.3 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.

5.1.4 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).

5.1.5 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.

5.1.6 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:

- (a) resources are directed in accordance with agreed policy and according to priorities;
- (b) there is sound and inclusive decision making; and
- (c) there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities

5.1.7 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.

5.1.8 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.

5.1.9 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.

5.2 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:

5.2.1 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.

5.2.2 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

5.2.3 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.

5.2.4 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.

5.2.5 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.

5.2.6 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:

- a) **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.
- b) **Council Vision and Values and Corporate Plan;** The Council Corporate Plan for 2023-2026 is the main strategic planning document and is a clear statement of the vision, strategic aims and policy priorities of the authority.
- c) **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.
- d) **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.
- e) **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.
- f) **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.

<p>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.</p>
<p>g) 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.</p>
<p>h) 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.</p>
<p>i) 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.</p>
<p>j) Council Procurement; Suppliers and contractors are procured in line with Council procurement policy and legislation, using a combination of framework agreements and tenders.</p>
<p>k) 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 administering complaints against Members including breaches of the Member Code of Conduct which is accessible on the Council website.</p>
<p>l) 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.</p>
<p>m) Members Declaration of Interests; Elected Members declare their interests and these are published on the Council website which is refreshed annually.</p>
<p>n) 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.</p>
<p>o) 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</p>

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.
<p>p) 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.</p>
<p>q) 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.</p>
<p>r) 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.</p>
<p>s) 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.</p>
<p>t) 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.</p>

<p>u) 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.</p>
<p>v) 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</p>
<p>w) 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.</p>

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:

- a) **Council Vision and Values and Corporate Plan;** The Council Corporate Plan for 2023-2026 is the main strategic planning document and is a clear statement of the vision, strategic aims and policy priorities of the Council.
- b) **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.
- c) **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.
- d) **Online Council Tax Information;** Council Tax Information is available on the Council website, which includes explanations for parish and social care precepts
- e) **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.
- f) **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.
g)	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.
h)	Surveys; The Council surveys residents frequently. Examples include Residents Survey, National Highways and Transport Survey, Waste Management Annual Survey.
i)	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.
j)	Elected Members and Senior Officer Partnership; Service Directors meet regularly with Cabinet Members to ensure they are fully briefed regarding service delivery.
k)	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.
l)	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

<p>m) 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.</p>
<p>n) 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.</p>
<p>o) Internal Audit; 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. 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.</p>
<p>p) 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.</p>
<p>q) Social Media Communications; The Council uses social media to reach a growing number of residents and stakeholders to improve</p>

community engagement. It also publishes a Council newsletter and has an active website.

r) 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:

- a) **Council Vision and Values and Corporate Plan;** The Council Corporate Plan for 2023-2026 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:
 - i) Feel safe, valued, and part of your community;
 - ii) Live in distinctive vibrant places, which you value and in which you feel proud;
 - iii) You can easily get to work, to learning, and to the various facilities and services you want to use;
 - iv) 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.
- b) **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.
- c) **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.
- d) **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.
<p>e) 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.</p>
<p>f) 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.</p>
<p>g) 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.</p>
<p>h) 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.</p>
<p>i) 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.</p>
<p>j) 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,</p>

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:

- a) 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.
- b) 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.
- c) 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.
- d) 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.

<p>e) 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.</p>
<p>f) 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.</p>
<p>g) 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.</p>
<p>h) 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'.</p>

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:

- a) 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.
- b) 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.
- c) 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.

d) 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.
e) 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.
f) Leadership and Development Programme - From Level 3 - Level 7, providing accredited development and chartered professional status for leaders and managers across the organisation.
g) 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.
h) Traineeships and supported internships are utilised to help develop talent, build capacity and capability whilst supporting key strategic priorities within the Corporate Plan.
i) 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.
j) 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.
k) Annual Staff Survey and Action Plans – The Council's Annual Staff Survey measures the level of engagement and satisfaction of all

<p>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.</p>
<p>l) 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.</p>
<p>m) 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.</p>
<p>n) 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'.</p>
<p>o) 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.</p>
<p>p) 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:</p> <ul style="list-style-type: none"> i) Manager-led occupational health referral system ii) Shared occupational health service with Northumbria Healthcare NHS Trust which offers various services including a qualified psychologist and a physiotherapist iii) Personal counselling helpline available for all staff to access

q) 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:

- iv)** Manager-led occupational health referral system
- v)** Shared occupational health service with Northumbria Healthcare NHS Trust which offers various services including a qualified psychologist and a physiotherapist
- vi)** Personal counselling helpline available for all staff to access
- vii)** Public Health service with a staff member responsible for Workplace Health
- viii)** A non-denominational Faith and Chaplaincy/Independent Listening Service
- ix)** Mandatory stress awareness training for all staff
- x)** 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:

a) Internal Audit - 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.

b) 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.
c)	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.
d)	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.
e)	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.
f)	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.
g)	Transparency - The Council is compliant with the Local Government Transparency Code 2015. Required data is published on the County Councils web site.
h)	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

<p>i) 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.</p>
<p>j) 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.</p>
<p>k) 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.</p>
<p>l) 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.</p>
<p>m) 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.</p>
<p>n) 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.</p>

<p>o) 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. 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 in order to:</p> <ul style="list-style-type: none"> i) Support the Council's climate change and carbon reduction targets, by reducing emissions on procured goods, works and services. ii) Support wider environmental goals by procuring environmentally sensitive goods and services. iii) Support local economic growth to increase efficiency and return on investment. iv) Enhance the delivery for 'social value' opportunities through sustainable procurement including increasing local employment opportunities, improved health and wellbeing of the local population and contribute to a reduction in health inequalities. v) Support the combating of Modern Slavery in the Council's supply chains. vi) Support the economic recovery to develop an inclusive economy. vii) Encourage spend in the local economy and local supply chains to support local jobs.
<p>p) Committee Meetings - Agenda, minutes of Committees and any associated reports with recommendations to the Executive are available via the County Council's website</p>
<p>q) 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.</p>
<p>r) Safeguarding - The Council has frameworks in place in relation to child and adult safeguarding.</p>
<p>s) 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</p>

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:

- a) 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.
- b) Internal Audit** - 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. 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.
<p>c) 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.</p>
<p>d) 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.</p>
<p>e) 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.</p>
<p>f) 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.</p>
<p>g) 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</p>

significant decisions.
<p>h) 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.</p>
<p>i) 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.</p>
<p>j) 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.</p>

Section 6

6 MONITORING AND REVIEW

6.1 Annual Governance Statement

- 6.1.1** Each year the Council is required to publish a Governance Statement. The Annual Governance Statement 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.
- 6.1.2** 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.
- 6.1.3** [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.
- 6.1.4** 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.
- 6.1.5** 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.
- 6.1.6** 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.
 - (j) To approve the Regulation of Investigatory Powers Act 2000 (RIPA) policy and procedures, monitor the Council's use of RIPA powers and to undertake the annual review of the Council's use of the Regulation of Investigatory Powers Act 2000 (RIPA) ensuring compliance with the Code of Practice.
- 6.1.7** 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.
- 6.1.8** 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.

- 6.1.9** 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.
- 6.1.10** [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.
- 6.1.11** 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).
- 6.1.12** 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.

- 6.1.13** 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.
- 6.1.14** 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.
- 6.1.15** 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.
- 6.1.16** 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.
- 6.1.17** 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.
- 6.1.18** 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.

Section 7

7 MONITORING OFFICER PROTOCOL

7.1 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 Corporate 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.

7.2 The main functions of the Monitoring Officer at Northumberland County Council are:

- (a)** 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);
- (b)** 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;
- (c)** To act as the principal adviser to the authority's Standards Committee;
- (d)** To maintain the register of Members interests;
- (e)** 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;
- (f)** To have responsibility for responding to complaints to the Local Government Ombudsman
- (g)** To undertake, with others, investigations in accordance with the Council's Whistleblowing procedures

- (h) To act as Proper Officer for the Data Protection Act 1998 and the Freedom of Information Act 2000

7.2.2 In general terms, the Monitoring Officer's ability to discharge these duties and responsibilities will depend, to a large extent, on Members and Officers:

- (a) complying with the law (including any relevant Codes of Conduct);
- (b) complying with any General Guidance issued, from time to time, by the Standards Committee and the Monitoring Officer;
- (c) making lawful and proportionate decisions; and
- (d) complying with the Council's Constitution and standing orders
- (e) generally, not taking action that would bring the Council, their offices or professions into disrepute
- (f) 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 A.

7.3 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.

7.3.1 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:

- (a) 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;
- (b) 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);

- (c)** 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);
- (d)** 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;
- (e)** 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;
- (f)** 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;
- (g)** 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;
- (h)** 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;
- (i)** 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;
- (j)** 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;

- (k) maintain and keep up-to-date relevant statutory registers for the declaration of Members interests, gifts and hospitality;
- (l) give informal advice and undertake relevant enquiries into allegations of misconduct regarding Members;
- (m) 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;
- (n) undertake all statutory Monitoring Officer functions in respect of any Parish or Town Council, and make arrangements to ensure effective
- (o) communication between their office and the Clerk to those Councils within Northumberland on Monitoring Officer and Standards Committee issues;
- (p) 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;
- (q) 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;
- (r) 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.

7.3.2 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 vires or constitutional concerns to the Monitoring Officer, as soon as practicable.

- 7.3.3** 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.
- 7.3.4** 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.
- 7.3.5** 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.
- 7.3.6** 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.
- 7.3.7** 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.
- 7.3.8** 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).
- 7.3.9** 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.

¹Bullying is prohibited by the [Members Code of Conduct Part 1 section 2](#). 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 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

²undermine 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 (other than in the case of political assistants where political consideration may apply)

³S151 Local Government Act 1972 For example, where the appointment is as a Director or Trustee of the outside body

⁴ see further paragraph 17 in respect of correspondence

⁵ See footnote 6

⁷ For example, where the appointment is as a Director or Trustee of the outside body

⁸ For details please see Access to Information Procedure Rules

Appendix A

Summary of Main Monitoring Officer Functions

<u>Description</u>	<u>Source</u>
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	Localism Act 2011, Chapter 7

<u>Description</u>	<u>Source</u>
Councils	
11 Compensation for maladministration	Section 92 LGA 2000
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 sets out how the Council engages with other bodies directly relevant to its work.

PART 8 – RELATIONSHIPS WITH PARTNERS

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Section 1

1 INTRODUCTION

1.1 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:

- (a) 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;
- (b) 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);
- (c) Contracts for the provision of certain “outsourced” services;
- (d) Relationships with companies or other commercial ventures where the Council holds ownership or a similar interest.

1.2 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:

- (e) 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;
- (f) 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;

- (g) Ensure, specifically, that financial exposure to partners' activities is understood and managed appropriately;
- (h) 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;
- (i) 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 7](#) 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.

1.2 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.
Combined Authorities	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. From 7 May 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". 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".
Cumbria and Northumberland Integrated Care System (incorporating ICB and ICP)	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

Body	Relationship / function
	<p>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>
Northumbria Police	<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>
Parish and town Councils	<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>

Section 2

2 COUNCIL INTERESTS IN LOCAL AUTHORITY CONTROLLED OR INFLUENCED COMPANIES

2.1 Introduction

- (a) 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.
- (b) 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 and Solace Framework and the LLG example code of governance for local authority interests in companies.
- (c) 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.
- (d) 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.
- (e) In this, it is understood that, within this arrangement, there are four distinct key roles to be considered:

 - i. **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.

ii. 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.

iii. 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.

iv. 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.

2.2 COUNCIL OWNED COMPANY GOVERNANCE FRAMEWORK (Agreed by Cabinet 13th December 2022)

- (a)** 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.
- (b)** Whilst local authority legislation recognises six forms of companies in which local authorities may have an interest, a local authority company generally exists in three forms, which are:

 - i.** A local authority trading company, which is established and operates for a commercial purpose (sometimes referred as a LATCo);
 - ii.** 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

- iii. A company limited by guarantee, not share capital, and is often also established as a community interest company or a charity.

2.2.1 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 and in correspondence that they are a local authority regulated company, owned by Northumberland County Council. 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 establishment. 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.

- (a) 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.
- (b) 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
 - i. entering or agreeing to vary the shareholder agreement;

- ii. appointing directors to the board;
 - iii. agreeing the strategic business plan of the company and any variations to it; and
 - iv. decisions of investment and financing, including primary contracts, over a certain set amount.
- (c) 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.
- (d) 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:
 - i. A Shareholder Cabinet Committee will act in accordance with Executive Procedure Rules and meet in public except where the business is exempt from the press and public in the opinion of the Council's proper officer and the meeting.
 - ii. 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.
 - iii. 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.

- (e) Within this framework, there are a set of expectations that the Council has of its companies. These include that the company:
- i. Will:
 - meet the standards set by the UK Corporate Governance Code;
 - comply with those requirements demanded of it by local government legislation, governance and audit and accounting standards; and
 - have regard to the Council's Code of Corporate Governance.
 - ii. 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
 - iii. 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:
 - only be so long as they are an employee or elected Member respectively;
 - be remunerated for such services by the Council through their respective normal employment or special responsibility allowance under the [Members' Allowances Scheme](#);
 - 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;
 - 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
 - have maintained suitable indemnities and insurances by both the Council and the company.

- iv. Have in place an arrangement for the provision of company secretarial, human resource, audit or other services to the company by the Council
- v. 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.

2.3 Shareholder Cabinet Committee Terms of Reference

2.3.1 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.

2.3.2 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:

- (a) the Leader (or other Cabinet Member appointed by the Leader for this purpose);
- (b) Cabinet Member with portfolio for finance and resources; and
- (c) Cabinet Member(s) with portfolio for most closely associated with the company or companies concerned with the items of business

2.3.3 Terms of Reference

The Shareholder Cabinet Committee will exercise responsibility for the Cabinet's functions in respect of:

- (a) The Council's approach to membership of a company or companies, including

- i. evaluation of potential new opportunities to deliver social and financial returns on investment through company holdings;
 - ii. approval of comprehensive statements (business cases) to establish a new company, company membership or joint venture;
 - iii. sale or liquidation of Council interests in companies;
 - iv. the adoption of investment or contractual strategies in relation to Council held company memberships;
 - v. the provision or requirement of services to or by a company; and
 - vi. the governance framework and over-arching approach to company memberships.
- (b)** Decisions concerning the evaluation, monitoring or acting upon:
 - i. the financial and social returns on investment (be that shareholding, loans or direct investment); and
 - ii. risks and opportunities arising from any shareholding in a company or companies, including contracts or financial investments in respect of such companies.
- (c)** Decisions concerning the performance of a company in relation to its Business Plan and, in particular, the company's performance:
 - i. in financial matters
 - ii. against the social goals of the company as set out in the company's Objects, Business Case or Business Plan; and
 - iii. against the values of the Council.
- (d)** All decisions reserved to the Council for shareholder approval, such as (but not limited to):
 - i. Varying Articles of Association
 - ii. Varying ownership and structure
 - iii. Variations to shares (number of, rights, etc.)

- iv.** Entering contracts that:
 - have a material effect on Council business (including other companies within the group)
 - are outside of the business plan or do not relate to the business
 - significant in relation to the size of the business, the business plan, etc.
 - v.** Material legal proceedings outside of ordinary business
 - vi.** Adopting and amending business plans each year and strategic plans (3 years)
 - vii.** Appointment, removal and the remuneration of directors (Members of the company board)
 - viii.** Selection of the chair of the board
 - ix.** Appointment of auditors
 - x.** Issue of dividends as more particularly set out in a company's Articles of Association or Shareholder Agreement.
- (e)** 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

PART 9 – PROCEDURE RULES (STANDING ORDERS)

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Section 1 – Council Procedure Rules

1 ANNUAL MEETING OF THE COUNCIL

1.1 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:

- 1.1.1** elect a person to preside if the Chair of Council is not present;
- 1.1.2** elect the Chair of the Council;
- 1.1.3** appoint the Deputy-Chair of the Council;
- 1.1.4** approve the minutes of the last meeting;
- 1.1.5** receive any announcements from the Chair and/or head of the paid service;
- 1.1.6** 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);
- 1.1.7** 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;
- 1.1.8** 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 [Part 5](#) of this Constitution);
- 1.1.9** receive amendments to the Leader's scheme of delegation of executive functions (to be set out at [Part 5](#) of this Constitution);
- 1.1.10** 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 [Part 5](#) of this Constitution);
- 1.1.11** approve a programme of ordinary meetings of the Council for the year; and
- 1.1.12** consider any business set out in the summons and notice convening the meeting.

1.2 Selection of Members on Committees and Outside Bodies

At the annual meeting, the Council meeting will:

- 1.2.1** decide which committees to establish for the municipal year;
- 1.2.2** decide the size and terms of reference for those committees;
- 1.2.3** decide the allocation of seats (and substitutes) to political groups for appointment in accordance with the political balance rules;
- 1.2.4** receive nominations of Members to serve on each other committee and outside body; and
- 1.2.5** 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;
- 1.2.6** 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.

2 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:

- 2.1.1** elect a person to preside if the Chair and vice Chair are not present;
- 2.1.2** approve the minutes of the last meeting;
- 2.1.3** receive any declarations of interest from Members;
- 2.1.4** 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);
- 2.1.5** receive questions provided on notice from, and provide answers to, the public in accordance with Rule 1;
- 2.1.6** consider petitions in accordance with the Council's petition scheme in accordance with Rule 7;
- 2.1.7** receive questions from, and provide answers to, Members of the Council in accordance with Rule 8;
- 2.1.8** deal with any business from the last Council meeting;

- 2.1.9** receive reports from the Cabinet, Cabinet Members (portfolio holders) and the Council's committees and receive questions and answers on any of those reports;
- 2.1.10** reports about and receive questions and answers on the business of joint arrangements and external organisations;
- 2.1.11** consider motions received from Members in accordance with Standing Order 13; and
- 2.1.12** 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.

3 EXTRAORDINARY MEETINGS

3.1 Calling extraordinary meetings

Those listed below may request the Monitoring Officer to call Council meetings in addition to ordinary meetings:

- 3.1.1** the Council by resolution;
- 3.1.2** the Chair of the Council;
- 3.1.3** the Monitoring Officer or the Head of Paid Service or chief finance (s.151) officer in exercise of their statutory powers; and
- 3.1.4** 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.

3.2 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.

4 APPOINTMENT OF SUBSTITUTE MEMBERS OF COMMITTEES AND SUB-COMMITTEES

4.1 Allocation

As well as allocating seats on committees and sub-committees, the Council will allocate seats in the same manner for substitute Members.

4.2 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).

4.3 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.

4.4 Substitution

Substitute Members may attend meetings in that capacity only:

- 4.4.1** to take the place of the ordinary Member for whom they are the designated substitute;
- 4.4.2** where the ordinary Member will be absent for the whole of the meeting; and
- 4.4.3** after notifying the Monitoring Officer by 4 p.m. on the day before
- 4.4.4** the meeting of the intended substitution.

5 TIME AND PLACE OF MEETINGS

The time and place of meetings will be determined by the Monitoring Officer and notified in the summons.

5.1 Notice of and Summons to Meetings

- 5.1.1** 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.
- 5.1.2** 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.

5.1.3 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.

5.2 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.

5.3 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.

5.4 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.

6 QUESTIONS BY THE PUBLIC

6.1 General

6.1.1 Members of the public may ask questions of the Cabinet at ordinary meetings of the Council.

6.1.2 The total time allocated for Questions by the Public shall be limited to ten minutes.

6.2 Order of questions

Questions will be asked in the order notice of them was received, except that the Chair may group together similar questions.

6.3 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.

6.4 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.

6.5 Scope of questions

The Monitoring Officer may reject a question if it:

- 6.5.1** is not about a matter for which the local authority has a responsibility or which affects the Council's area;
- 6.5.2** is illegal, improper, defamatory, frivolous or offensive;
- 6.5.3** is substantially the same as a question which has been put at a meeting of the Council in the past six months; or
- 6.5.4** requires the disclosure of confidential or exempt information.

6.6 Record of questions

- 6.6.1** 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.
- 6.6.2** Copies of all questions will be circulated to all Members and will be made available to the public attending the meeting.

6.7 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.

6.8 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 6.5 (Scope of questions) above. One minute is allowed for putting the supplementary question.

6.9 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:

- 6.9.1** a direct oral answer, for which five minutes are allowed for answering a question and two minutes are allowed for answering a supplementary question;
- 6.9.2** where the information requested is contained in a publication of the Council, a reference to that publication; or
- 6.9.3** 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.
- 6.9.4** 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.

6.10 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.

7 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.

8 QUESTIONS BY MEMBERS

8.1 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.

8.2 Questions on notice at full Council

Subject to Rule 8.4, a Member of the Council may ask:

- (a) The Chair;
- (b) A Member of the Cabinet; or
- (c) 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.

8.3 Questions on notice at committees and sub-committees

Subject to Rule 8.4, 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.

8.4 Notice of questions

A Member may only ask a question under Rule 8.2 or 8.3 if:

- 8.4.1** 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
- 8.4.2** 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
- 8.4.3** the Monitoring Officer has not rejected the question for reason that it:
 - (a) is not about a matter for which the local authority has a responsibility or which affects the Council's area;
 - (b) is illegal, improper, defamatory, frivolous or offensive;
 - (c) is substantially the same as a question which has been put at a meeting of the Council in the past six months; or

- (d) requires the disclosure of confidential or exempt information.

8.5 Response

An answer may take the form of:

- 8.5.1** oral answer of up to five minutes and which response should be brief, succinct and to the point;
- 8.5.2** where the desired information is in a publication of the Council or other published work, a reference to that publication; or
- 8.5.3** 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.

8.6 Supplementary question

A Member asking a question under Rule 8.2 or 8.3 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.

9 MOTIONS ON NOTICE

9.1 Notice

Except for motions which can be moved without notice under Rule 11, 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.

9.2 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.

9.3 Amendments to Motions on Notice

- 9.3.1** 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 12.5.
- 9.3.2** 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.
- 9.3.3** 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.

9.4 **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.

- 9.4.1** If the Monitoring Officer considers a motion or an amendment to a motion:
- (a) is not about a matter for which the local authority has a responsibility, or which affects the Council's area;
 - (b) is illegal, improper, defamatory, frivolous or offensive;
 - (c) is substantially the same as a question which has been put at a meeting of the Council in the past six months; or
 - (d) requires the disclosure of confidential or exempt information
 - (e) they will inform the Chair who will then decide whether or not to reject the motion.

9.5 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.

9.6 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 15.3 or to exclude them from the meeting under Rule 15.4; and

- (q) to give the consent of the Council where its consent is required by this Constitution.

10 RULES OF DEBATE

10.1 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.

10.2 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.

10.3 Secunder's speech

When seconding a motion or amendment, a Member may reserve their speech until later in the debate.

10.4 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.

10.5 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.

10.6 Amendments to motions

10.6.1 An amendment to a motion must be relevant to the motion and will either be:

- (a) refer the matter to an appropriate body or individual for consideration or reconsideration;
- (b) to leave out words;
- (c) to leave out words and insert or add others; or
- (d) to insert or add words.
- (e) as long as the effect of (1) to (4) is not to negate the motion.

10.6.2 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.

10.6.3 If an amendment is not carried, other amendments to the original motion may be moved.

10.6.4 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.

10.6.5 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.

10.7 Alteration of motion

10.7.1 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.

10.7.2 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.

10.7.3 Only alterations which could be made as an amendment may be made.

10.8 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.

10.9 Right of reply

10.9.1 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.

10.9.2 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.

10.9.3 The mover of the amendment has no right of reply to the debate on his or her amendment.

10.10 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 5.4 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 15.3 or to exclude them from the meeting under Rule 15.4.

10.11 Closure motions

10.11.1 A Member may move, without comment, the following motions at the end of a speech of another Member:

- (a) to proceed to the next business;
- (b) that the question be now put;

(c) to adjourn a debate; or

(d) to adjourn a meeting.

10.11.2 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.

10.11.3 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.

10.11.4 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.

10.12 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.

10.13 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.

10.14 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.

11 PREVIOUS DECISIONS AND MOTIONS

11.1 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 nine Members.

11.2 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.

12 VOTING

12.1 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.

12.2 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.

12.3 Show of hands

12.3.1 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.

12.3.2 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.

12.3.3 Where the electronic voting system is not working correctly or is otherwise unavailable, the Chair will take the vote by show of hands.

12.4 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.)

12.5 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.

12.6 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.

13 MINUTES

13.1 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.

13.2 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.

13.3 Form of minutes

Minutes will contain all motions and amendments in the exact form and order the Chair put them.

13.4 Form of minutes

13.4.1 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.

13.4.2 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.

14 EXCLUSION OF PUBLIC

Members of the public and press may only be excluded either in accordance with the Access to Information Procedure Rules in [Part 9 Section 2](#) of this Constitution or [Rule 16 \(Disturbance by Public\)](#).

15 MEMBERS CONDUCT

15.1 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.

15.2 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.

15.3 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.

15.4 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.

15.5 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.

16 DISTURBANCE BY PUBLIC

16.1 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.

16.2 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.

17 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:

17.1 a 'reporting' means:

- (a) filming, photographing or making an audio recording of the proceedings at the meeting;
- (b) using any other means for enabling persons not present to see or hear proceedings at the meeting as it takes place or later; or
- (c) 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;

17.2 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;

17.3 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;

17.4 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

17.5 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.

18 SUSPENSION AND AMENDMENT OF COUNCIL PROCEDURE RULES

18.1 Suspension

All of these Council Rules of Procedure, except [Rule 12.5](#) (Right to require individual vote to be recorded), [Rule 13.2](#) (Minutes at an extraordinary meeting) and [Rule 17](#) (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.

18.2 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.

19 APPLICATION TO COMMITTEES AND SUB-COMMITTEES

19.1 All the Council Rules of Procedure apply to meetings of full Council.

19.2 All the Council Rules of Procedure apply to meetings of committees and sub-committees except rules 1-3 (meetings and business of full Council), Rule 6 (questions by the public) and Rule 15.1 (standing to speak).

19.3 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

19.4 Meetings of the Cabinet are subject to separate Executive Procedure Rules as set out in [Part 9](#) of this Constitution.

Section 2

ACCESS TO INFORMATION PROCEDURE RULES

1 SCOPE

1.1 These rules cover all meetings of the Council and its committees, sub-committees, advisory panels, the Cabinet, its committees (together called meetings) and (where specified) executive decisions made by Cabinet Members and Key Decisions made by officers.

1.2 These rules also cover Members' rights of access to information.

2 ADDITIONAL RIGHTS TO INFORMATION

2.1 The public's rights to access information include:

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

2.2 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.

2.3 Subject access requests

2.3.1 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.

2.3.2 Further information about data protection and subject access requests can be found on the Council's internet pages on Data protection

2.4 Freedom of Information requests

Legislation provides public access to information held by public authorities, including the Council. It does this in two ways:

- 2.4.1** public authorities are obliged to publish certain information about their activities; and
 - 2.4.2** members of the public are entitled to request information from public authorities.
- 2.5** 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:
 - 2.5.1** How to make a [Freedom of information request](#); and
 - 2.5.2** How to make an [Environmental Information Act request](#)
- 2.6** 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

9.1 List of background papers

9.1.1 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:

(a) disclose any facts or matters on which the report or an important part of the report is based; and

(b) 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.

9.2 Public inspection of background papers

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

10.1 Confidential information - requirement to exclude the press and public

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.

10.2 Exempt information - discretion to exclude press and public

10.2.1 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 exempt information would be disclosed, provided:

- (a) 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;
- (b) that resolution states, by reference to the descriptions in [Schedule 12A of the Local Government Act 1972](#), the description of the exempt information giving rise to the exclusion of the public; and
- (c) 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,

10.2.2 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.

10.3 Meaning of confidential information

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.

10.4 Meaning of exempt information

10.4.1 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 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; (c) the Friendly Societies Act 1992; (d) the Co-operative and Community Benefit Societies Act 2014; (e) the Building Societies Act 1986; or (f) the Charities Act 2011. 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

	Description	Qualification
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	Information which reveals that the authority proposes – (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment.	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.
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.

10.4.2 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.

10.5 Exclusion of access by the Public to Reports

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

Certain executive decisions will be [Key Decisions](#). Key Decisions are defined in the Glossary.

12 APPLICATION OF STANDING ORDERS TO THE CABINET

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 15](#) (general exception) or [Rule 16](#) (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 Decisions may not be taken unless:

- (a) with the matter in question;
- (b) at least 28 days have elapsed since the publication of the Forward Plan; and
- (c) 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

14.1 Period of Forward Plan

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.

14.2 Content of Forward Plan

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 and 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.

14.3 Publication and availability of Forward Plan

- 14.3.1** The Forward Plan will be published on the Council's website and will be made available for inspection at the Council's registered office.
- 14.3.2** 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 and 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 15](#) (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 and 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 and Scrutiny Committee, or if the Chair of the relevant Overview and 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

18.1 When the Overview and Scrutiny Committee can require a report

Where an executive decision has been made and was not treated as a Key Decision and the relevant Overview and Scrutiny Committee thinks that it should have been treated as a [Key Decision](#) the relevant Overview and Scrutiny Committee may require the Cabinet to submit a report to the Council within such reasonable time as the [Overview and Scrutiny Committee](#) specifies. The power to require a report rests with the Overview and Scrutiny Committee but is also delegated to the [Monitoring Officer](#) who shall require such a report on behalf of the Overview and Scrutiny Committee when so requested by the Chair of the Overview and Scrutiny Committee or any 5 Members. Alternatively, the requirement may be raised by resolution passed at a meeting of the relevant Overview and Scrutiny Committee.

18.2 The Cabinet's report to Council

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 and 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.

18.3 Quarterly reports on special urgency decisions

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

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.

19.1 An executive decision to be made by an individual Cabinet Member, or a Key Decision by an officer, may then only be taken:

19.1.1 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

19.1.2 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.

19.2 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:

19.2.1 a record of the decision including the date it was made;

19.2.2 a record of the reasons for the decision;

- 19.2.3** details of any alternative options considered and rejected by the Member when making the decision;
- 19.2.4** a record of any conflict of interest declared by any Member who is consulted by the Cabinet Member which relates to the decision; and
- 19.2.5** in respect of any declared conflict of interest, a note of dispensation granted
- 19.2.6** 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

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.

21.1 The statement must include:

21.1.1 a record of the decision including the date it was made

21.1.2 a record of the reasons for the decision

21.1.3 details of any alternative options considered and rejected at the meeting; and

21.1.4 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.

21.2 A Decision Notice in respect of:

21.2.1 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 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 AND SCRUTINY COMMITTEE ACCESS TO DOCUMENTS

Members of the Overview and 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 and Scrutiny Committee are scrutinising or intend to scrutinise.

23 ADDITIONAL RIGHTS OF ACCESS FOR MEMBERS

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 2.24.3 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 and 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.

25 APPENDED PROTOCOL ON MEMBER AND OFFICER RELATIONS ON THE PROVISION OF 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.

25.1 Members of the Cabinet, Chair and Vice Chair

25.1.1 Members of the Cabinet, Chair and Vice Chair have additional responsibilities, entailing different relationships and more regular contact with officers.

25.1.2 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.

25.2 Local Division Members

25.2.1 Officers should keep Members apprised of developments that are relevant to their role as a local Division Member.

25.2.2 Division Members should be kept up to date with all major policy developments, public consultations and proposed changes to service delivery affecting their Division.

- 25.2.3** 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.
- 25.2.4** 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.
- 25.2.5** 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.
- 25.2.6** 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.

25.3 Briefings to political groups

- 25.3.1** 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).
- 25.3.2** 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.

- 25.3.3** 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.

25.4 Officer attendance at political group meetings

- 25.4.1** 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.
- 25.4.2** 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.
- 25.4.3** 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.
- 25.4.4** 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.
- 25.4.5** Officers will request the confidentiality of any matter which they are privy to in the course of attending a political group meeting.

25.5 Members' Access to Reports and background papers

- 25.5.1** Access to Cabinet, Committee or Sub-Committee papers and other documents or information is governed by:
- (a) Local Government Acts 1972-2000 (particularly [Schedule 12A](#));
 - (b) Relevant case law;
 - (c) Access to Information Standing Orders;
 - (d) Freedom of Information legislation; or
 - (e) Data Protection legislation.

25.5.2 The rights of Members can be summarised as follows:

- (a) Members generally enjoy the same access rights as members of the public in respect of public papers;
- (b) 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;
- (c) 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;
- (d) 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”.

25.5.3 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.

25.5.4 More information can be found at [Part 3](#) of this Constitution.

25.6 Confidential/Exempt Information

25.6.1 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.

25.6.2 Confidential information is information:

- (a) furnished to the Council by a Government Department on terms which forbid the disclosure of the information to the public, or
- (b) which may not be disclosed by or under any enactment or by a Court Order.

25.6.3 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 of the Local Government Act 1972](#) and are reproduced in the Access to Information Standing Orders at 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 [Part 9](#) of this Constitution.

25.7 Use of Council Information – Confidentiality

25.7.1 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.

25.7.2 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.

25.7.3 Members abusing this trust may find themselves the subject of a complaint that they have contravened the Code of Conduct for Members.

25.7.4 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.

Section 3

1 BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

1.1 The framework for Cabinet decisions

- 1.1.1** 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.
- 1.1.2** 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 instructions requiring the Cabinet to reconsider any draft Plan or Strategy submitted, to make any amendments to the plan or strategy, or to adopt the plan or strategy.
- 1.1.3** 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.

1.2 Process for developing the Policy Framework

1.3 The process by which the Budget and Policy Framework shall be developed and revised is:

- 1.3.1** 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.
- 1.3.2** 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.
- 1.3.3** 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.

- 1.3.4** Once the Cabinet has approved the firm proposals, they shall be referred at the earliest opportunity to the Council for decision.

2 ADOPTION OF A PLAN OR STRATEGY

- 2.1** 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.
- 2.2** 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;
- 2.3** Subject to Rule 3.4 below, before the Council:
- 2.3.1** amends the draft Plan or Strategy;
 - 2.3.2** 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
 - 2.3.3** 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.
- 2.4** 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:
- 2.4.1** 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
 - 2.4.2** 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.

2.5 When the period specified by the Council, referred to in Rule 3.4 has expired, the Council must, when:

2.5.1 amending the draft Plan or Strategy or, if there is one, the revised draft Plan or Strategy;

2.5.2 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

2.5.3 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.

2.6 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.

3 ADOPTION OF THE BUDGET

3.1 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 4.6 shall apply.

3.2 Where, in any financial year, the Cabinet submits to the Council for its consideration in relation to the following financial year:

3.2.1 estimates of the amounts to be aggregated in making a calculation (whether originally or by way of substitute) in accordance with any of sections 30, 31, 31A, 31B, 34 to 36A, 45 to 49, 52ZB (1), 52ZB (2), 52ZB (7), 52ZF to 52ZI of the Local Government Finance Act 1992;

3.2.2 estimates of other amounts to be used for the purposes of such a calculation;

3.2.3 estimates of such a calculation; or

3.2.4 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.

- 3.3** 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, 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.
- 3.4** 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:
- 3.4.1** 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
 - 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 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. take into account:
- 3.5.1** any amendments to the estimates or amounts that are included in any revised estimates or amounts;
 - 3.5.2** the Cabinet's reasons for those amendments;
 - 3.5.3** any disagreements that the Cabinet has with any of the Council's objections, and
 - 3.5.4** the Cabinet's reasons for that disagreement, which the Leader submitted to the Council, or informed the Council of, within the period specified.
- 3.6** 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 and Scrutiny Committee, together with amendments submitted. Where the Overview and 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 and Scrutiny Committee.

4 DECISIONS OUTSIDE OF THE BUDGET OR POLICY FRAMEWORK

- 4.1** 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.
- 4.2** 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.

5 URGENT DECISIONS OUTSIDE OF THE BUDGET OR POLICY FRAMEWORK

- 5.1** 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:
- 5.1.1** it is not practical to convene a quorate meeting of the full Council; and;
 - 5.1.2** the Chair of the relevant Overview and 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.
- 5.2** 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.

- 5.3** 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.

6 VIREMENT AND IN-YEAR CHANGES TO THE BUDGET

- 6.1** 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.

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 6.3, 6.4, 6.5, 6.6 and 6.7 below.

- 6.2** Such bodies or individuals shall be entitled to vire between budget headings subject to the following limits in any financial year (1 April - 31 March):

	Executive Director in consultation with S151 Officer	Section 151 Officer	Cabinet or Cabinet Committee	Council
<u>Revenue</u>				
Within directorate	£250,000	£250,001-£500,000	£500,001-£2,000,000	Over £2,000,000
Between directorates	N/A	£500,000	£500,001-£2,000,000	Over £2,000,000
From earmarked reserves and contingencies	N/A	£500,000	£500,001-£2,000,000	Over £2,000,000
<u>Capital</u>				
Between Projects (limit per project)	N/A	£500,000	£500,001 - £2,000,00	Over £2,000,000
Virement from capital contingencies	N/A	£2,000,000	£2,000,001 - £5,000,000	Over £5,000,000

6.3 Supplementary Estimates

Where services wish to undertake an activity not originally identified in the budget or incur additional expenditure on an existing activity, approval must be sought for a supplementary estimate in accordance with the following limits:

	Section 151 Officer	Cabinet	Council
<u>Revenue</u>			
Fully funded from external sources	Unlimited	N/A	N/A
Additional Council funding required (reserves)	£250,000	£250,001 - £500,000-	Over £500,000
<u>Capital</u>			
Fully funded from external sources	Unlimited	N/A	N/A
Additional Council funding required (reserves)	£500,000	£500,001 - £2,000,000	Over £2,000,000

6.4 Grant Applications

Directors may make applications for grants, where the application does not create a commitment, financial or otherwise, in consultation with the S151 Officer. However, if the application is for a grant in excess of £1 million, or if any match funding will be required, then Cabinet approval is required in advance of the application being submitted.

The Chief Executive may exercise any of the powers of the Executive under rules 6.3, 6.4 and 6.5 in consultation with the Leader and the Section 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 made within 6.6 to the Chair of Corporate Services and Economic Growth Overview and Scrutiny Committee and the next meeting of the Cabinet.

6.5 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 and Policy Framework Procedure Rules shall prevail.

7 IN-YEAR CHANGES TO A POLICY OR STRATEGY FORMING A PART OF THE POLICY FRAMEWORK

- 7.1** 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.
- 7.2** No changes to any Policy or Strategy which make up the policy framework may be made by those bodies or individuals except those changes:
- 7.2.1** which will result in the closure or discontinuance of a service or part of service to meet a budgetary constraint;
 - 7.2.2** necessary to ensure compliance with the law, ministerial direction or government guidance;
 - 7.2.3** where the existing policy document is silent on the matter under consideration; or
 - 7.2.4** which relate to policy in relation to schools, where the proposed change is agreed by the Schools Forum.
- 8 CALL-IN OF DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK**
- 8.1** Where an Overview and 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.
- 8.2** 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 and Scrutiny Committee on any action to be taken.
- 8.3** 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 and 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:

- 8.3.1** 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;
- 8.3.2** 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
- 8.3.3** 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.

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:

- 1.1.1** the Cabinet as a whole;
- 1.1.2** a committee of the Cabinet;
- 1.1.3** individual Member of the Cabinet;
- 1.1.4** an officer;
- 1.1.5** a Local Area Committee;
- 1.1.6** joint arrangements; or
- 1.1.7** 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 [Part 5](#) this Constitution. The document presented by the Leader will contain the following information about executive functions in relation to the coming year:

- 1.2.1** the extent of any Council delegated to Cabinet Members individually, including details of the limitation on their Council;
- 1.2.2** the terms of reference and constitution of such Cabinet committees as the Leader appoints and the names of Cabinet Members appointed to them;
- 1.2.3** 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

1.3 Sub-delegation of executive functions

- 1.3.1** 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.
 - 1.3.2** 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.
 - 1.3.3** 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.
 - 1.3.4** 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
 - 1.4.1** 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.
 - 1.4.2** 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.
 - 1.4.3** 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
 - 1.5.1** 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 7](#) of this Constitution.

1.5.2 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 7](#) of this Constitution.

1.5.3 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 7](#) 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?

1.9.1 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 in [Part 9](#) of the Constitution.

1.9.2 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?

- 2.2.1** all Members of the Cabinet and the Chair;
- 2.2.2** such officers as are specified in Rule 21 of the Access to Information Rules of Procedure, and
- 2.2.3** Members of the press and public provided unless an agenda item is confidential
- 2.2.4** 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:

- 2.3.1** of the minutes of the last meeting;
- 2.3.2** declarations of interest, if any;
- 2.3.3** 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 9](#) of this Constitution;
- 2.3.4** consideration of reports and recommendations from Overview and Scrutiny Committees; and
- 2.3.5** 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 [Part 9](#) 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** 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.

Section 5

OVERVIEW AND SCRUTINY PROCEDURE RULES

1 INTRODUCTION

- 1.1** 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.
- 1.2** 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.
- 1.3** 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.
- 1.4** At Northumberland, scrutiny committees have a range of core tasks. These include:
- 1.4.1** To contribute to policy development on critical matters;
 - 1.4.2** To investigate matters of interest and concern to the wider community – particularly if they relate to complex, cross-cutting and high profile challenges;
 - 1.4.3** 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.
- 1.5** These arrangements are set out in more detail in [Part 6](#) on the role of overview and scrutiny.
- 1.6** In carrying out these tasks, scrutiny also looks at how the Council works with its external partners.
- 1.7** 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.
- 1.8** The meetings of scrutiny committees are held in public – the detailed rules for how these meetings are run are set out in [Part 6](#).

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

1.9.1 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;

1.9.2 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 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

2.1 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:

2.1.1 To contribute to policy development on critical matters;

2.1.2 To investigate matters of interest and concern to the wider community – particularly if they relate to complex, cross-cutting and high profile challenges;

2.1.3 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.

2.2 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.

2.3 To investigate matters of interest and concern to the wider community

2.3.1 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.

2.3.2 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.

2.4 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 [Part 10](#) below.

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 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.

3.1 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.

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

- (a)** 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.

(b) Require the provision of information held by the authority. In Northumberland, this means that:

- i. officers will draft reports for submission to scrutiny committee meetings which meet requirements set out by the Chair of the relevant committee;
- ii. officers will provide information to individual members of scrutiny committees which reflects the rights laid out in the Member Access to Information Protocol.

3.1.2 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.

3.1.3 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 below.

3.2 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 8](#) of the constitution. Scrutiny has powers and obligations in relation to some of these partners. They include:

3.2.1 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;

3.2.2 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;

3.2.3 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

4.1 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:

- 4.1.1** 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 centering them in recommendations that scrutiny makes;
- 4.1.2** 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;
- 4.1.3** 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;
- 4.1.4** 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;
- 4.1.5** 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;
- 4.1.6** 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.

4.2 The Party Whip

- 4.2.1** 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.

4.2.2 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.

4.2.3 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

5.1 The Council has four overview and scrutiny committees.

5.1.1 Corporate Services and Economic Growth Overview and Scrutiny Committee;

5.1.2 Communities and Place Overview and Scrutiny Committee;

5.1.3 Family and Children’s Services Overview and Scrutiny Committee;

5.1.4 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 6](#) of the Constitution.

5.2 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.

5.3 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:

5.3.1 The advice of the Monitoring Officer;

5.3.2 The need for such work to add clear value for the people of Northumberland;

5.3.3 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.

5.4 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.

5.4.1 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:

- (a)** 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;
- (b)** Evidence-gathering, following the methods set out in section 5.8 below. Task and finish work may be carried out both in private and in public;
- (c)** 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;
- (d)** 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.

- 5.4.2** 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.
- 5.4.3** 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.

6.1 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.

6.2 Co-optees

- 6.2.1** The power exists for scrutiny committees to “co-opt” people who are not Councillors to sit on scrutiny committees.
- 6.2.2** 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.
- 6.2.3** 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:
- 6.2.4** The Church of England Diocese of Newcastle;
- 6.2.5** The Roman Catholic Diocese of Hexham and Newcastle;

6.2.6 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;

6.2.7 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:

- 7.1** Preserve and champion the independence of the scrutiny function from the executive;
- 7.2** Ensure that scrutiny is looking at the right things, in the right way, at the right time;
- 7.3** Ensure that scrutiny is a collaborative working environment which benefits from the experience and viewpoints of a range of Councillors;
- 7.4** Ensure that scrutiny activity is planned and carried out in a way which conforms to the Council's agreed values and behaviours;
- 7.5** Ensure that scrutiny is visible to the public and drawing on public insight and views;
- 7.6** Ensure that Councillors sitting on scrutiny committees individually and collectively have the skills and capabilities to carry out their roles;
- 7.7** Work in a mutually supportive manner with officers, in accordance with the Member-Officer Protocol and the Council's agreed values and behaviours.
- 7.8** 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.

- 7.9** Carrying out work on subjects where Member-led scrutiny can add value.

7.9.1 This objective will be met through the delivery of a comprehensive and focused work programme.

- 7.9.2** 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".
- 7.9.3** 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.
- 7.9.4** Overall, the work programme for committees individually and collectively will focus on:
- (a)** Forthcoming policy development, with such matters usually being identified well ahead of time;
 - (b)** Review of performance, and finance, issues in-year, with particular matters of concern being escalated to committee by exception.
- 7.9.5** 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.
- 7.10** Carrying out work using methods most likely to deliver a consistent high impact.
- 7.10.1** Scrutiny committees have a range of methods at their disposal to conduct their work, and to gather evidence.
- 7.10.2** 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.
- 7.10.3** Usual methods will include:
- (a)** 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 set out the arrangements for this form of evidence-gathering in more detail;
 - (b)** 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 above;

- (c) 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;
- (d) 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 above.
- (e) 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;

7.11 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.

7.11.1 Evidence to support scrutiny activity may derive from:

- (a) 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;
- (b) 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;

- (c) 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;
- (d) 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;
- (e) 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.

8 CALL IN

- 8.1** 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).
- 8.2** 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.
- 8.3** 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.

- 8.4** 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.
- 8.4.1** The call in notice must be signed by either;
- (a)** the Chair or Vice-Chair of the relevant scrutiny committee or
 - (b)** 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).
- 8.4.2** 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.
- 8.5** 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.
- 8.6** 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.
- 8.7** 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.

8.8 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.

8.9 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.

8.10 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.

8.11 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 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 Chair, the Deputy 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.

8.12 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.

Section 6

EMPLOYMENT PROCEDURE RULES

1 PURPOSE

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

2.1 All staff to be appointed on merit

2.1.1 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.

2.2 Declarations

2.2.1 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.

2.2.2 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.

2.3 Seeking support for appointment

2.3.1 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.

2.3.2 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.

- 2.3.3** 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 Staff and Appointments 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

7.1.1 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 dismissoir until—

7.1.2 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;

7.1.3 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

7.1.4 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

A statement of the Council's pay policy will be published annually.

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PART 10

Finance and Contract Rules

This Part sets out how monies are to be managed, including how the Council procures good and services.

PART 10 – Finance and Contract Rules

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Section 1

1 INTRODUCTION

- 1.1** The Constitution sets out how the Council operates, how decisions are made and the procedures to be followed.
- 1.2** To conduct its business efficiently, the Council 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, policies and procedures that set out the financial operations of the Council.
- 1.3** This Finance and Contract Rules (“the Rules”) provide the mechanism via which the Council exercises financial control and provides clarity about the financial accountabilities of all individuals: specifically including Elected Members, the Head of Paid Service, the Chief Finance Officer, the Monitoring Officer, Executive Directors and other senior managers.
- 1.4** This Framework is only part of the overall framework set out within the Constitution. As such, it should be read in conjunction with the overall Constitution, but in particular the following sections which include references to key financial and procurement matters:
- [Part 4: Articles](#)
 - [Part 5: Responsibility for Functions \(decision-making\)](#)
 - [Part 9: Procedure Rules \(Standing Orders\)](#)
- 1.5** The Rules contain the following sections:
- 1. Introduction**
 - 2. Financial Regulations:** sets out the key rules for the management of the Council’s finances that must be observed by all employees, Members and anyone acting for or on behalf of the Council.
 - 3. Financial Governance Framework:** sets out the role of Members, the Chief Finance Officer and Executive Directors in delivering sound financial management across the Council.
 - 4. Financial Approval Thresholds:** sets out the thresholds for financial decisions across the Council.
 - 5. Financial Procedure Rules:** sets out the detailed rules that employees, Members and anyone working for or on behalf of the Council must follow when administering the Council’s finances.
 - 6. Contract Procedure Rules:** sets out how the Council will procure goods, works and services in an effective way that secures best value

and complies with all legal requirements governing the procurement process.

7. **Appendices:** supporting information issued by or on behalf of the Chief Finance Officer.

Definitions

- “Head of Paid Service” means the Chief Executive designated under section 4(1) of the Local Government and Housing Act 1989
- “Chief Finance Officer” means the officer designated under Section 151 of the Local Government Act 1972
- “Monitoring Officer” means the Chief Legal Officer designated under section 5 (1) of the Local Government and Housing Act 1989
- “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.
- “Executive Directors” means the Council’s Chief Executive and all those senior officers designated as Executive Directors
- “Directors” and “Heads of Service” means all those senior managers designated as such.
- “Head of Corporate Commissioning and Procurement” means the employee designated as such.
- “School” means a school with a delegated budget in accordance with the Education Reform Act 1988 (as amended). In the case of a school, all references to “a Director” shall be interpreted to refer to the Headteacher, and references to an “Executive Member” refer to the governing body of the establishment in question.
- “Virement” means the transfer between budget headings.
- “Employees” has the meaning of anyone employed by the Council, including anyone acting on a temporary or interim basis.
- “Subsidiaries” means the Council’s wholly owned subsidiary companies.

Section 2

2 FINANCIAL REGULATIONS

These Financial Regulations set out the key rules for the management of the Council's finances that must be observed by all employees, Members and anyone acting for or on behalf of the Council.

- FR1.** All employees and Members must, when engaged on Council activities, act in the best interests of the Council as a whole.
- FR2.** All employees and Members must adopt the highest standards of financial probity, including declaring all relevant financial interests to the Monitoring Officer or their Executive Director as appropriate (see [Part 6](#)).
- FR3.** All employees and Members must declare any interest particularly in relation to any duties and responsibilities they may have as Members or directors of the Council's subsidiaries or any other commercial bodies and seek the advice, where appropriate, of the Monitoring Officer.
- FR4.** All employees and Members have a duty to report any unlawful or potentially unlawful spending or financial irregularity at the earliest opportunity to their line manager or Head of Internal Audit and Risk Management as appropriate.
- FR5.** The Council appoints a Chief Finance Officer under section 151 of the Local Government Act 1972 who is responsible for the proper administration of the Council's financial affairs.
- FR6.** All employees and Members must act reasonably and comply with the Finance and Contract Rules, established and maintained by the Chief Finance Officer.
- FR7.** These Financial Regulations, the [Financial Governance Framework](#), the [Financial Approval Thresholds](#) and the [Contract Procedure Rules](#) will be reviewed regularly by the Chief Finance Officer and approved by Council. The Chief Finance Officer is responsible for setting the [Financial Procedure Rules](#) and any associated supporting information and making any changes to them to ensure that these remain up to date.
- FR8.** All activities must be in accordance with:
 - (a)** Legislation

- (b) Any rules set out in the Council's Constitution
- (c) All approved Council policies and strategies
- (d) The approved Revenue and Capital Budgets
- (e) All appropriate professional codes of practice
- (f) Any other supporting information, best practice etc

FR9. Value for money must be sought in all activities, including the procurement and commissioning of goods, works and services and the acquisition and disposal of assets.

FR10. All employees and Members have a duty to maintain the security of Council assets and computer systems that contain financial, commercial, and personal information.

FR11. All managers have a duty to identify, assess and mitigate existing and emerging risks facing the Council and ensure that there are appropriate arrangements in place to manage those unmitigated risks.

FR12. Full Council, assisted by Cabinet, will maintain oversight of all financial activities in line with the [Financial Governance Framework](#) supported by the Chief Finance Officer, who delivers appropriate transparency and reporting on the delivery of this Framework.

FR13. The Council will appoint an Audit Committee to keep under review its risk management and internal control processes and advise it on any changes that need to be made to strengthen financial governance.

FR14. The Chief Finance Officer will fulfil their statutory responsibility to ensure there are appropriate and adequate systems and procedures within the Council to:

- (a) Ensure that financial plans are realistic and affordable
- (b) Account for all income and expenditure
- (c) Protect assets from loss, waste, theft or fraud
- (d) Report to the Council if they consider that it no longer has sufficient resources to deliver its financial plans (a report under Section 114 of the Local Government Finance Act 1988)
- (e) Report to the Council if they consider that there have been items of unlawful expenditure (a report under Section 114 of the Local Government Finance Act 1988)

- FR15.** The Chief Finance Officer, or their representative, has the right to be present and give appropriate advice, at all meetings, where the Council's financial arrangements are discussed.
- FR16.** Executive Directors must provide an annual assurance and accountability statement to the Chief Finance Officer (see Appendix A), in the format prescribed by the Chief Finance Officer, to confirm that their Directorate has complied with the Finance and Contract Rules.
- FR17.** The Financial Regulations also apply to all Council trading companies or other commercial bodies unless the Chief Finance Officer specifically agrees that other arrangements will be followed. Specific regulations and guidance exist for schools, and these are included within at Appendix G.
- FR18.** Members and senior managers are required to complete an annual related party disclosure.
- FR19.** Failure to comply with these Financial Regulations and the overarching Finance and Contract Rules may constitute misconduct.

Section 3

3 FINANCIAL GOVERNANCE FRAMEWORK

3.1 INTRODUCTION

The Financial Governance Framework sets out the role of the following in delivering sound financial management across the Council:

- Member groups (Full Council, Cabinet and other Member groups);
- the Chief Finance Officer; and
- Executive Directors.

Financial governance responsibilities are set out across the following areas:

1. Financial planning;
2. Financial management and control;
3. Financial assurance and oversight;
4. Financial governance;
5. Core strategies/policies that support sound financial management; and
6. Delivery and adherence to these core strategies/policies.

3.2 THE ROLE OF MEMBER GROUPS

The Constitution sets out the specific roles of Full Council, Cabinet and other Member groups and the extent to which they will fulfil the roles set out below.

FB1. Financial Planning

- (i) Full Council sets the spending plans for the Council on an annual basis, following proposals by Cabinet and as advised by the Chief Finance Officer, to conform with all necessary legislation and will, unless otherwise delegated:
- (ii) Approve the Council Tax Reduction Scheme;
- (iii) Approve the Council Tax Base (the number of Band D equivalent dwellings in Northumberland) by 31 January;
- (iv) Approve Collection Fund balances by the statutory deadlines (15 January for Council Tax and 31 January for Business Rates);
- (v) Set Housing Rents at least 4 weeks before 1 April;
- (vi) Approve the Housing Revenue Account (HRA) revenue budget for forthcoming year;

- (vii) Note the indicative 30 year HRA business plan;
- (viii) Approve the General Fund revenue budget for the forthcoming financial year before the preceding 11 March;
- (ix) Note the Revenue Medium-Term Financial Plan (MTFP);
- (x) Approve the Capital Programme;
- (xi) Approve the Treasury Management Strategy Statement, Prudential Indicators, Capital Investment Strategy and MRP Policy;
- (xii) Approve the Revenues & Benefits Policies; and
- (xiii) Approve the Council Tax.

FB2. Financial Management and Control

Full Council or Cabinet will approve in-year variations to the revenue Budget or the Capital Programme in line with the agreed limits set out in the Financial Approval Thresholds. This includes:

- (i) Virement between budget allocations;
- (ii) Additional spending not included within approved Revenue and Capital Budget plans;
- (iii) The creation of new earmarked reserves in line with the reserves policy;
- (iv) Any reprofiling of capital budgets; and
- (v) Agreeing in year proposals to achieve a balanced Budget in the event of a significant forecast overspend.

FB3. Financial Assurance and Oversight

The Council has assigned responsibility to Cabinet for ensuring that financial plans are being delivered effectively and within available resources by receiving:

- (i) Quarterly monitoring reports on the Revenue Budget and Capital Programme, including forward-looking Prudential Indicators;
- (ii) Revenue Budget and Capital Programme outturn reports;
- (iii) The annual report of the Audit Committee; and
- (iv) The Annual Report on Council-owned companies.

FB4. Financial Governance

The Council appoints an Audit Committee to provide independent assurance on the adequacy of the County Council's risk management framework, its internal control environment and to oversee financial reporting and the Annual Governance Statement:

- (i) The Audit Committee approves the annual Internal Audit Plan and Internal Audit Charter;
- (ii) The Head of Internal Audit and Risk Management reports to the Audit Committee on:
- (iii) The Internal Audit Plan and key recommendations, Internal Audit performance, including summaries of specific Internal Audit reports and the Annual Opinion of the Adequacy and Effectiveness of the Framework of Governance, Risk Management and Control;
- (iv) The effective development and operation of risk management; and
- (v) Counter fraud and corruption policies / strategies and reports on counter fraud performance;
- (vi) The Audit Committee reviews and approves the Annual Governance Statement, prior to sign off by the Leader of the Council and Head of Paid Service and receives the report of the external auditor on their audit of the Council's Statement of Accounts;
- (vii) The Audit Committee reviews and approves the annual audited Statement of Accounts;
- (viii) The Audit Committee reviews and recommends approval of the Treasury Management Strategy Statement, Prudential Indicators and Annual Minimum Revenue Provision Policy Statement to Council; and
- (ix) The Audit Committee reviews half-yearly reports on performance against the Treasury Management Strategy, including compliance with Prudential Indicators.

FB5. Core Strategies/Policies that support sound Financial Management

The Council agrees core financial management policies/strategies that support sound financial management including:

- (i) Anti-Fraud, Bribery and Corruption Policy
- (ii) Anti-Money Laundering Policy
- (iii) Risk Management Strategy

(iv) Raising Concerns at Work Policy (HR policy)

FB6. Delivery and Adherence to Core Strategies/Policies

The Council monitors the delivery and adherence to the above core financial management strategies/policies by receiving reports on at least an annual basis.

3.3 THE ROLE OF THE CHIEF FINANCE OFFICER (S151 OFFICER)

The Chief Finance Officer has a statutory responsibility for the proper administration of the Council's financial affairs.

Five principles that define core activities and behaviours that belong to the role of the Chief Finance Officer have been established by CIPFA, the professional public sector accounting body:

1. The Chief Finance Officer should be a key member of the Leadership Team, helping the organisation to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest;
2. The Chief Finance Officer must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and aligned with the organisation's financial strategy;
3. The Chief Finance Officer must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times, and used appropriately, economically, efficiently and effectively;
4. To deliver these responsibilities the Chief Finance Officer must lead and direct a finance function that is resourced to be fit for purpose; and
5. The Chief Finance Officer must be professionally qualified and suitably experienced.

FB1. Financial Planning

Advising on the completeness of financial estimates including the Revenue Budget and Capital Programme;

Assessing the robustness of reserves to support the Revenue Budget;

Preparing a Reserves Policy to support the Revenue Budget and Capital Programme;

Preparing and keeping under review a Medium-Term Financial Plan;

Ensuring that the financial implications of the Capital Strategy and Capital Programme are affordable as measured by Prudential Indicators;

Preparing an annual Treasury Management Strategy; and

Ensuring that all Council Tax calculations accord with statutory requirements.

FB2. Financial Management and Control

- (i) Overseeing the delivery of the Budget and Capital Programme within the parameters set by the Council;
- (ii) Establishing processes to ensure that any spending or virement is approved in accordance with agreed limits;
- (iii) Establishing processes to prioritise capital and revenue spending against key Council aims and objectives;
- (iv) Establishing a business case process for capital and revenue funding bids;
- (v) Establishing a process for all new revenue and capital funding bids to ensure that they align with core Council aims and objectives and the Capital Strategy;
- (vi) Advising, developing, and leading on plans to achieve a balanced Budget and manage projected medium-term plans; and
- (vii) Advising on any new commercial activities and ensuring that the risks associated with such activities are fully recognised and that all appropriate mitigation is in place to manage those risks.

FB3. Financial Assurance and Oversight

- (i) Preparing, at a minimum, quarterly monitoring reports on the Budget and Capital Programme and forward-looking Prudential Indicators;
- (ii) Bringing to the prompt attention of Members any significant overspending or potential unlawful spending;
- (iii) Preparing a half-yearly report on the implementation of the Treasury Management Strategy Statement and quarterly reports on compliance with forward looking Prudential Indicators;
- (iv) Preparing an annual Statement of Accounts and an Annual Governance Statement, in accordance with all necessary statutory requirements and within statutory timescales; and

- (v) Maintaining oversight of the Council's commercial activities and associated financial risks including regular monitoring reports on financial and performance reports on its trading companies.

FB4. Financial Governance

- (i) Ensuring an appropriate system of internal control exists throughout the Council, including issuing Financial Procedure Rules and any associated supporting information to make all employees aware of their responsibilities regarding sound financial management;
- (ii) Ensuring that appropriate arrangements are in place to deliver an effective internal audit service, including a named responsible individual, in line with the Accounts and Audit Regulations 2015;
- (iii) Making appropriate arrangements for external audit in line with the Local Audit and Accountability Act 2014, ensuring that external auditors are in place no later than 31 December of the preceding financial year; and
- (iv) Ensuring open and unfettered access for internal and external auditors throughout the Council.

FB5. Core Strategies/Policies that support sound Financial Management

- (i) In consultation with the Head of Internal Audit and Risk Management, preparing and keeping under review an Anti-Fraud, Bribery and Corruption Policy;
- (ii) Ensuring that the Risk Management Strategy highlights the financial impact of all risks facing the Council and this informs financial plans;
- (iii) In consultation with the Director of Workforce and OD, assessing and advising on the financial aspects of people policies and their impact on the Medium-Term Financial Plan; and
- (iv) Ensuring that contracts and procurement guidelines are followed in the ordering and procurement of goods, works and services.

FB6. Delivery and Adherence to Core Strategies and Policies

- (i) To ensure the Head of Internal Audit and Risk Management prepares an annual report for the Audit Committee on the delivery of the Anti-Fraud, Bribery and Corruption Policy and Anti-Money Laundering Policy;
- (ii) To ensure the Head of Internal Audit and Risk Management reports on at least a half-yearly basis to the Audit Committee on the Risk Management Strategy and key risks facing the Council;

- (iii) Ensuring that annual updates on delivery of strategies set out any associated financial implications.

3.4 THE ROLE OF EXECUTIVE DIRECTORS

Executive Directors have prime responsibility for their budgets and ultimate responsibility for the financial management of all resources allocated to them. This relates to the Head of Paid Service, Monitoring Officer, and all Executive Directors of the Council, together with the executive-level leaders of other associated organisations who adopt the Financial Regulations of the Council.

The duties below relate only to Executive Directors' areas of direct responsibility.

FC1. Financial Planning

- (i) Ensuring that the Chief Finance Officer is aware of new service and financial pressures that impact on the Medium-Term Financial Plan;
- (ii) Preparing realistic financial estimates for revenue budgets and capital projects in accordance with all available financial guidance;
- (iii) Signing an annual Assurance and Accountability Statement to confirm that they will endeavour to keep within allocated resources;
- (iv) Maintaining and collecting sufficient performance information to assess the financial impact of changing demand for the services within their overall control;
- (v) Preparing appropriate impact assessments at the relevant time for their areas of responsibility and for any proposals for major change (e.g. equality impact assessment, risk assessment etc); and
- (vi) Preparing plans and strategies that support the Capital Strategy, including any IT/digital, asset management or estates strategies.

FC2. Financial Management and Control

- (i) Ensuring that net expenditure (revenue and capital) in their areas of responsibility does not exceed the annual budgets set for their services and projects;
- (ii) Ensuring that each budget has a designated budget holder and that each capital project has a designated project manager;
- (iii) Ensuring that monitoring and forecasting of in-year spending is realistic and accurately reflects current and future demand and commitments for the service;

- (iv) Complying with all financial requirements concerning the preparation of business cases;
- (v) Ensuring that the financial implications of decisions are included within any report where this applies;
- (vi) Complying with all financial limits concerning the virement of budgets or the in-year approval of new capital and revenue spending;
- (vii) Developing and implementing plans to contribute to a balanced Budget as part of the overall Budget management strategy led by the Chief Finance Officer;
- (viii) Ensuring the identification, reconciliation, recording and security of all income due/received;
- (ix) Ensuring the security, custody, and management of all assets; and
- (x) Ensuring that there is sufficient oversight of all companies within the Council's area of control and seeking appropriate legal and financial advice concerning the operation of those companies.

FC3. Financial Assurance and Oversight

- (i) Ensuring that all expenditure is lawful (intra vires), has been properly authorised and all necessary processes have been complied with;
- (ii) Ensuring there are adequate controls and procedures in operation within their Directorate;
- (iii) Each Executive Director must report to the Monitoring Officer and the Chief Finance Officer where there is doubt over the legality of proposed, or already incurred, expenditure and or actions;
- (iv) Complying with all financial procedures and requirements to maintain accurate and comprehensive financial records;
- (v) Observing all year-end processes and timetables to prepare financial information to be consolidated within the Council's Statement of Accounts, including robust and evidence-based forecasting of spend as part of year-end processes;
- (vi) Completing an annual return to be incorporated into the Council's Annual Governance Statement, in the form required by and in compliance with all deadlines set by the Chief Finance Officer; and
- (vii) Completing an annual related parties return.

FC4. Financial Governance

- (i) Co-operating and engaging effectively with Corporate Finance to ensure that it is involved in all key financial decisions affecting their Directorate;
- (ii) Ensuring they have appropriate organisational structures in place to achieve effective financial administration in the fulfilment of their service responsibilities and to comply with the financial regulatory environment;
- (iii) Ensuring they use the Council's financial systems, and they comply with the processes and procedures in place that meet the requirements of the Chief Finance Officer;
- (iv) Ensuring that all their employees receive up-to-date financial and systems training to properly perform their duties;
- (v) Providing open and unfettered access to internal and external auditors; and
- (vi) Implementing agreed Internal Audit recommendations within agreed timescales.

FC5. Core Strategies/Policies that support sound Financial Management

- (i) Ensuring that designated risk owners are appointed for all risks identified and managed within their Directorate;
- (ii) Ensuring that all business activities and assets are insured and that consultation with the Insurance Compliance Manager takes place where appropriate; and
- (iii) Review and adhere to the relevant counter fraud and corruption policies and practices within their Directorate.

FC6. Delivery and Adherence to Core Strategies/Policies

- (i) Executive Directors will maintain appropriate systems which adhere to the Council's core strategies and policies.

Section 4

4 FINANCIAL APPROVAL THRESHOLDS

4.1 Introduction

1. This section sets out the thresholds for financial decisions across the Council; it will be kept under annual review by the Chief Finance Officer and any proposed changes reported to Council as appropriate.
2. It seeks to ensure that the Council is agile in its decision-making and that decisions are made at the lowest possible level.
3. At the same time, it is acknowledged that there will be decisions that Cabinet or Full Council will wish to make because of the scale of financial commitment involved and the overall impact on Council finances.

4.2 Responsibilities of the Chief Finance Officer

1. The Chief Finance Officer has ultimate responsibility for ensuring that the financial thresholds set out below are followed.
2. This means that they must make adequate arrangements to make sure that the right financial decisions reach Cabinet or Full Council for approval in line with these thresholds.
3. The Chief Finance Officer is responsible for advising the Council on the application of these thresholds and for reviewing them on an annual basis.
4. The Chief Finance Officer must ensure that the thresholds are consistent with the overall Constitution and more specifically the Scheme of Delegation set out in [Part 5](#).

4.3 Responsibilities of Executive Directors

1. All Executive Directors must make sure that they have effective arrangements in place to comply with these thresholds.
2. Executive Directors should not artificially manipulate expenditure to circumnavigate these thresholds. This includes, but is not limited to, splitting projects or netting off income from expenditure on projects.
3. Executive Directors have a duty to ensure that they have taken appropriate advice and guidance, including financial advice and, where appropriate, legal, and human resources advice, before they make decisions in line with this section.

4. Executive Directors may delegate budget management and decision-making within their Directorate, but they remain responsible for ensuring that these arrangements are followed effectively.
5. Executive Directors will remain accountable for any delegated decisions under their Directorate's Scheme of Delegation.

4.4 Financial Approval Limits

1. As set out in [Part 5](#) of the Constitution, certain specified roles have the power to:
 - (a) incur expenditure on the Council's behalf within the sums approved by Council; and
 - (b) to procure goods, works and services consistent with the Council's procurement policies.
2. As the Budget is approved by Full Council, this provides delegated authority to Executive Directors to incur expenditure within the limits set out in the Budget. This authority may be further delegated within Directorate Schemes of Delegation (which must be approved and reviewed annually, and any changes agreed by the Monitoring Officer, as set out in [Part 5](#) of the Constitution).
3. In some cases, consultation may be required (for example with the Leader, Cabinet Member, Executive Director, the Chief Finance Officer or the Monitoring Officer); the financial thresholds set out here do not negate the requirement for consultation to occur wherever necessary.
4. The following table sets out the financial thresholds in place for any transactions to be incurred outside the approvals given in the Budget, noting that these do not apply to schools. Limits are cumulative unless otherwise stated.

		Executive Director	Chief Finance Officer	Cabinet	Council	Comments
1	Revenue Budget					
	Approval to incur additional expenditure where Council funding is required (reserves)	N/A	Up to £500,000	£500,001 - £2,000,000	Over £2,000,000	Supplementary estimate form to be completed.
	Approval to incur additional expenditure fully funded from internal or external resources	N/A	Unlimited	N/A	N/A	Supplementary estimate form to be completed.
	Virements (revenue) within Directorates	Up to £250,000	£250,001 - £500,000	£500,001 - £2,000,000	Over £2,000,000	
	Virements (revenue) between Directorates	N/A	Up to £500,000	£500,001 - £2,000,000	Over £2,000,000	
	Virements from contingency	N/A	Up to £500,000	£500,001 - £2,000,000	Over £2,000,000	Excludes money set aside for earmarked purposes in the budget e.g. pay award.
	Approval to create a new reserve	N/A	N/A	Unlimited	N/A	
	Approval to add to an existing earmarked reserve	N/A	Unlimited	N/A	N/A	Movement in Earmarked Reserves form to be completed. Exceptions – S106, School Balances, Revenue Grants, HRA Investment Reserve.

Approval to use earmarked reserves (limits are per reserve)	N/A	Up to £500,000	£500,001 - £2,000,000	Over £2,000,000	These limits apply unless Council have agreed otherwise. Exceptions – to use up to the value of the reserve: S106, School Balances, Revenue Grants, HRA Investment Reserve. Movement in Earmarked Reserves form to be completed.
Approval to add to or utilise a general reserve (General Fund or HRA)	N/A	N/A	Up to £1,000,000	Unlimited	The exception to this is the year end where it is requested that the addition to or utilisation of general reserves is delegated by Council to Cabinet.
2 Capital Budget					
Approval to incur additional expenditure fully funded from external resources (per project)	N/A	Unlimited	N/A	N/A	Supplementary estimate form to be completed.
Approval to incur additional expenditure where Council funding is required (per project)	N/A	Up to £500,000	£500,001 - £2,000,000	Over £2,000,000	Supplementary estimate form to be completed.
Approval to create a new reserve	N/A	N/A	Unlimited	N/A	
Approval to add to an existing earmarked reserve	N/A	Unlimited	N/A	N/A	Movement in Earmarked Reserves form to be completed.

Approval to use earmarked reserves (per reserve)	N/A	Up to £500,000	£500,001 - £2,000,000	Over £2,000,000	The exception to this is the year end where it is requested that the addition to or utilisation of capital reserves is delegated by Council to Cabinet. Exceptions – HRA Major Repairs Reserve, Capital Grants Movement in Earmarked Reserves form to be completed.
Capital virements between projects (per project)	N/A	Up to £500,000	£500,001 - £2,000,000	Over £2,000,000	
Virement from capital contingencies	N/A	Up to £2,000,000	£2,000,001 - £5,000,000	Over £5,000,000	
Approval to accept tender in excess of capital budget provision (limit per project)	Lower of 10% or £250,000	Up to £500,000	Unlimited	N/A	Following consultation with the Chief Finance Officer and subject to the Chief Finance Officer's confirmation of overall affordability.
3 Procurement					
Approval to award contracts	Up to £1,000,000	Up to £3,000,000	Unlimited	N/A	In consultation with the Chief Finance Officer and must be in line with budgetary provision
Approval to terminate contracts	Nil	Up to £3,000,000	Unlimited	N/A	

4 Commercial					
Approval to bid for external work	Up to £100,000	Up to £250,000	Unlimited	N/A	In consultation with Chief Finance Officer
Payments to the Council's own trading companies	N/A	Up to £1,000,000	Unlimited	N/A	See separate section below
5 Grants					
Approval to apply for external grant funding (per grant)	Up to £1,000,000 (in consultation with CFO)	Up to £1,000,000	Unlimited	N/A	Provided no match funding required, or any match funding required is within approved budgets and no recurrent obligations will be required as a result.
Approval to receive grant funding and incur expenditure (per grant)	N/A	Unlimited	N/A	N/A	Provided no impact on the Medium-Term Financial Plan and that no recurrent obligations will be required as a result.
6 Treasury Management					
Approval for treasury management transactions	Nil	Unlimited	N/A	N/A	Approval for treasury functions is given by Council annually and managed on a day-to-day basis by the Chief Finance Officer and delegated to Corporate Finance staff
Approval to make non-treasury loans	None	Up to £1,000,000	Up to £5,000,000	Unlimited	See 4 above and note below regarding loans to subsidiaries

7	Stock Write Offs					
	Redundant stock write-off	Up to £100,000	Up to £250,000	Unlimited	N/A	
8	Property (per property)					
	Disposal of property	Up to £250,000	Up to £1,000,000	Unlimited	N/A	In consultation with the Senior Officer responsible for Property Services and Chief Finance Officer
	Acquisition of property	Up to £250,000	Up to £1,000,000	Unlimited	N/A	In consultation with the Senior Officer responsible for Property Services and Chief Finance Officer
	Termination of property leases	Up to £100,000	Up to £250,000	Unlimited	N/A	In consultation with the Senior Officer responsible for Property Services and Chief Finance Officer
	New property leases	Up to £100,000	Up to £250,000	Unlimited	N/A	In consultation with the Senior Officer responsible for Property Services and Chief Finance Officer
9	Debt write offs & credits					
		Head of Service	Chief Finance Officer	Chief Executive		
	Sundry debt write offs	Up to £2,500	Up to £50,000	Over £50,000		In consultation with the Senior Revenues Manager.

		Senior Revenues Manager	Head of Transactional Services	Chief Finance Officer	Chief Executive	
	Sundry Debt credits	Unlimited				
	Council Tax & NNDR write offs	Up to £5,000	£5,001-£50,000	£50,001-£100,000	Over £100,000	
	Council Tax & NNDR credits	Unlimited				
		Senior Benefits Manager	Head of Transactional Services	Chief Finance Officer	Chief Executive	
	Benefit overpayment write offs	Up to £5,000	£5,001-£50,000	£50,001-£100,000	Over £100,000	
	Benefit overpayment credits	Unlimited				

Loans to Council-Owned Companies and their subsidiaries

Subject to sufficient capital provision, loans to the Council's subsidiaries require the following protocols and thresholds to be followed:

1. All loans for any value require approval from Loans Panel;
2. For loans up to £1 million: Chief Finance Officer or Deputy Chief Finance Officer plus Cabinet Member for Corporate Services or Deputy Leader or Leader of the Council;

3. For loans over £1 million but less than £5 million: Chief Executive or nominated Deputy Chief Executive plus Deputy Leader or Leader of the Council; and
4. For loans over £5 million: subject to report to Corporate Services Overview and Scrutiny Committee and approval by Cabinet.

Where there is no capital provision a report must be taken to Full Council for approval.

Equity payments to the Council's companies or subsidiaries: if a budget exists, Cabinet approval is needed; Full Council approval is required if no budgetary provision exists.

Section 5

5 FINANCIAL PROCEDURE RULES

These Financial Procedures rules set out the detailed rules that employees, Members and anyone working for or on behalf of the Council must follow when administering the Council's finances.

These Financial Procedure Rules form part of the overall Finance and Contract Rules and are set and updated by the Chief Finance Officer.

In some cases, these Financial Procedure Rules will be supported by more detailed guidance that the Chief Finance Officer may choose to issue from time to time.

The Financial Procedure Rules are broken down into six specific sections as set out below:

Section A: Financial Planning

This section sets out how the Council will establish viable and legal financial plans that deliver its policy priorities as set out within its Policy Framework. The rules cover the development of sustainable financial plans for the Council for both day-to-day (revenue) spending and more long-term (capital) spending. In addition, they also consider how this spending will be financed from reserves or long-term funding and investments (Treasury Management).

- A1.** Financial Policy Framework
- A2.** Strategic financial planning
- A3.** Revenue Budget preparation
- A4.** Capital Budget and Capital Programme preparation
- A5.** Maintenance of reserves
- A6.** Treasury management activities

Section B: Financial Management and Control

This section sets out the rules for managing the Budget on a day-to-day basis along with the requirements for financial reporting, including the annual Statement of Accounts.

- B1.** Financial Standards
- B2.** Managing the Revenue Budget
- B3.** Managing the Capital Budget/Programme
- B4.** Accounting Policies
- B5.** Accounting Records and Returns
- B6.** Statement of Accounts

Section C: Audit, Risk Management and Insurance

This section sets out the controls that the Council will establish to manage the organisational and financial risks that they face. This includes the governance and external oversight arrangements and how they will protect against fraud and corruption.

- C1.** Risk Management and Insurance
- C2.** System of Internal Control
- C3.** Internal Audit
- C4.** External Audit Rules
- C5.** Anti-Fraud and Corruption Rules
- C6.** Audit Committee

Section D: Security and Control of Assets

These rules concern the control of all assets both physical (e.g. land and buildings) and financial assets in the form of loans and investments.

- D1.** Assets
- D2.** Property
- D3.** Banking arrangements
- D4.** Investments and Borrowing Rules
- D5.** Trust Funds and Funds Held for Third Parties

Section E: Financial Systems and Procedures

These are a set of overarching rules that set out how the Council will manage their core financial transactions.

- E1.** Financial Systems and Procedures Rules
- E2.** Contracts and Procurement Key Rules
- E3.** Income Rules
- E4.** External Grant Funding Rules
- E5.** Civic gifts, loans of property and sponsorship
- E6.** Payroll Rules
- E7.** Payments to Consultants and Sub-Contractors
- E8.** Taxation Rules

Section F: External Arrangements

This set of rules covers the financial arrangements for working with external bodies including the award of grants to them.

- F1.** Partnerships

- F2.** Commercial Arrangements
- F3.** Grants and Sponsorship to the third sector
- F4.** The Council acting as Accountable Body

A Financial Planning

This section sets out how the Council will establish viable and legal financial plans that deliver its policy priorities as set out within its Policy Framework (as defined in [Article 4](#)). The rules cover the development of sustainable financial plans for the Council for both day-to-day (revenue) spending and more long-term (capital) spending. In addition, they also consider how this spending will be financed from reserves or long-term funding and investments (treasury management).

A1. Financial Policy Framework

These rules set out the overall arrangements that enable the Council to set a legal Budget and how they enable it to achieve the objectives set out in the Council's Corporate Plan. The Council will review its Financial Policy Framework on an annual basis.

Rule A1.1 The Council must have due regard to the report of the Chief Finance Officer, which covers the robustness of estimates and the adequacy of reserves, prior to approving the one-year Budget and the multi-year Medium-Term Financial Plan and Capital Programme for the Council, which is a requirement of Section 25 of the Local Government Act 2003.

Rule A1.2 The Chief Finance Officer must ensure that the Budget, Medium-Term Financial Plan and Capital Programme are consistent with the Council's overall Policy Framework (in [Article 4](#)) and are supported by a robust Financial Policy Framework comprising the following:

- (i) Revenue Budget and Medium-Term Financial Plan (MTFP), which sets out the availability of financial resources (revenue) and how these will be allocated over the medium-term to support the delivery of the Corporate Plan, including service plans and key priorities;
- (ii) Reserves Policy showing how the reserves will be managed during the period of the Budget and Medium-Term Financial Plan and how the Council will maintain adequate reserves to manage the risks that it faces;
- (iii) Capital Strategy, which sets out the availability of financial resources (capital) and shows the rationale for its Capital Budget and Capital Programme priorities and how the Council will invest sustainably and affordably in the medium
to long term; and
- (iv) Treasury Management Strategy showing how the Council plans to fund its capital investment plans and the affordability of that funding, and how it plans to invest any surplus cash balances.

A2. Strategic Financial Planning

These rules set out how Council plans financially to deliver sound finances over the medium to long term, including the specific requirements for a Medium-Term Financial Plan and Capital Strategy.

Rule A2.1 The Council will update its Medium-Term Financial Plan on at least an annual basis.

Rule A2.2 All Budget Holders should act promptly to alert the Chief Finance Officer of any new or emerging pressures that could impact on the delivery of the current year's Budget and/or future financial plans.

Rule A2.3 The Medium-Term Financial Plan should be prepared by the Chief Finance Officer, and be sufficiently detailed to include the impact of:

- (i) Demographic changes;
- (ii) Future service needs;
- (iii) National pressures and requirements, including legislative changes;
- (iv) Current spending pressures and financial projections;
- (v) Economic factors e.g. inflation, interest rates;
- (vi) Future funding including government grants and service income;
- (vii) The financial impact of Capital Programme investment;
- (viii) Planned savings programmes;
- (ix) The planned use of reserves and overall reserves levels; and
- (x) Varying key assumptions (e.g. economic factors).

Rule A2.4 The Chief Finance Officer will develop a Capital Strategy setting out plans for capital investments, maintenance of assets and financing for the medium and long term to be included in the Capital Budget and Capital Programme.

Rule A2.5 The Council will review the Capital Strategy and the key strategies that support it on an annual basis, including:

- (i) Management Framework;
- (ii) IT and digital strategies; and
- (iii) Climate Change Action Plan.

Rule A2.6 All strategies and plans produced by the Council should address the financial implications of what is proposed.

A3. Revenue Budget Preparation

These rules cover the arrangements for preparing the annual Revenue Budget:

Rule A3.1 The Chief Finance Officer will consult Cabinet on projections (listed in A2.3) and potential options to close any identified budgetary shortfalls, including:

- (i) the delivery of savings;
- (ii) the use of reserves; and
- (iii) Council Tax levels.

Rule A3.2 The Chief Finance Officer will advise Cabinet on the framework and timetable for preparing the Revenue Budget.

A4. Capital Budget and Capital Programme Preparation

These rules set out the arrangements for preparing the annual Capital Budget and longer-term Capital Programme. This includes a prioritisation process for all new projects to assess the relative merits of competing capital projects:

Rule A4.1 The Capital Strategy will include approval criteria and rationale for investment decisions. All capital projects will be subject to a process that includes:

- (i) A statement of key deliverables and benefits;
- (ii) An assessment showing how the project will support the Corporate Plan objectives and Capital Strategy priorities;
- (iii) A full assessment of project costs together with ongoing revenue implications (costs and savings);
- (iv) A full assessment of potential funding requirements;
- (v) A risk assessment; and
- (vi) Clear delivery timescales.

Rule A4.2 The Chief Finance Officer will establish a prioritisation process to assess the relative priority of new capital projects prior to inclusion within the proposed Capital Budget and Programme.

Rule A4.3 The Chief Finance Officer will maintain and keep under review a multi-year Capital Programme that shows the full capital cost of projects over the relevant period and the revenue implications for each of those financial years.

Rule A4.4 The Chief Finance Officer will apply and keep under review the definition of “capital” as prescribed in Part IV of the Local Government and Housing Act 1989.

Rule A4.5 All business cases for capital projects will comply with guidance on the preparation of business cases issued by the Chief Finance Officer.

A5. Maintenance of Reserves

These rules set out the arrangements for establishing and managing reserves, including the requirement for a Reserves Policy:

Rule A5.1 The Chief Finance Officer will prepare and keep under review a Reserves Policy, informed by a risk-based assessment of the financial risks facing the Council.

Rule A5.2 Council will agree the extent, usage, and overall level of reserves, on recommendation of the Chief Finance Officer, as part of the annual Budget-setting process.

Rule A5.3 Cabinet will agree, for each reserve, its purpose and usage.

Rule A5.4 Reserves may only be used as agreed by Cabinet.

Rule A5.5 No reserves may be created without the approval of Cabinet.

A6. Treasury management activities

These rules set out how the Council manages funding and investments and the associated reporting requirements for the Prudential Code of Practice Indicators:

Rule A6.1 The Chief Finance Officer is responsible for all treasury management activity and for ensuring the affordability and sustainability of the Capital Programme as set out in the Capital Strategy.

Rule A6.2 The Chief Finance Officer will prepare and keep under annual review a Treasury Management Strategy.

Rule A6.3 The Chief Finance Officer will report on Prudential Indicators as part of the Budget-setting process.

Rule A6.4 The Chief Finance Officer will report to Audit Committee on at least a half yearly basis on the performance of the Treasury Management function, compliance with Prudential Indicators and all decisions taken in line with the Treasury Management Strategy. This will include a mid-year report and an annual report on Treasury Management.

Rule A6.5 The Chief Finance Officer will report to Cabinet quarterly on performance against all forward-looking Prudential Indicators.

B Financial Management and Control

This section sets out the rules for managing the Budget on a day-to-day basis along with the requirements for financial reporting, including the annual Statement of Accounts.

B1. Financial Standards

Sets the financial rules and procedures within which everyone responsible for financial matters and involved in financial management is expected to operate:

Rule B1.1 All decisions must be made in line with the [Financial Approval Thresholds](#) and can only be taken where there is a clear explanation of the financial implications of that decision; these implications must be approved by the Chief Finance Officer or as otherwise set out in the Scheme of Delegation in [Part 5](#) of the Constitution.

Rule B1.2 A record should be kept of all financial decisions under rule B1.1 above in a format agreed by the Chief Finance Officer.

Rule B1.3 **Clear segregation of duties must be maintained between staff involved in:**

- (i) raising of invoices and collecting cash sums;
- (ii) overseeing cash transactions and reconciliations; and
- (iii) ordering goods and services and the approval of the payment of any associated invoice.

B2. Managing the Revenue Budget

Sets out the frameworks against which Directorates will manage day-to-day spending as set out within the Revenue Budget. This includes:

- (i) the responsibilities of budget holders;
- (ii) arrangements for virement;
- (iii) arrangements for supplementary estimates;
- (iv) arrangements for requesting to carry forward unspent grants at the end of the year; and
- (v) Quarterly reporting of the Revenue Budget position to Cabinet.

Budget Holders

Rule B2.1 All budgetary allocations detailed within the overall Budget must have a designated budget holder, who is responsible and accountable for the management of that budget.

Rule B2.2 Expenditure can only be committed where it is provided for within the approved Budget and for the intended purpose.

Rule B2.3 Budget Holders must notify the Chief Finance Officer, promptly, if they consider that current and future in-year commitments are likely to exceed approved allocations.

Virement

The Scheme of Virement sets out the detailed rules relating to the transfer of budgetary allocations within and between Directorates (see Appendix B).

Rule B2.4 Virements will not result in an increase to the overall Budget or a permanent change in budgetary allocations without the approval of the Chief Finance Officer.

Rule B2.5 Executive Directors may move money between budget allocations within their Directorate, subject to the limits set out in the [Financial Approval Thresholds](#) and in line with their delegations under [Part 5](#) of the Constitution.

Rule B2.6 The Chief Finance Officer, Cabinet or Council may move money between budgetary allocations across Directorates, subject to limits within the [Financial Approval Thresholds](#) and in consultation with the relevant Executive Directors.

Supplementary Estimates

Rule B2.7 The Executive Director may approve additional spending outside of the approved budget in line with the [Financial Approval Thresholds](#) and in consultation with the Chief Finance Officer, without the need for a business case, provided that:

- (i) the additional spending is covered by additional income and the income projections are realistic;
- (ii) where the additional expenditure is covered by recharges, there are sufficient resources within the Service to be recharged to meet the costs; and
- (iii) additional costs do not create any pressures in future years.

Rule B2.8 All new in-year spending outside the prescribed criteria in B2.7 will require a business case in the format agreed by the Chief Finance Officer and will require approval in line with the [Financial Approval Thresholds](#).

Rule B2.9 Where additional, unbudgeted revenue grants are received for a specific purpose and will fully fund a scheme, the Chief Finance Officer has the authority to include the expenditure and associated grant income within the revenue budget. Where a reduction in revenue grant is notified the Chief Finance Officer has the authority to reduce the expenditure and associated grant income within the revenue budget.

Grant carry-forward arrangements

Rule B2.10 Executive Directors must provide the Chief Finance Officer with a clear justification for the carry-forward of any unspent grants at the end of the financial year (grant conditions permitting).

Quarterly reporting

Rule B2.11 The Chief Finance Officer will produce formal budget monitoring reports for Cabinet on at least a quarterly basis, which show:

- (i) The overall financial position for the current year's Budget and the projected year-end surplus or deficit;
- (ii) The delivery of efficiency targets;
- (iii) Clear explanations for any significant forecast variances;
- (iv) Management actions required to reduce any adverse variance (where applicable);
- (v) All virements between budgetary allocations made under delegated authority;
- (vi) A schedule of all new supplementary estimates and an explanation of how they are funded;
- (vii) Any proposed virements above delegated authority levels for approval;
- (viii) Any proposed changes to the use of reserves;
- (ix) Any proposal to create new reserves; and
- (x) Treasury management performance.

Rule B2.12 The Chief Finance Officer will meet with the Cabinet Member for Corporate Services monthly to provide an update on the latest budgetary position.

Rule B2.13 The Chief Finance Officer will inform the Cabinet Member for Corporate Services and the Head of Paid Service immediately if it is projected that overall Council spending is likely to exceed budgetary provision.

Rule B2.14 In the event of a projected overspend against Budget, the Chief Finance Officer must provide Cabinet with detailed proposals to manage the overspend to achieve a balanced Budget as soon as practicable.

B3. Managing the Capital Budget/Programme

These rules set out the framework for administering the Capital Budget/Programme on a day-to-day basis, including:

- (i) Responsibilities of the budget holder;
- (ii) Arrangements for virement;
- (iii) Arrangements for supplementary estimates;
- (iv) Arrangements for reprofiling budget for capital schemes and carrying forward unspent grants; and
- (v) Quarterly reporting of the Capital Budget position to Cabinet.

Responsibilities of the budget holder

Rule B3.1 All budgetary allocations detailed within the overall Capital Budget must have a designated budget holder, who is responsible and accountable for the management of that Capital Budget.

Rule B3.2 A designated project or programme manager shall be assigned to every project/programme within the Capital Programme.

Rule B3.3 Expenditure can only be committed where it is provided for within the approved Capital Budget and for the intended purpose (including the amount of any virement approved, where appropriate).

Rule B3.4 Budget Holders must notify the Chief Finance Officer, promptly, if they consider that current and future commitments are likely to exceed approved allocations.

Rule B3.5 Capital reserves may only be used for the purpose agreed by the Council.

Arrangements for virement

Rule B3.6 Virement between capital projects is subject to limits set out within the [Financial Approval Thresholds](#).

Rule B3.7 Executive Directors have flexibility to accept capital tenders in excess of the capital allocation, provided that there is sufficient budgetary provision elsewhere to cover the additional cost and Chief Finance Officer approval has been obtained.

Rule B3.8 A business case must be prepared for all new capital projects in a format agreed by the Chief Finance Officer (see appendix D).

Arrangements for supplementary estimates

Rule B3.9 All new in-year additions to the Capital Programme will require a supplementary estimate and are subject to the limits set out within the [Financial Approval Thresholds](#).

Rule B3.10 A business case must be prepared for all new capital projects in a format agreed by the Chief Finance Officer (see appendix D).

Reprofiling and carry-forward arrangements

Rule B3.11 Executive Directors must provide a clear, timely justification to the Chief Finance Officer for the reprofiling of budget for capital schemes.

Rule B3.12 The reprofiling of budget for capital schemes will be considered by Cabinet as advised by the Chief Finance Officer.

Rule B3.13 Executive Directors must provide the Chief Finance Officer with a clear justification for the carry-forward of any unspent grants at the end of the financial year (grant conditions permitting).

Quarterly reporting

Rule B3.14 The Chief Finance Officer will provide quarterly capital monitoring reports to Cabinet that show:

- (i) The overall financial position for the current year's Capital Programme including projected year end position and any potential reprofiling;
- (ii) The projected level of any under or over-spending within capital projects at the end of the financial year; and
- (iii) Forward looking prudential indicators.

Other reporting

Rule B3.15 The Chief Finance Officer will provide regular reports to Cabinet that show:

- (i) All virement between capital projects;
- (ii) A schedule of all new in-year business cases and their funding.

B4. Accounting Policies

Accounting policies are the basis on which transactions and balances are presented in the Council's Statement of Accounts. These rules set out the key controls and responsibilities relevant to the Council's accounting policies:

Rule B4.1 The Chief Finance Officer must advise the Audit Committee on the appropriate accounting policies to be used to prepare the Statement of Accounts.

Rule B4.2 The Chief Finance Officer must follow all relevant professional codes of practice in selecting accounting policies for preparation of the Council's Statement of Accounts.

Rule B4.3 The Chief Finance Officer must make arrangements to ensure that the Council's subsidiaries have accounting policies in place to allow for the incorporation of their finances into the Council's Statement of Accounts.

B5. Accounting Records and Returns

Maintaining proper accounting records is one of the ways in which the Council discharges its responsibility for stewardship of public resources; this is a statutory responsibility that lies with the Chief Finance Officer. The rules below set out the relevant key controls to be in place:

Rule B5.1 All financial transactions must be recorded promptly, accurately and in detail.

Rule B5.2 All prime documents that support financial transactions must be retained in accordance with any legislative or other requirements.

Rule B5.3 Employees must comply with the requirements of grant conditions and associated deadlines for submitting grant claims.

Rule B5.4 The Chief Finance Officer must make arrangements to ensure that employees are complying with all relevant tax legislation and that records allow for the full payment or recovery of taxes, wherever applicable.

B6. Statement of Accounts

The Council has a statutory responsibility to prepare and publish, on an annual basis, an audited Statement of Accounts document that accurately presents its operations during the year. The following rules set out the arrangements for preparing and approving the annual Statement of Accounts:

- Rule B6.1** The Chief Finance Officer must prepare a Statement of Accounts that complies with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, any relevant statutory requirements and any other accounting practices relevant to the Council.
- Rule B6.2** The Statement of Accounts will be prepared based on the accounting policies determined by the Chief Finance Officer.
- Rule B6.3** The Chief Finance Officer must establish a timetable for preparing the Statement of Accounts to ensure that the statutory deadline for its preparation is met.
- Rule B6.4** All employees must comply with the accounting policies and timetable set by the Chief Finance Officer for the preparation of the Statement of Accounts.
- Rule B6.5** The Chief Finance Officer must present, jointly or separately, the Statement of Accounts and Annual Governance Statement to the Audit Committee for approval.
- Rule B6.6** The Chief Finance Officer shall provide all necessary financial information to meet the requirements for Whole of Government Accounts.
- Rule B6.7** The Chief Finance Officer shall make arrangements to ensure that the Council's subsidiaries are consolidated into the Statement of Accounts, where required.
- Rule B6.8** Senior Managers (Band 14 or above) and Members shall complete a Related Party Transaction Form at the end of every financial year to record any transactions that have taken between them (or close family members) and the Council in that financial year.

C Audit, risk management and insurance

This section sets out the controls that the Council will establish to manage the organisational and financial risks that it will face. This includes the governance and external oversight arrangements and how they will protect against fraud and corruption.

C1. Risk Management and Insurance

Risk management

- Rule C1.1** All managers (and above) are required to highlight major risks that may impact on the Council at an early stage.
- Rule C1.2** Executive Directors are responsible for key strategic risks and must ensure that key changes in these risks are highlighted to Cabinet and the Chief Finance Officer.
- Rule C1.3** Executive Directors must designate risk owners for all key risks within their responsibility to keep their allocated risks under review and to identify and implement arrangements to mitigate them.
- Rule C1.4** The Chief Finance Officer will prepare and keep under review a Risk Management Policy Statement for approval and review by Audit Committee.
- Rule C1.5** The Audit Committee will provide independent assurance on the adequacy and effectiveness of the County Council's Risk Management Framework.

Insurance

- Rule C1.6** The Chief Finance Officer will ensure that the Council has adequate insurance cover and will keep a register of all insurance cover.
- Rule C1.7** The Chief Finance Officer will ensure that the Council maintains an optimum balance between internal and external insurance within a framework of prudent financial management.

In determining the balance between internal and external insurance the County Council will seek to:

- insure risks internally where it is financially prudent and advantageous to do so
- purchase external insurance cover for all aspects of the County Council's operations to ensure that the risks the County Council face are mitigated to an acceptable level.

- cover catastrophic events
- limit the financial exposure of the County Council to the cumulative effect of multiple small losses
- ensure that the internal recharging is adequate to meet the claims that it will be required to pay
- ensure that invoices are raised for subsidiary organisations of the County Council.

Rule C1.8 Any employee, Member or professional working on behalf of the Council must not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

Rule C1.9 Before entering 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.

Rule C1.10 The Council's insurers will handle claims as per the claims handling agreement in place.

Rule C1.11 The Council's Insurance team will handle public liability claims for property up to the value of £500.

Rule C1.12 Executive Directors must ensure that the Council's Insurance team is advised of any relevant changes which might affect insurance and ensure that all assets, people, services and events are adequately insured.

C2. System of Internal Control

Rule C2.1 The Chief Finance Officer is responsible for advising on effective systems of internal control that comply with all applicable statutes and regulations, and other relevant statements of best practice.

Rule C2.2 The Chief Finance Officer must ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.

Rule C2.3 The Chief Finance Officer will produce an Annual Governance Statement in consultation with the Head of Paid Service and Monitoring Officer, Executive Directors and the Leader of the Council. This will include:

- (i) A review of existing governance arrangements and any previously agreed actions to improve governance arrangements;

- (ii) A review of the system of internal control based on the annual opinions of the internal and external auditors; and
- (iii) An action plan, to be overseen by Statutory Officers, setting out any further actions that may be required to improve governance arrangements.

C3. Internal Audit

- Rule C3.1** The Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, as required by the Accounts and Audit Regulations 2015.
The Head of Internal Audit and Risk Management will have the authority to:
- Rule C3.2** Enter at a reasonable time any Council premises or land.
- Rule C3.3** Access all records, documents and correspondence relating to any transaction of the Council.
- Rule C3.4** Review any activity of the Council.
- Rule C3.5** Require and receive from any employee or Member such explanations as are necessary concerning any matter under examination.
- Rule C3.6** The Head of Internal Audit and Risk Management shall have direct access to:
- (i) Head of Paid Service;
 - (ii) Chief Finance Officer;
 - (iii) Monitoring Officer;
 - (iv) Cabinet;
 - (v) Audit Committee;
 - (vi) External auditors; and
 - (vii) Any other employee and/or Services necessary to fulfil their duties.
- Rule C3.7** Internal Audit shall also have access to all officers, buildings, explanations and documentation required to perform Internal Audit's role in respect of:
- Organisations to whom the County Council has given grants
 - Organisations with whom the County Council contracts
 - Partner organisations in any scheme for which the County Council has responsibility as lead of accountable body.

Such rights of access shall be written into the appropriate agreements with these organisations.

Rule C3.8 The Head of Internal Audit and Risk Management must prepare an annual risk-based Internal Audit Plan in accordance with the prevailing professional standards, for review and approval by the Executive Management Team and Audit Committee.

Audit Agreed Management Actions

Rule C3.9 All relevant employees within the Council are required to implement agreed audit management actions within agreed timescales and have responsibility for reporting on their status.

Transparency and Reporting Arrangements

Rule C3.10 The Head of Internal Audit and Risk Management will report on a regular basis to the Audit Committee on:

- (i) the delivery of the annual Internal Audit Plan;
- (ii) the outcome of Internal Audit reviews; and
- (iii) the implementation of agreed management actions.

Rule C3.11 The relevant Executive Director may be required to provide an update to Audit Committee on progress against any agreed management actions.

Rule C3.12 The Head of Internal Audit and Risk Management must provide an annual overall opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control, disclosing any qualification to that opinion, together with the reasons for the qualification. The annual opinion must:

- (i) Summarise the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies;
- (ii) Draw attention to any issues that the Head of Internal Audit and Risk Management judges particularly relevant to the preparation of the Annual Governance Statement; and
- (iii) Include a statement on conformance with the Public Sector Internal Audit Standards and the results of the Quality Assurance and Improvement Programme.

C4. External Audit Rules

- Rule C4.1** The Council must appoint external auditors in line with the Local Audit and Accountability Act 2014.
- Rule C4.2** The external auditor has the right to access all documents and information necessary for audit purposes.
- Rule C4.3** The external auditor shall have direct access to Audit Committee and report to them the key findings on the audit of the Council's Statement of Accounts.

C5. Anti-Fraud and Corruption Rules

- Rule C5.1** The Council approves and keeps under review an Anti-Fraud, Bribery and Corruption Policy and associated Raising Concerns at Work Policy (whistleblowing) in line with the principles of sound governance.
- Rule C5.2** All staff must display the highest standards of probity and integrity in line with the Council's counter fraud and corruption policies.
- Rule C5.3** All staff and Members must report promptly any fraud or financial irregularity, or any suspicion of such, to the Chief Finance Officer and Head of Internal Audit and Risk Management immediately in line with the Council's counter fraud and corruption policies.
- Rule C5.4** The E and Risk Management will report annually on the implementation of the Council's counter fraud and corruption policies.

C6. Audit Committee

- Rule C6.1** The Council will establish an Audit Committee to provide independent assurance to Members on the adequacy of the Council's risk management framework, its internal control environment and to oversee financial reporting and the annual governance process.
- Rule C6.2** The Audit Committee has responsibility for overseeing the Council's internal and external audit processes and is independent of both the executive and scrutiny functions, being directly accountable to full Council and reporting on a regular basis on the Committee's performance in relation to its Terms of Reference and the effectiveness of the Committee in meeting its purpose.

D Security and Control of Assets

These rules concern the control of all assets both physical and financial assets in the form of loans and investments.

D1. Assets

Asset Register

Rule D1.1 The Chief Finance Officer will maintain an Asset Register that details all Council assets.

Rule D1.2 Executive Directors are responsible for updating the asset register on a timely basis.

Rule D1.3 Executive Directors are responsible for ensuring that appropriate arrangements are in place for the retention of documentation to support the ownership of all Council assets.

Rule D1.4 Executive Directors must ensure that all assets are adequately insured.

Rule D1.5 Executive Directors must seek advice from the Chief Finance Officer for all asset-related leasing agreements.

Rule D1.6 Staff may not use any Council asset for personal use without proper authority.

Rule D1.7 Executive Directors must seek advice from the Chief Finance Officer and Monitoring Officer where assets are to be transferred to or predominately used by an external party, including any of the Council's subsidiaries.

Asset Management Plan

Rule D1.8 The relevant Executive Director must prepare and keep under review an Asset Management Plan.

Rule D1.9 The relevant Executive Director must make appropriate arrangements to maintain and repair all assets in line with the Asset Management Plan subject to budgetary availability.

Rule D1.10 All staff have a responsibility to ensure and maintain the physical security of the assets that they hold and utilise.

Rule D1.11 Staff with responsibility for the day-to-day management of assets must comply with the Asset Management Plan.

Rule D1.12 The Chief Finance Officer must put in place appropriate arrangements to value the Council's assets and keep asset values up to date.

Stocks and Stores

Rule D1.13 All stocks and stores will be kept in the name of "Northumberland County Council".

Rule D1.14 Executive Directors will maintain an inventory for all individual items and advise the Corporate Finance team at the year-end where the total stock value is in excess of £10,000 for accounting purposes.

Rule D1.15 Executive Directors will ensure an annual stocktake of all inventory items.

Intellectual Property Rights

Rule D1.16 The Council will retain the rights for all intellectual property created by staff in the course of their work for the Council.

Rule D1.17 Staff may not carry out private work during Council time.

D2. Property

Rule D2.1 All decisions on strategic management, acquisitions, and disposals must be consistent with the Council's agreed protocols and in line with the thresholds set out in the Financial Approval Thresholds.

Rule D2.2 The relevant Executive Director must prepare and keep under review an Asset Management Strategy setting out long-term principles for the development and rationalisation of the Council's estate.

Rule D2.3 Any plans for a significant rationalisation or expansion of the estate and provision for its maintenance should be included in the Capital Strategy. The plans shall contain revenue and capital implications along with the impact of any estate changes.

Rule D2.4 The purchase and disposal of land and property shall have due regard to:

- (i) Any appropriate professional advice;
- (ii) Appropriate professional and governmental circulars;

- (iii) The powers of the Council and the duty to achieve best consideration; and
- (iv) The limits for decision-making as set out in the Financial Approval Thresholds.

Rule D2.5 All contracts for the acquisition or disposal of properties must comply with the rules governing the sealing of documents.

Rule D2.6 Approval of the Cabinet must be sought for any disposal which in the view of the relevant Executive Director, in consultation with the Chief Finance Officer:

- (i) raises questions of principle or financial policy;
- (ii) possesses unusual features or involves difficulty;
- (iii) might arouse particular public interest or publicity; or
- (iv) concerns a matter of particular importance or sensitivity.

Rule D2.7 The Executive Director responsible for the Asset Management Strategy (Property) will provide an annual report to Cabinet on:

- (i) The implementation of the Asset Management Strategy;
- (ii) All acquisitions of property and new leases; and
- (iii) All disposals of property

Property disposals

Rule D2.8 Disposal of property will generally be either by an auction or competition. When disposal is by negotiation:

- (i) there will be an independent valuation of the property
- (ii) the relevant Executive Director shall formally consult with the Chief Finance Officer where disposal is likely to be less than the market value/best consideration

Rule D2.9 The process set out in the Contract Procedure Rules for receipt and opening of tenders and for award of contract shall apply unless Cabinet or Council has expressly indicated otherwise.

Rule D2.10 Authority is required to terminate a lease in line with the Financial Approval Thresholds.

Appendix C Guide to Capital sets out the protocols for dealing with surplus assets.

Property acquisitions

- Rule D2.11** The Chief Finance Officer, the relevant Executive Director and the Monitoring Officer must be consulted in advance of any property or land acquisitions.
- Rule D2.12** Authority is required for all requests to grant or renew a lease is in line with the Financial Approval Thresholds.
- Rule D2.13** Cabinet/Council approval may be required prior to any acquisition process subject to the Financial Approval Thresholds.
- Rule D2.14** A post-acquisition review by the Executive Director responsible for strategic property matters should be undertaken twelve months after the date the property is occupied for all property acquisitions. The review should include a comparison against the original business case to determine whether the original objectives have been achieved.

D3. Banking Arrangements

- Rule D3.1** All arrangements with the Council's bankers shall be made by or in accordance with principles approved by the Chief Finance Officer, who is authorised to operate bank accounts on behalf of the Council.
- Rule D3.2** All bank accounts, which contain monies that form part of the Council's General Fund shall bear an official title that shall include the name of the Council.
- Rule D3.3** In no circumstances shall an account be opened in the name of an individual or with other than the Council's official banker(s) as determined by the Chief Finance Officer.
- Rule D3.4** The consent of the Chief Finance Officer is required before any Council employee opens or maintains any account which contains monies which do not form part of the Council's General Fund.
- Rule D3.5** The Chief Finance Officer will undertake regular reconciliations of all Council bank accounts.

Money Laundering

- Rule D3.6** All staff responsible for handling and receiving money will be alert to the potential of money laundering and will report any suspicions to the Chief Finance Officer as the Council's Money Laundering Reporting Officer (the Council's Chief Finance Officer).

- Rule D3.7** The Chief Finance Officer will produce and keep under review, in conjunction with the Head of Internal Audit and Risk Management, an Anti-Money Laundering Policy:
- (i) to implement customer due diligence procedures (procedures to verify the customer's identity before entering into a business relationship or transaction)
 - (ii) To establish and maintain appropriate risk-sensitive policies and procedures
 - (iii) To ensure employees are trained in and implement those procedures and are aware of the law relating to money laundering and terrorist financing
- Rule D3.8** Officers and Members should ensure they do not breach the "tipping-off" requirements of money laundering legislation by advising third parties of any reports made under these provisions. Breaches may incur personal criminal liability.
- Rule D3.9** Disclosures will be reported to the National Crime Agency in accordance with the Anti-Money Laundering Policy.

D4. Investments and Borrowing Rules

- Rule D4.1** All investments and borrowing will be made in the name of the Council or in the name of nominees approved by Cabinet or Council in line with the Treasury Management Strategy.
- Rule D4.2** The Chief Finance Officer will authorise all new long-term borrowing. Short-term borrowing and investments are authorised by the Chief Finance Officer, Director of Finance and Procurement, or, in their absence, the Head of Corporate Finance or a Finance Manager, who are required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities, as adopted by the Council. The Chief Finance Officer is responsible for the management of the Council's cash flows and associated strategy for managing temporary cash surpluses/deficits.
- Rule D4.3** The Chief Finance Officer will produce an annual Treasury Management Strategy for approval by the Council. The Strategy will set out principles, policies and management arrangements including roles and responsibilities for treasury management and other providers. This will include the requirements for the forthcoming year and the proposals to meet them.
- Rule D4.4** An up-to-date counterparty list will be maintained by the Chief Finance Officer setting out the authorised lending list together with the financial limits against each category of lender.

- Rule D4.5** The Chief Finance Officer will report on treasury management operations to Cabinet on a quarterly basis. This will include details of all new borrowing, investments and forward-looking Prudential Indicators. An annual report on treasury management will be presented to Council by 30 September of the succeeding financial year.

D5. Trust Funds and Funds held for Third Parties

- Rule D5.1** Trust funds for benevolent and other purposes shall only be established with the approval of the Chief Finance Officer. All monies held in trust funds managed by the Council will be held in the name of the Council unless otherwise agreed by the Chief Finance Officer.
- Rule D5.2** The Chief Finance Officer shall be made aware of the existence of all such funds and ensure that arrangements are in place for their proper administration, in line with the requirements for the trust and that their accounts are properly audited.
- Rule D5.3** The Chief Finance Officer will ensure a right of access to the Head of Internal Audit and Risk Management.

E Financial Systems and Procedures

These are a set of overarching rules that set out how the Council will manage its core financial transactions.

E1. Financial Systems and Procedures Rules

- Rule E1.1** Executive Directors will not make any material change or amendment to any financial systems, subsidiary systems or procedures without the written approval of the Chief Finance Officer, after consultation with Internal Audit.
- Rule E1.2** Executive Directors will ensure that effective access controls are in place for all financial systems, subsidiary systems within their control and that these are subject to regular review.
- Rule E1.3** Appropriate disaster recovery and business continuity arrangements must be tested on a regular basis to ensure that the data held in core systems is safe and secure and can be recreated where necessary.
- Rule E1.4** All staff with a responsibility for Council finances must be made aware of their responsibilities for operating core systems, accessing the data contained within them and maintaining the security of data held within them.

E2. Contracts and Procurement Key Rules

- Rule E2.1** All staff will follow the Contract Procedure Rules in the purchase of goods, works and services.
- Rule E2.2** Council employee has a responsibility to declare any interests they have in contracts and potential contracts (whether financial or non-financial), in accordance with section 117 of the Local Government Act 1972 and the Officers' Code of Conduct.
- Rule E2.3** Executive Directors shall not enter into any form of credit arrangement (for example hire purchase or finance leasing agreements), other than the Council's standard payment terms of 30 days, without the prior agreement of the Chief Finance Officer.
- Rule E2.4** All contracts, agreements or transactions must be in writing and executed as a deed under seal, where:
- (i) in respect of which there is no consideration; or
 - (ii) which grant or convey an interest in land; or
 - (iii) where it is determined by the Council there is a particular need for the seal to be attached.
- Rule E2.5** The common seal of the Council can only be affixed by the Monitoring Officer or an employee authorised by them. The seal must not be affixed without the transaction having been approved in accordance with the requirements of the Constitution.

E3. Income Rules

- Rule E3.1** All monies received on behalf of the Council shall be recorded, collected, held securely and banked correctly without delay in the Council's name.
- Rule E3.2** All documentation relating to income receivable by the Council shall be in the name of the Council, including agreements for the provision of services, invoices and receipts.
- Rule E3.3** Executive Directors must comply with the Fees and Charges Policy covering all fees and charges levied by the Council.
- Rule E3.4** All fees and charges for services provided shall be reviewed regularly in line with the Fees and Charges Policy and reported to Council annually with the Budget.

Rule E3.5 All agreements for the provision of services to other persons or bodies will be on the basis of full cost recovery, except with the specific approval of the Chief Finance Officer and Monitoring Officer.

Rule E3.6 All proposals to bid, tender or quote for the provision of services to other organisations will be regulated by the Contract Procedure Rules and the Financial Approval Thresholds.

Debt write-off and recovery of sums due

Rule E3.7 All employees must keep adequate records to support the recovery of sums due and co-operate promptly and fully in the recovery process.

Rule E3.8 The Chief Finance Officer will produce and keep under review a Corporate Debt Recovery Policy, which includes a Write Off Policy for approval by Council.

Rule E3.9 Executive Directors will keep outstanding debts under prompt review and make appropriate arrangements to ensure the write-off of irrecoverable debts is in line with the Write Off Policy and limits as set out within the Financial Approval Thresholds.

Transparency and reporting

Rule E3.10 The Chief Finance Officer will provide an annual report setting out details of the level of debt outstanding and all significant debts together with details of amounts written off annually.

E4. External Grant Funding Rules

Rule E4.1 All funding bids shall be discussed with the Chief Finance Officer at the beginning of the process and must be approved in line with the Financial Approval Thresholds before submission to the relevant body. Final approval of the grant application will rest with the appropriate Executive Director in consultation with the relevant Cabinet Member and Chief Finance Officer.

Rule E4.2 Any bid for external grant funding shall be subject to appropriate, timely consultation with Corporate Finance, Corporate Commissioning and Procurement and Legal Services prior to submission.

Rule E4.3 The processes to ensure adequate financial management arrangements will be determined by the Chief Finance Officer and must be consistent with the terms and conditions of the grant funding agreement, including any commitment to matched funding, and that all available grant is maximised. Where grant funding is time limited, this assessment will also address the implications in terms of ongoing provision of the activity on termination of the grant.

Rule E4.4 The Chief Finance Officer may accept grants subject to the Financial Approval Thresholds, provided that they do not create an ongoing commitment when the grant terminates. The Chief Finance Officer is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council's financial systems, and Executive Directors are responsible for providing the Chief Finance Officer with all necessary information to enable this to be achieved.

Rule E4.5 All entirely grant funded capital schemes must be approved in line with the Financial Approval Thresholds. The Capital Strategy Group will produce a report for Cabinet consideration showing all bids and their funding and requesting inclusion in the Capital Programme in line with the Financial Approval Thresholds.

E5. Civic gifts, loans of property and sponsorship

Rule E5.1 Civic gifts, loans of Council property and sponsorship contributions must comply with conditions approved by Cabinet and shall not exceed a maximum equivalent value of £50 for Members and £25 for Officers.

Rule E5.2 The Monitoring Officer must be informed of all offers of gifts, loans of property and sponsorship.

Rule E5.3 The Monitoring Officer will maintain a register of all gifts, loans of property and sponsorship, including their market value. This will be used as a basis for an annual report detailing the donation and receipt of any such items.

E6. Payroll Rules

Rule E6.1 All managers with the responsibility for staff will inform Payroll of any changes to their employment including termination, resignation, new starters, variations, and enhancements.

Rule E6.2 All staff may only claim allowances or expenses in accordance with the relevant Human Resources policies.

Rule E6.3 No payments to staff or Members may be made without appropriate authority.

Rule E6.4 The Chief Finance Officer must be consulted on all potential exit payments in line with the relevant Human Resources policies.

E7. Payments to Consultants and Sub-Contractors

Rule E7.1 Any contracts for the recruitment of contractors and consultants must incorporate the statutory requirements governing off-payroll employment.

Rule E7.2 The engagement of consultants must comply with the Contract Procedure Rules.

Rule E7.3 Advice from the Head of Corporate Commissioning and Procurement must be obtained in advance prior to the engagement of any consultants.

E8. Taxation Rules

Rule E8.1 The Chief Finance Officer will ensure that any changes to employees' circumstances that may impact on the correct payment of tax are promptly implemented.

The Chief Finance Officer must maintain the Council's tax records, make all tax payments, receive tax credits, and submit tax returns by their due date as appropriate.

F **External Arrangements**

This set of rules covers the financial arrangements for working with external bodies (including but not limited to subsidiary companies, grant funding bodies, external grant recipients, joint arrangements).

F1. Partnerships

- Rule F1.1** Irrespective of the type of partnership arrangement, employees must comply with all rules set out in the Finance and Contract Rules and seek appropriate legal, financial and procurement advice before entering into any partnership agreements. Although any external funding secured will be accompanied by terms and conditions specifying how the funding should be used, these should not replace existing organisational policies and procedures.
- Rule F1.2** Subject to the Scheme of Delegation, all Council partnerships must be approved by Council.
- Rule F1.3** All Council partnerships shall have agreed business plans and processes and sufficient and adequate governance to justify the contribution of public funds or resources.
- Rule F1.4** The Chief Finance Officer is responsible for promoting and maintaining the same high standards of conduct regarding financial administration in partnerships.
- Rule F1.5** Partnership agreements must include adequate consideration of the key issues below.
- (i) accounting arrangements to be adopted relating to partnerships are satisfactory.
 - (ii) corporate governance arrangements and legal issues when arranging contracts or agreements with partners.
- Rule F1.6** Partnership leads must appraise all identifiable risks before agreements are concluded.
- Rule F1.7** The Head of Internal Audit and Risk Management must have the right of access to all financial information held by partnerships including the Council.
- Rule F1.8** The Chief Finance Officer must ensure that appropriate arrangements are in place to report on the financial position and viability of significant partnerships on a regular basis.

F2. Commercial Arrangements

- Rule F2.1** Cabinet will seek the advice of the Chief Finance Officer and Monitoring Officer prior to agreeing the financial and governance arrangements for its subsidiaries.
- Rule F2.2** Cabinet must follow the Contract Procedure Rules when awarding contracts to its subsidiaries.
- Rule F2.3** If the Council Shareholder Representative (CSR) is the Council's Chief Finance Officer then they must consult with the Head of Paid Service and Monitoring Officer on all financial matters associated with its subsidiaries. However, if the CSR is an officer other than the Chief Finance Officer, they must consult with the Chief Finance Officer and Monitoring Officer on all financial matters associated with its subsidiaries.
- Rule F2.4** Subsidiaries must consult the Chief Finance Officer when establishing or significantly amending financial controls.
- Rule F2.5** The Head of Internal Audit and Risk Management must assess the risks associated with the financial controls of its subsidiaries and evaluate arrangements in place to manage and mitigate those risks to provide assurance to the Chief Finance Officer.
- Rule F2.6** The Chief Finance Officer must ensure that appropriate arrangements are in place to report on the financial position and viability of its subsidiaries on an annual basis.

F3. Grants and Sponsorship to the third sector

- Rule F3.1** Grants and sponsorship made to third sector organisations shall comply with the conditions of grant aid (where applicable) approved by the Council and shall not exceed the annual Budget agreed by the Council.
- Rule F3.2** Executive Directors shall maintain registers of grants made to third sector organisations each year.
- Rule F3.3** Sponsorship should accord with the guidance outlined in the Council's Constitution.
- Rule F3.4** A report on the award of all grants shall be prepared by Executive Directors on an annual basis and presented to Cabinet.

F4. The Council acting as Accountable Body

- Rule F4.1** Full Council approval is required for the Council to be engaged as the accountable body for any joint arrangements or third parties.
- Rule F4.2** Where the Council is the Accountable Body, it is the responsibility of the relevant Executive Director, in consultation with the Chief Finance Officer, to ensure that adequate financial management arrangements are in place prior to the Council entering into such an agreement.

Section 6

6 CONTRACT PROCEDURE RULES

Introduction

This section sets out how the Council will procure goods, works and services in an effective way that secures best value for the Council and complies with all legal requirements that govern the procurement process. These rules aim to ensure that anyone seeking to contract with the Council is treated fairly without bias or fraud and corruption or suspicion of it.

	Financial Rules	Description
CP1	Personal responsibility	Sets out the requirement for all employees and Members to behave in a fair and open way to avoid bias or accusations of bias.
CP2	General waiver and emergency procedures	Sets out the requirement to follow these rules in all cases unless agreed by the Head of Corporate Commissioning and Procurement, the Chief Finance Officer and Monitoring Officer
CP3	Contract terms	All contracts to be in writing and signed appropriately. This sets out the thresholds for different procurement activity.
CP4	Contract value (aggregation)	The value of contracts must not be suppressed/disaggregated to avoid procurement procedures.
CP5	Contract thresholds	Sets out the thresholds for obtaining quotations and tenders
CP6	Publication requirements	The requirement to advertise requests for quotation and invitations to tender in the public domain
CP7	Procurement strategy	The requirement for a clear business case and rationale for every procurement.
CP8	Collaborative or joint procurement arrangements	Specific requirements where the Council is procuring with other organisations
CP9	Submission and opening of tenders	The requirement to follow the Council electronic process for tenders
CP10	Acceptance of tenders	Rules for awarding contracts
CP11	Retention of documents	Retention periods for contract documentation.
CP12	Engagement of consultants	The requirement to adhere to procurement procedures prior to engaging consultants.

CP13	Contract and supplier relationship management	The requirement to comply with the Contract Management Policy and Framework
CP14	Contract variations	The requirement to seek approval for contract variations in excess of £5,000 or 10% whichever is the higher up to WTO threshold
CP15	Internal providers	The requirement to consult with internal providers prior to commencing procurement of external provider
CP16	External body grant funding	The process for ensuring grant funded procurements comply with the rules or grant conditions imposed by the funding body.
CP17	Risk assessment in procurement	The process for considering risk and compliance with the Public Services (Social Value) Act 2012
CP18	Ordering and Paying for works, goods and services	The requirement to raise an official purchase order for goods, works or services prior to making any commitment with a third party.

6.1 Personal responsibility

Rule CP1.1 Anyone involved in the procurement process must declare any interests to the Head of Corporate Commissioning and Procurement which might or could be seen to influence their judgement within the procurement process at the earliest opportunity.

Rule CP1.2 All employees must promptly report any impropriety or suspected impropriety in the procurement process to the Monitoring Officer.

Rule CP1.3 Officers and Members must comply with the Council's rules for gifts and hospitality and must not receive gifts or hospitality from a potential supplier involved in a procurement process without the express permission of the Monitoring Officer.

Officers must comply with the relevant Officers' Code of Conduct.

6.2 General waiver and emergency procedures

Rule CP2.1 These Contract Procedure Rules must be followed in all circumstances unless the Head of Corporate Commissioning and Procurement has given permission in writing to make alternative arrangements.

Rule CP2.2 The approval of the Head of Corporate Commissioning and Procurement, Chief Finance Officer and Monitoring Officer must be sought for all procurements that do not follow these Contract Procedure Rules on the grounds of urgency. No waiver shall be permitted for contracts which exceed the relevant World Trade Organization (WTO) thresholds.

Rule CP2.3 The Head of Corporate Commissioning and Procurement must keep a register of all such waivers.

Rule CP2.4 Certain contracts and/or payments are exempt from the requirements of the Contract Procedure Rules. These are listed in Appendix F.

Rule CP2.5 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 a Council property 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. In the event that emergency works or supply of goods are necessary, then the consent of either the Head of Corporate Commissioning and Procurement and the Monitoring Officer must be obtained.

6.3 Contract terms

Rule CP3.1 Every contract made by the Council will comply with the Contract Procedure Rules.

Rule CP3.2 Every contract over £100,000 must be signed by an authorised signatory under the Scheme of Delegation in Part 4 and the Financial Approval Thresholds.

6.4 Contract value (aggregation)

Rule CP4.1 Officers must not artificially split contracts or elements of contracts to evade procurement rules.

Rule CP4.2 Officers must follow the appropriate procurement procedure for the value of contract, under the Financial Approval Thresholds and as detailed in any guidance available from the Procurement Service.

6.5 Contract thresholds

Rule CP5.1 All procurement activity must accord with the thresholds below and the guidelines associated with each threshold:

Contract value	Guidelines
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Under £25,000	A single quotation, obtained by the relevant Service, that demonstrates value for money and has considered the use of competition
£25,000 - £100,000	Require three quotes to be sought by the Corporate Commissioning and Procurement Service via the Council's electronic tendering system and to be awarded on the basis of the most economically advantageous submission or a clear written explanation provided otherwise
£100,000 – WTO threshold	Must be managed by the Corporate Commissioning and Procurement Service and follow a legally compliant procurement procedure and be awarded on the basis of the most economically advantageous submission or a clear written explanation provided otherwise
Over WTO threshold	Must be managed by the Corporate Commissioning and Procurement Service and follow a legally compliant procurement procedure

Current WTO thresholds (effective 1 January 2024) are as follows:

- **£214,904 inc VAT:** Supplies, services and design contracts
- **£5,372,609 inc VAT:** Works contracts
- **£663,540 inc VAT:** Social and other specific services

Limits for the approval of requisitions and purchase orders within the Council's Finance Management System are set in accordance with the thresholds provided in Appendix I.

6.6 Publication requirements

Rule CP6.1 In order to comply with the Local Government Transparency Code 2015, the Head of Corporate Commissioning and Procurement must:

- (a) Publish details of each individual item of third-party expenditure that exceeds £250.
- (b) Publish details of any contract exceeding £100,000 (where an Invitation to Tender has been published).

Rule CP6.2 Details of any planned spend exceeding £30,000 including VAT must be provided to the Head of Corporate Commissioning and Procurement for inclusion on the Council's Procurement Forward Plan.

Rule CP6.3 All tender opportunities above £30,000 including VAT must be published by the Corporate Commissioning and Procurement Service on Contracts Finder. All tender opportunities above the WTO threshold must be published on Find a Tender Service before being published on Contracts Finder or other suitable channels.

6.7 Procurement strategy

Rule CP7.1 A procurement strategy must be prepared for each procurement, in line with the limits within the Financial Approval Thresholds to:

- (a) establish a business case for the procurement;
- (b) consider the most appropriate means of satisfying the requirement;
- (c) ensure that no alternative contract arrangements are in place;
- (d) ensure the course of action chosen represents best value for money.;
- (e) seek Cabinet approval, where required;
- (f) ensure that the budget holder responsible for the contract has sufficient funds in place to maintain the contract; and
- (g) establish a clear written specification.

Rule CP7.2 Where it is determined that a direct award to a supplier on a Framework Agreement may be necessary, the Head of Corporate Commissioning and Procurement shall review and monitor all such requests to ensure they are subject to appropriate scrutiny. Details of these will be recorded on the Council's Contract Register.

Rule CP7.3 Budget holders must first consult with the relevant Executive Director before proceeding with contracts for IT hardware / software or works projects. IT contracts may only be entered into with the prior approval of the Director of Information and Technology.

Rule CP7.4 The Council should seek to consult the potential suppliers' market (as appropriate), prior to the issue of the Invitation to Tender or Request for Quotation, in general terms about the nature, level and standard of the supply and other relevant matters, provided this does not prejudice any potential organisation.

Rule CP7.5 Sufficient lead-in time must be built into any major procurement project to allow for adequate pre-tender market testing. When engaging with potential suppliers, the Council must not seek or accept technical advice on the preparation of an Invitation to Tender or Quotation from anyone who may have a commercial interest in them, and where this may prejudice the equal treatment of all potential bidding organisations or distort competition.

6.8 Collaborative or joint procurement arrangements

- Rule CP8.1** These procurement rules will apply where the Council acts as the lead or host authority in any collaborative or joint procurement arrangement, unless otherwise agreed by the Monitoring Officer and the Chief Finance Officer.
- Rule CP8.2** Where the Council decides that a third party will undertake procurement on its behalf the Chief Finance Officer shall ensure that the procurement process followed is broadly comparable to that set out in these Contract Procedure Rules, unless otherwise agreed by the Monitoring Officer and the Chief Finance Officer.
- Rule CP8.3** Executive Directors should confirm with the Monitoring Officer the legal power to enter into any collaborative or joint procurement arrangement prior to it being agreed.
- Rule CP8.4** The use of collaborative or joint procurement agreements shall not be undertaken without the prior approval of the Head of Corporate Commissioning and Procurement.
- Rule CP8.5** The procedures established by the collaborative or joint procurement agreements must be followed, including any relevant WTO rules and any applicable requirements of this constitution.

6.9 Submission and opening of tenders

- Rule CP9.1** All tender documentation will be issued and received via the Council's electronic tendering system.
- Rule CP9.2** Tenders shall be locked in the electronic tendering system until the time and date specified for their opening. At this time, the Monitoring Officer will unlock the tenders for the Corporate Commissioning and Procurement Service to access.
- Rule CP9.3** No tender received after the time and date specified in the invitation shall be accepted or considered, unless:
- (a) delay in submission is the result of a failure of the electronic tendering system, and where this can be verified to be the case, or:
 - (b) Only one submission is received, and where this submission has arrived late, but is compliant in every other respect and the Head of Procurement approves its acceptance.

6.10 Acceptance of tenders

- Rule CP10.1** All tenders must be evaluated against a pre-determined evaluation model provided to all tenderers.

Rule CP10.2 All tenders must be awarded in line with the Financial Approval Thresholds and Scheme of Delegations.

6.11 Retention of documents

Rule CP11.1 All tender documentation must be retained in accordance with the timeframes set out in the table below:

Documents in connection with the successful tender (including specific contracts resulting from framework agreements):	6 years, or 12 years where the contract is by way of deed. In both cases such periods commence upon contract award
Documents in connection with the unsuccessful tender (including specific contracts resulting from framework agreements):	12 months commencing from the date of the award of the contract

6.12 Engagement of consultants

Rule CP12.1 These Contract Procedure 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 employee of the Council.

Rule CP12.2 Consultants must only be engaged where it can be demonstrated that their use is necessary to obtain particular expertise or as a result of the extent of the work involved.

Rule CP12.3 Any consultant appointment must demonstrate value for money.

Rule CP12.4 The engagement of a consultant should only take place with the approval of the appropriate Executive Director and appropriate Executive Member.

Rule CP12.5 Consultancy contracts must be executed by the Head of Corporate Commissioning and Procurement and a central register of consultancy appointments must be maintained by the Corporate Commissioning and Procurement Service.

Rule CP12.6 Any requests to extend or modify existing consultancy contracts must be approved by the Head of Corporate Commissioning and Procurement to ensure adherence to all relevant legislation.

6.13 Contract and supplier relationship management

Rule CP13.1 All contracts must have an appointed Contract Manager for the entirety of the contract. Operational management of contracts is to be maintained within the Services areas; professional advice to be provided by the Corporate Commissioning and Procurement Service is available for managers of strategic contracts.

Rule CP13.2 Contract management, monitoring, evaluation and review must be conducted in line with the Contract Management Policy, that is, contracts will be managed in proportion to risk and value based on the STO (strategic, tactical and operational) matrix which can be found in the Contract Management toolkit. The Corporate Commissioning and Procurement Service will work with the commissioning Service to identify the contract categorisation. This will be done at the pre-procurement stage so that contract management resources, roles and responsibilities can be identified at the earliest stage before commercial activity begins; and will be reviewed at the stage of contract award by the Corporate Commissioning and Procurement Service.

Rule CP13.3 Every contract including those awarded as a result of a General Waiver shall be recorded on the Council's Contract Register. Ensuring the contract is recorded is the responsibility of the commissioning Service and may be completed by the Corporate Commissioning and Procurement Service if the contract is agreed as requiring central support. The Contract Register is maintained by the Corporate Commissioning and Procurement Service.

Rule CP13.4 During the life of all contracts the appropriate Strategic or Service Director shall ensure that the Council's approved processes for contract management standards are adhered to. This is as set out in the Contract Management Framework and supporting Toolkit.

6.14 Contract variations

Rule CP14.1 Any variations (of contracts or framework agreements including modifications, extensions and novations) in respect of the volume of goods, services or works to be provided under an order placed or contract agreed must be recorded in writing

Rule CP14.2 Any variation or modification which would increase the original price by more than £5,000 or 10% of the contract value, whichever is the higher, must be reported to and approved by the Executive Director responsible for the function to which the contract relates and ensure budgetary provision is available to meet the cost of the variation.

Rule CP14.3 Where contracts have a value in excess of the WTO Threshold due note should be taken of the requirements of the Public Contracts Regulations 2015 (Regulation 72) as regards variation of contracts and the circumstances in

which those variations are permitted. The Head of Corporate Commissioning and Procurement must be consulted in advance of such a variation being accepted to assess the commercial and legal implications of any such variation, including if it constitutes a substantial change.

Rule CP14.4 All modifications shall be in writing and in accordance with the terms of the relevant contract or framework agreement and entered on the Councils E-tendering system and published to the contracts register for transparency.

6.15 Internal providers

Rule CP15.1 Where an in-house provider is bidding in competition for the provision of goods, works or services, care must be taken to ensure a fair process between the in-house provider and external bidding organisations.

Rule CP15.2 Where a Service intends to procure goods, services or works which could potentially be delivered by an in-house provider, the commissioning service shall consult with that in-house provider before instigating any procurement.

Rule CP15.3 If the in-house provider has the capability and capacity to meet the requirement and can deliver this within the appropriately established budget allocated by the commissioning service, then the in-house service shall be used, and no procurement exercise should take place. A procurement exercise should only be undertaken if it can be established that the in-house service cannot meet the requirement (or if it has been previously agreed by the appropriate Head of Service that external contractors may be engaged as part of an out-sourcing study or project).

6.16 External body grant funding

Rule CP16.1 In line with the provisions set out in Sections B and F of the Financial Procedure Rules, where a procurement process is funded, in whole or part, by grant funding which has been awarded to the Council by an external funding body, the Corporate Commissioning and Procurement Service must be consulted prior to the procurement to ensure that any rules or grant conditions imposed by the funding body are adhered to, in addition to the requirements of these Contract Procedure Rules.

Rule CP16.2 Where there is any conflict between these Contract Procedure Rules and the rules or conditions imposed by the funding body, the stricter requirement should be followed. Where there is any doubt over which requirement should be followed, guidance should be sought from the Monitoring Officer before proceeding.

6.17 Risk assessment in procurement

Rule CP17.1 All procurements with an estimated total value of £100,000 or greater, must be supported by a risk assessment. This risk assessment must be carried out in conjunction with the Corporate Commissioning and Procurement Service at the start of the procurement process and will identify where further specialist advice should be sought.

Rule CP17.2 In order to ensure the Council meets its duties under the Public Services (Social Value) Act 2012, the risk assessment must include an appraisal of the opportunities to address social value outcomes through the proposed procurement, or a separate social value opportunity assessment should be carried out in line with the Corporate Social Responsibility Policy.

6.18 Ordering and Paying for works, goods and services

Rule CP18.1 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of Council contracts

Rule CP18.2 Official orders must be in a format approved by the Chief Finance 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 Chief Finance Officer.

Rule CP18.3 The Council must ensure that all goods and services it receives have been appropriately authorised and receipted in a timely manner in order that supplier invoices can be paid in accordance with the agreed contractual terms. This also supports prompt payments of its suppliers. All staff must comply with the Council's No Purchase Order, No Payment Policy.

Rule CP18.4 All orders must comply with the following 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.

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Appendix A

Annual Assurance and Accountability Statement

To be completed by Executive Directors on an annual basis

As a budget holder and a senior officer of Northumberland County Council, you have overall accountability for revenue budgets. You are ultimately accountable for ensuring effective planning and management of your budgets to deliver your service priorities and outcomes within the agreed budget envelope, whilst reporting any variations and working to rectify them as soon as possible. You may also have overall responsibility for capital budgets and are ultimately accountable for ensuring effective planning and management of your budgets to deliver against the capital budget.

Specifically, your role is to:

1. Deliver your service or capital projects within the agreed limits, unless express agreement has been reached with the Chief Finance Officer (and Members where necessary) that a budget variance is required;
2. Monitor income and expenditure against the budget on a monthly basis and take corrective action where necessary to keep spending within available resources;
3. Develop plans to deliver savings, monitor their progress and adapt plans to maximise achievement of savings;
4. Regularly check that income and expenditure are posted to the correct budgets;
5. Forecast income and expenditure for the full year;
6. Work with Corporate Finance to determine the budget requirement over the Medium-Term Plan period for revenue and the Capital Programme period for capital, setting out and agreeing clear assumptions.
7. Highlight any significant variances and forecast variances as early as possible so mitigating and alternative actions can be developed and implemented.
8. If there is an overspend, develop deficit recovery plans quickly to tackle this issue and agree them with the Corporate Finance and the Chief Finance Officer.

In line with the Council's Financial Governance Framework, I can confirm that:

1. I have taken all reasonable steps to ensure that staff within my Directorate are aware of all rules set out within the Finance and Contract Rules ([Part 10](#) of the Constitution).
2. I have reported any known or potential fraud or corruption to the Chief Finance Officer.
3. I have implemented effective arrangements within my Directorate to identify and report known or potential fraud.
4. I have promoted an open and constructive relationship with the Chief Finance Officer and their staff to ensure that the Corporate Finance Service plays a key role in decision making within my Directorate and in turn my Directorate issues inform the Budget and Medium-Term Financial Plan.

5. I have put in place and kept under review delegations to Service Directors and other senior officers within my Directorate for managing its finances. **I have attached a copy of my Directorate's Scheme of Delegation.** I confirm that this has been reviewed by the Head of Paid Service for the current year.
6. I understand and have fulfilled my obligations under the Financial Governance Framework and have put systems in place to meet my obligations under that Framework.
7. Where I have delegated financial responsibilities within my Directorate, I have systems in place to ensure that those delegations are operating effectively.
8. I have complied with the thresholds set out within the Financial Approval Thresholds.
9. I have implemented sound systems of internal control in line with the Financial Procedure Rules, including implementing any agreed Internal Audit recommendations as appropriate to my Directorate.

Name:

Signed:

Executive Director of

Date:

Appendix B

The Scheme of Virement

1 Definition

- 1.1 Executive Directors have prime responsibility for the financial resources allocated to them and should ensure that net expenditure does not exceed budgetary allocations. However, it is permissible in certain circumstances to reallocate resources between approved budget headings, subject to the necessary approvals being obtained. This transfer of budgetary resources between approved budget headings outside the normal Budget-setting process is referred to as virement.

2 Purpose of virement rules

- 2.1 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 Chief Finance Officer and without the need to refer the proposal to the Council.
- 2.2 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.

3 Scope of virement

All revenue and capital budgets will fall within the scope of the virement policy except for the following:

3.1 Revenue

- 3.1.1 Asset Depreciation;
- 3.1.2 Debt charges;
- 3.1.3 Payment of enhanced pensions;
- 3.1.4 Council Tax/ Business Rates;
- 3.1.5 Repairs and maintenance;
- 3.1.6 Insurance;
- 3.1.7 Utilities budget;
- 3.1.8 Precepts and levies;
- 3.1.9 Transfers to and from contingencies.

- 3.2 Virement will operate at Executive Director level, with Executive Director approval required for any proposals, along with any additional requirements set out within this document.

- 3.3 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.

- 3.4 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.

4 Approval of virement

- 4.1 All virement shall satisfy the definition for Virement as set out in this document and should be capable of being adjudged to be reasonable subject to the following annual and cumulative limits for revenue in any financial year (1 April - 31 March):

	Executive Director	Chief Finance Officer	Cabinet	Council
Revenue				
Within directorate	£250,000	£250,001 - £500,000	£500,001 - £2,000,000	Over £2,000,000
Between directorates	N/A	Up to £500,000	£500,001 - £2,000,000	Over £2,000,000
From contingency	N/A	Up to £500,000	£500,001 - £2,000,000	Over £2,000,000
Capital				
Between projects (limit per project)	N/A	Up to £500,000	£500,001 - £2,000,000	Over £2,000,000
From capital contingencies	N/A	Up to £2,000,000	£2,000,001 - £5,000,000	Over £5,000,000

- 4.2 An Executive Director may, with the approval of the Chief Finance 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 Chief Finance Officer should be notified in writing of the name of the senior manager(s) and the date from when the delegation is operative.
- 4.3 All decisions on virement shall be recorded and a copy sent to the Chief Finance Officer. Executive Directors should have regard to appropriate consultation to enable the Chief Finance Officer to make the judgement.
- 4.4 The Chief Finance Officer reserves the right to refer a proposal for virement to the Cabinet or Council for approval before it is implemented.

Appendix C

Guide to Capital

4 INTRODUCTION

4.1 In line with central government requirements, and to help improve asset planning and management processes, the Council has produced a Capital Strategy Statement. This is produced on an annual basis as part of the budget setting process. 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.

4.2 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.

5 DEFINITION OF CAPITAL EXPENDITURE

5.1 The guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) is that all expenditure should be treated as revenue unless you can prove it is capital.

5.2 The Council has a de minimis of £10,000 for capital expenditure excluding members local improvement schemes and schools for which the de minimis is £2,000. Any spend under this value will be classified as revenue.

5.3 There are three routes for expenditure to qualify as capital expenditure:

5.3.1 Spending which meets the recognition criteria specified under 'proper accounting practices';

5.3.2 Spending which meets a definition specified in regulations made under the Local Government Act 2003; and

5.3.3 The Secretary of State makes a direction that the spending can be treated as capital expenditure (Capitalisation Directions).

Spending which meets the recognition criteria specified under 'proper accounting practices'

5.4 Capital expenditure is defined as the acquisition, construction or enhancement of a fixed asset.

5.5 A fixed asset is defined as a resource that can be reliably measured, with a useful life exceeding 12 months, controlled by an authority as a result of past events and from which future economic benefits or service potential are expected to flow to the authority.

5.6 For expenditure to be capitalised as a fixed asset the costs must be directly attributable. For example, an options appraisal carried out to select a suitable plot of land for a project would not be directly attributable and therefore a revenue cost.

5.7 Examples of acquisition and construction are:

- 5.7.1** Acquisition of land;
 - 5.7.2** Construction of roads, buildings or other structures; and
 - 5.7.3** Acquisition and installation of movable or immovable plant, machinery, apparatus, vehicles and vessels.
- 5.8** Enhancement relates to subsequent expenditure on a fixed asset. Examples include:
- 5.8.1** Replacement of major components e.g., a new boiler;
 - 5.8.2** Enhancement of major components e.g., installation of double glazing; or
 - 5.8.3** Addition of extra elements e.g., construction of an additional wing to a building.
- 5.9** The day to day servicing of an asset, i.e. repairs and maintenance, only maintains the asset rather than adding to it therefore the expenditure would be classified as revenue.
- Spending which meets a definition specified in regulations made under the Local Government Act 2003
- 5.10** This is known as revenue expenditure funded from capital under statute (REFCUS) and relates to transactions that would not be capitalised under proper accounting practice, but that are defined as capital expenditure under the Local Government Act 2003 and its associated regulations.
- 5.11** The regulations state that the following expenditure is classified as REFCUS:
- 5.11.1** Expenditure incurred on the acquisition or preparation of a computer program, including expenditure on the acquisition of a right to use the program, if the authority acquires or prepares the program for use for a period of at least one year for any purpose relevant to its functions;
 - 5.11.2** The giving of a loan, grant or other financial assistance to any person, whether for use by that person or by a third party, towards expenditure which would, if incurred by the authority, be capital expenditure – except for advances made to officers as part of their terms or conditions of employment or in connection with their appointment;
 - 5.11.3** Repayment of any grant or other financial assistance given to the local authority for the purposes of expenditure which is capital expenditure;
 - 5.11.4** Acquisition of share capital in any body corporate, except for investments in a money market fund in the shares of a company to which [Part 12](#) of the Corporation Tax Act 2010 applies – real estate investment trusts, or in the shares in an investment scheme approved by the Treasury under [Section 11\(1\) of the Trustee Investments Act 1961](#);
 - 5.11.5** Expenditure incurred on works to any land or building in which the local authority does not have an interest, which would be capital expenditure if the local authority had an interest in that land or building;

- 5.11.6** Expenditure incurred on the acquisition, production or construction of assets for use by or disposal to a person other than the local authority which would be capital expenditure if those assets were acquired, produced or constructed for use by the local authority; and
- 5.11.7** Payment of any levy by a local authority under Section 136 of the Leasehold Reform, Housing and Urban Development Act 1993 – levy payable on voluntary transfers of housing stock.

Capitalisation Directions

- 5.12** Capitalisation Directions permit a local authority to meet revenue costs through capital resources. A present example is the capital receipts flexibility schemes.

IFRS 16

- 5.13** The Code of Practice on Local Authority Accounting in the UK (the Code) adopts the accounting requirements of IFRS 16 Leases from 2024-25. As a result operating leases which were previously recorded as revenue expenditure will need to be capitalised as right of use assets.
- 5.14** The treatment for assets acquired under finance leases remains the same, assets will be capitalised and the liability to pay future rentals will be capitalised.

6 AUTHORISATION OF A CAPITAL SCHEME

- 6.1** There are three different routes for submission of capital requests:
 - 6.1.1** New capital projects or amendments to existing projects identified in advance of the following financial year should be submitted as a capital bid during the budget process;
 - 6.1.2** New capital projects or amendments to existing projects identified in year, which require Cabinet / Council approval according to the approval thresholds, should be submitted as a Cabinet report to Capital Strategy Group (CSG); and
 - 6.1.3** New capital projects or amendments to existing projects identified in year, which can be signed off by the Chief Finance Officer according to the approval thresholds, should be submitted as a supplementary estimate or capital virement to CSG.

7 DISPOSALS

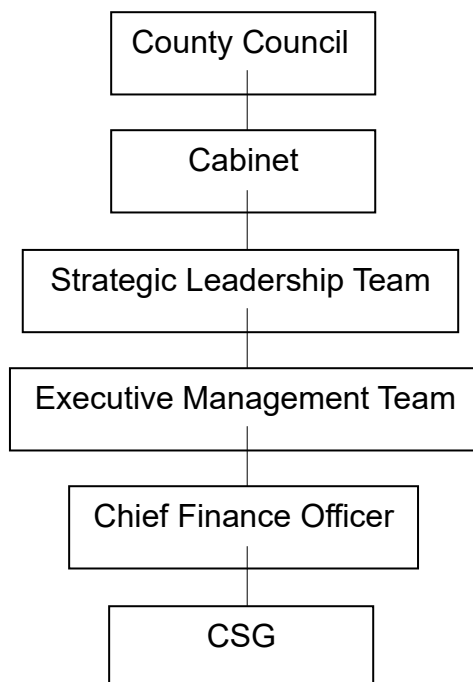
- 7.1** The disposal of property is carried out as follows:
- 7.2** Where land / property is surplus to service requirements it needs to be declared surplus by Estates. The asset is then reallocated to surplus properties;
 - 7.2.1** Estates will then determine if the asset is to be repurposed or disposed of;
 - 7.2.2** If the asset is to be disposed it will remain in surplus properties until the asset is in a state where it can be sold (i.e any repairs completed). Once the asset is being actively marketed, and a sale is expected within 1 year it will be classified as held for disposal, see below; and

- 7.3** Once a disposal has been completed an E5 form is produced by Estates and distributed.
- 7.4** The disposal of fleet vehicles is carried out as follows:
- 7.4.1** Where vehicles are sold at auction the service must inform Corporate Finance.
- 7.5** The disposal of other assets is carried out as follows:
- 7.5.1** A verification exercise is carried out each year between finance and services which identifies any assets which have been disposed of and they are accounted for as such.
- 7.6** Assets held for disposal are covered by the below procedure:
- 7.6.1** 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.
- 7.6.2** All further spend should be classified as revenue and accounted for in the above correct manner.
- 7.6.3** An asset will meet the definition as Non operational – Held for disposal when the following criteria have both been met:
- (a)** The asset or Disposal Group must be available for immediate sale in its present condition; and
 - (b)** The sale must be highly probable.
- 7.6.4** Factors that need to be considered when determining whether these criteria have been satisfied are as follows:
- (a)** 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.
 - (b)** 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).
 - (c)** 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.
- 7.7** An asset that is to be scrapped will not be classified as Held for Disposal. The procedures outlined in section 4.1 to 4.3 must be followed.
- 7.8** Sale and leaseback arrangements will only be classified as Held for Disposal when the transfer of an asset qualifies as a sale in accordance with IFRS 15. Essentially the transfer

of an asset qualifies as a sale where the buyer / lessor obtains control of the underlying asset.

8 ROLES, MEMBERSHIP AND RELATIONSHIPS OF MEMBER AND OFFICER GROUPS

- 8.1** 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.



- 8.2** The County Council Members agree the overall financial content of the Capital Plan during the budget setting process. The membership is all elected Members of the Council.

9 CAPITAL STRATEGY GROUP (CSG)

- 9.1** CSG is chaired by the Head of Corporate Finance and the membership is made up of representatives across each service including finance and procurement. CSG's role is to act as scrutiny for capital proposals during the budget setting process and any in year additions or changes in capital projects.
- 9.2** CSG provide scrutiny on the following:
- 9.2.1** Reports which require Cabinet approval that relate to capital projects;
 - 9.2.2** Supplementary estimates and capital virement forms prior to Chief Finance Officer approval; and
 - 9.2.3** New bids and amendment bids during the budget setting process.
- 9.3** CSG meetings are held on a monthly basis and any documents brought to CSG for scrutiny must have a representative attend to discuss the capital project.

10 MONITORING THE CAPITAL PROGRAMME

- 10.1** Corporate Finance will distribute monitoring reports to services on a monthly basis. Discussions will take place between Corporate Finance staff and relevant colleagues within the service to update forecasts against each project within the capital programme.
- 10.2** Reports are provided to Executive Directors which detail the capital position of the service by project, including explanations of any forecasts variances and reprofiling.
- 10.3** Performance against the capital programme is reported quarterly to Cabinet as part of the Financial Performance report.

11 PROJECT EVALUATION

- 11.1** Major capital schemes will be subject to a post implementation evaluation by the service department following the completion of the project. The review should cover:
- 11.2** The achievement of project objectives;
- 11.3** Contribution to corporate objectives;
 - 11.3.1** Delivery within time frames and budgets;
 - 11.3.2** The success of the implementation process; and
 - 11.3.3** The satisfaction of the end user.
- 11.4** A formal evaluation of any project may be undertaken, where deemed necessary.

12 ROLE OF INDIVIDUAL DEPARTMENTS

- 12.1** Service departments:
 - 12.1.1** Identifying potential capital bids in line with agreed corporate and service level priorities;
 - 12.1.2** Organising pre-feasibility estimates and preparing Business Cases for bids, where appropriate;
 - 12.1.3** Monitoring the progress of schemes, from a client perspective;
 - 12.1.4** Evaluating projects with regard to the achievement of stated objectives;
 - 12.1.5** Reviewing all bids to ensure compliance with both County Council strategy and agreed industry standards;
 - 12.1.6** Providing advice on potential solutions and assistance in option appraisal;
 - 12.1.7** Preparing pre-feasibility estimates and full feasibility studies;
 - 12.1.8** Preparing or supporting the preparation of Business Cases, as appropriate;
 - 12.1.9** Planning and costing works schemes;
 - 12.1.10** Identifying technical support required both during and post project implementation;
 - 12.1.11** Scheduling major Capital schemes;

- 12.1.12** Managing and monitoring the cost of schemes in line with initial estimates and providing Corporate Finance with monthly profiling and outturn forecasts;
- 12.1.13** Ensuring minor capital works schemes are completed in accordance with the timetable agreed with the Departments/Groups;
- 12.1.14** Providing detailed project monitoring information to Corporate Finance;
- 12.1.15** Raising Works orders in accordance with the Standing Orders;
- 12.1.16** Ensuring no capital work is carried out within the maintenance budget;
- 12.2** Considering the reallocation of surplus assets, prior to formal disposal, where appropriate; and
- 12.3** Ensure compliance with Standing Orders and Financial Regulations.
- 12.4** Finance:
 - 12.4.1** Preparing a consolidated monthly capital expenditure report incorporating the revised financial forecasts obtained;
 - 12.4.2** Preparing forecasts to ensure the Council deals with any reprofiling on the capital programme;
 - 12.4.3** Advising on the preparation of business cases. The Finance Manager will assist with the relevant financial analysis as part of the preparation of a Business Case and must be fully involved in the process;
 - 12.4.4** Providing summarised project monitoring information to Cabinet as part of the quarterly financial performance report;
 - 12.4.5** Monitoring compliance with Standing Orders and Financial Regulations and providing advice to client Groups;
 - 12.4.6** Maintaining the asset register and provision of asset information to departments;
 - 12.4.7** Providing advice and guidance on procurement and tendering; and
 - 12.4.8** Providing VAT advice.
- 12.5** **Property Services:**
 - 12.5.1** Maintaining and updating the Asset Management Plan;
 - 12.5.2** Assisting with the maintenance of the asset register and the provision of asset information; and
 - 12.5.3** Providing Estates and Valuation services.

Appendix D

Business Case Template

BUSINESS CASE TEMPLATE NEW PROJECT APPLICATION

INTRODUCTION

Through the annual planning process, capital and revenue schemes are identified for each service. For the schemes to be prioritised, considered, approved and ultimately implemented a business case is required.

It is envisaged that submission of the forms will coincide with the budget planning cycle, however, bids which arise during the year with sufficient justification will be considered separately.

This guidance/template has been developed to ensure that all developments within the Council are fully costed and are agreed as such by the Chief Finance Officer, before they are submitted to the Cabinet and County Council.

USE OF THIS GUIDANCE

This guidance relates to completion of the business case pro forma which should be completed in all cases. This guidance should be read in conjunction with the Council's Capital Strategy which sets out the long-term context in which capital expenditure and investment decisions are made and details the process for the identification and prioritisation of capital bids.

Staff completing the business case template should consult their Corporate Finance contact throughout the process, engage the relevant Executive Director and Cabinet Member and consult other service departments where necessary. Completed forms should be sent to Corporate Finance.

COMPLETING THE TEMPLATE

Guidance on the information required for each section is included in the template. Please delete this text once each section has been completed.

PROJECT OUTLINE

CONTACT DETAILS		
Name	Directorate	Service
PROJECT NAME		
DESCRIPTION OF THE PROPOSED PROJECT		
This should be a brief statement, which clearly describes the specific project.		
OBJECTIVES OF THE PROJECT		
Describe what the project aims to achieve.		
LINKS TO PRIORITIES		
Describe how the proposed project contributes to: <ul style="list-style-type: none"> • The achievement of the Council's priorities and objectives • The Council's asset management plan • Any national or local initiatives 		
NEED FOR THE PROJECT		
This should include reasons why the current position is no longer satisfactory and details the expected outcome of implementing the project.		
WAS THE PROJECT IDENTIFIED IN THE MEDIUM TERM FINANCIAL PLANNING PROCESS?		
If no, please state why the development needs to be considered now.		
IMPLICATIONS OF NOT PROCEEDING		
If the project was not approved, what would be the consequences; e.g. risks, prosecution, deterioration in quality of service, etc.		
DESCRIPTION OF OUTPUTS AND 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.		
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. State the preferred option and reasons why.		
OWNERSHIP OF ASSET		
If the project is in relation to as asset, will Northumberland County Council own the asset? Yes No N/A (delete as appropriate)		

DETAILED PROJECT ANALYSIS

CAPITAL BUDGET REQUIREMENT (Please show specific financial year)	Year	Year	Year.....	Year.....	Year.....	TOTAL
	£000	£000	£000	£000	£000	£000
Preliminary investigations						
Construction works						
Land purchase						
Compensation						
Consultants' fees						
Architects' fees						
Other costs (please specify):						
Contingencies						
Total Costs						

CAPITAL FUNDING ANALYSIS	Year	Year	Year.....	Year.....	Year.....	TOTAL
	£000	£000	£000	£000	£000	£000
Council Resources (Borrowing, Cap Receipts)						
Revenue Contributions (Inc. use of reserves)						
External Grants (please specify):						
Total Funding						

Has approval been received for any of the external funding sources (e.g. grants)? If so, please provide evidence.

REVENUE IMPLICATIONS

Please give details of any revenue implications (additional costs or savings):

	Year	Year	Year	Year	Year	TOTAL
REVENUE COST	£000	£000	£000	£000	£000	£000
Cost of Council Capital Resources (borrowing)						
Employee Related						
Premises Related						
Running Costs						
Other costs (please specify):						
Total Revenue Costs						

REVENUE SAVINGS						
Existing Running Costs						
Other: (please specify):						
Total Revenue Savings						

NET Revenue Implications						
---------------------------------	--	--	--	--	--	--

Indicative Cost of Capital (calculated by Corporate Finance)						
---	--	--	--	--	--	--

Total Revenue Impact						
-----------------------------	--	--	--	--	--	--

PROCUREMENT STRATEGY		
Describe the procurement strategy which will be used for the project. Please consult Procurement.		
CONTRACTUAL ARRANGEMENTS		
Outline the contractual relationships that exist within this project.		
CHARGING MECHANISM		
Outline mechanism to be established and additional income to be realised.		
FEASIBILITY STUDY		
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.		
COST/BENEFIT ANALYSIS		
Include financial and non-financial analysis.		
VAT IMPLICATIONS		
The Council's VAT Officer must be contacted to assess if there are any VAT implications for the Council.		
OTHER RESOURCE REQUIREMENTS		
Please describe the requirements e.g. staff, IT, land and buildings.		
RISKS, CONSTRAINTS AND MITIGATION		
Risks & Constraints	Mitigation	Rating (High, Medium, Low)
CONTINGENCY		
Please provide details of contingency arrangements for the project.		
PROJECT MANAGEMENT AND MONITORING ARRANGEMENTS		
Please describe:		
<p>The project management and governance arrangements</p> <ul style="list-style-type: none"> • The approach to ensure effective change management • The strategy for dealing with the management and delivery benefits • The approach to managing risks during and post implementation • The proposed methods of monitoring progress during implementation stage, including checkpoints and milestones • Details of how the effectiveness of the proposal will be measured proposed 		
PLEASE STATE WHICH SERVICES WILL BE AFFECTED BY THE PROJECT		
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.		

TIMESCALES

Please outline estimated timescales and milestones for the project (amend as appropriate):

	Duration	Start	Finish
Project Initiation / Project Brief			
Feasibility			
Detailed Design			
Planning Approval			
Tender / Procurement Process			
External Funding Approval			
Main Construction Period			
Physical Completion / Handover			
Financial Completion / Final Account			

FUNDING CONSTRAINTS

If there are any time constraints associated with funding this should be stated here.

CONSULTATION

Please confirm that you have consulted with the relevant services where appropriate:

Service	Officer
Corporate Finance	
Procurement	
Legal	
Digital & IT	
Other (please specify)	

APPROVAL

Position	Name	Signature	Date
Director/Head of Service			
Executive Director			

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 (PO) – usually the sponsoring Service
- Project Manager (PM)
- Construction Project Manager (CPO)
- Evaluation Officer (EO)

The Evaluation Officer should be independent of the project being evaluated and 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 should 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.

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.

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 below, 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, is to be prepared by the Evaluation Officer setting out any recommendations for improvement.

Post Project Evaluation	
Project Title	
Brief Description of Project	
Project Owner	
Project Manager	
Construction Project Manager	
Evaluation Officer	

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

The Investment Decision		
Indicator	Comment	Responsibility
Were all appropriate stakeholders sufficiently involved during the consultative process?		PO
Was the right option chosen?		PO
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

The Procurement Process		
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
What lessons were learned?		EO

Project Management and Implementation		
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

Contract Delivery		
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
How did performance compare to the DTI Construction Industry Key Performance Indicators?		PM/CPM
What lessons were learned?		EO

Organisational Impact & 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

Outcome and Impact		
Indicator	Comment	Responsibility
Were there any undesirable outcomes not previously identified?		PO
Were the objectives for the project met?		PO
Did the project successfully contribute to corporate priorities?		PO/EO
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

Lessons for Future Projects (A summary of Evaluation Officer recommendations)		
Indicator	Comment	Responsibility
Recommendations based on lessons learned		EO

Appendix E

Risk Appraisal Panel Process

Introduction

The process principally applies to:

Projects:

- where successful completion is a condition of any grant; and/or
- there is a continuing obligation to a third party; or

Proposals:

- requiring a strategic policy decision; and/or
- entering into a partnership; and/or
- involving elements of serious or very severe risk; and/or
- involving loans to third parties (excluding Advance Northumberland which are agreed by a loans panel)

However, it can be applied to any aspect of Council business or service provision giving cause for concern.

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.

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 Cabinet 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.

The Risk Appraisal Panel Process

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 the Risk Appraisal Panel should be accompanied by a comprehensive risk assessment.

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.

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:

- The Leader and Deputy Leader;
- Chief Executive, Chief Legal Officer and Chief Finance Officer;
- The relevant spokesperson(s) for any project;
- The Project Manager; and
- The Risk Management Officer.

The Project or Service Manager will present their report to the Risk Appraisal Panel which will comprise relevant Cabinet Members, Leaders of the Opposition and Officers agreed by full Council. The Panel will be chaired by the Business Chair of the Council.

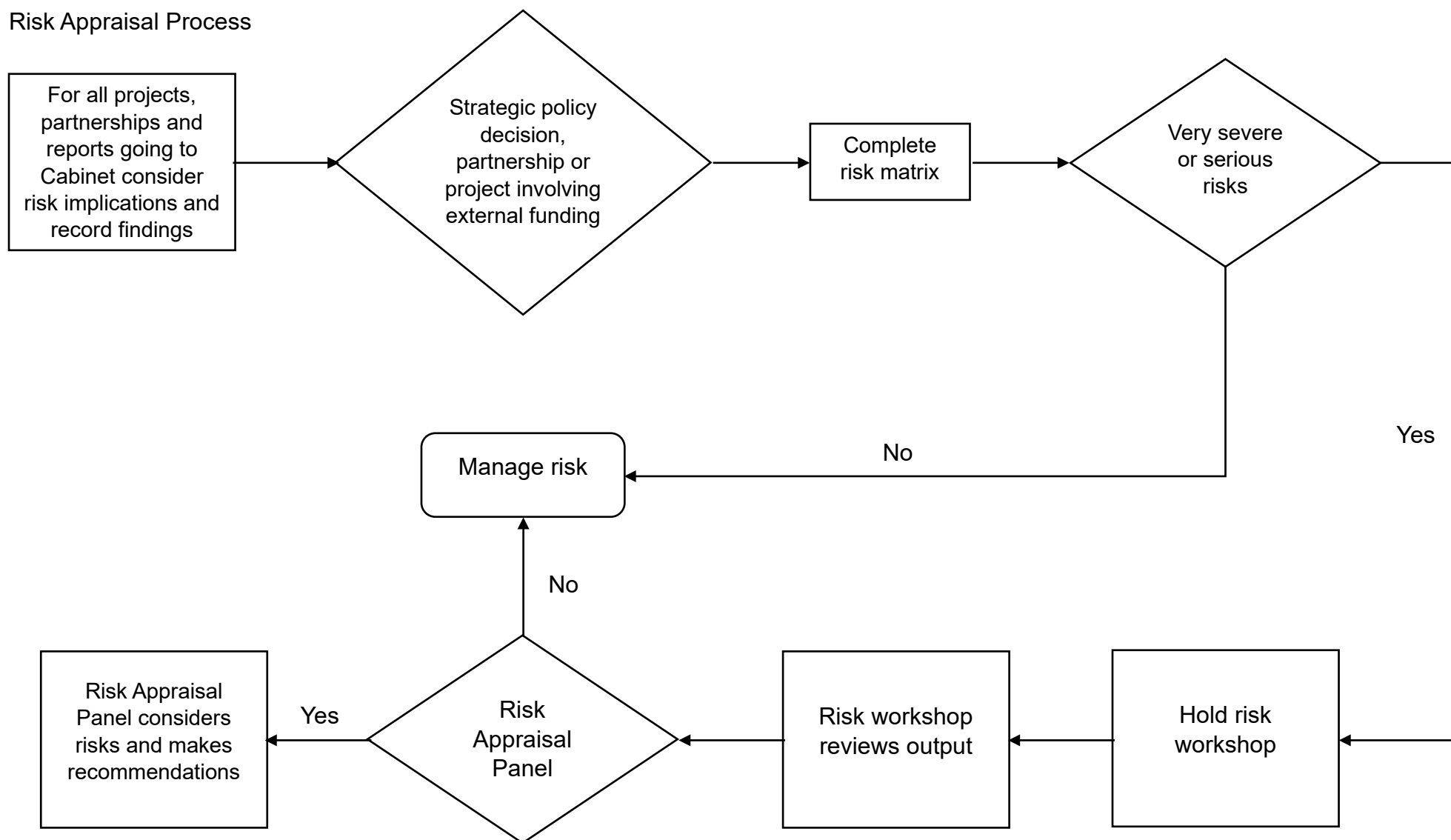
The Risk Appraisal Panel will make a recommendation as to whether the Council's involvement in a project or the proposal is an acceptable risk or not and may recommend conditions or further action.

A minute of the decision of the Risk Appraisal Panel will be reported to a convenient meeting of the Cabinet, or Council where appropriate, or will be retained in the case of delegated decisions.

The Risk Appraisal Panel, however, is not a decision-making body. The decision following appraisal, once potential risks and costs have been assessed, will be made in accordance with the Scheme of Delegations within the Constitution.

The process is outlined in the following slide:

Risk Appraisal Process



Appendix F

Contract/Payment Exemptions

The following contracts and/or payments are exempt from the requirements of the Contract Procedure Rules:

(a) Contracts for the execution of mandatory works by statutory undertakers, where the statutory undertaker is the only body which can perform the works. Such statutory undertakers include:

- i) British Telecom: specifically for telecoms infrastructure works;
- ii) Network Rail: specifically for works affecting the railway infrastructure;
- iii) Northern Gas Networks: specifically for gas supply infrastructure works;
- iv) Northern Powergrid: specifically for electricity infrastructure works;
- v) Northumbria Water: specifically for water and sewerage infrastructure works;
- vi) Highways England –specifically for works to the core road network under their management;

In addition, certain other organisations may be regarded as statutory undertakers in very specific circumstances, where works are required, involving disruption to, or re-siting of, existing infrastructure which they own and/or operate, particularly:

- vii) Any other telecoms provider for works to specifically licensed mobile telecoms infrastructure which they own;
- viii) Any Independent Distribution Network Operator (IDNO) for works to electricity infrastructure they own.

Where fees are payable directly to a sub-contractor appointed by a statutory undertaker, and where the Council does not have the option of appointing a contractor itself, and where the statutory undertaker's procurement process for selecting the named sub-contractor complies with any obligations under the Utilities Contracts Regulations 2016, then the named sub-contractor shall be treated as a statutory undertaker for the purpose of this Rule.

- (b) Fees payable to Ofsted for the inspection of a school, children's home, or other facility;
- (c) Fees payable to the Care Quality Commission under section 85(1) of the Health and Social Care Act 2008;
- (d) Fees payable to the Driver & Vehicle Licensing Agency and/or Drive & Vehicle Standards Agency (formerly VOSA);
- (e) Fees payable to the Disclosure & Barring Service;
- (f) Fees for TV licenses in Council owned or operated premises;

- (g) Fees payable to Public Health England with respect to the Child Death Notification Service;
- (h) Contracts for the carrying out of statutory public health funerals under the [Part 3 of the Public Health \(Control of Disease\) Act 1984](#);
- (i) Contracts for the purchase of broadcasting time, including for the placing of radio and television advertising;
- (j) Contracts to provide sponsorship to events, awards schemes, or other promotional activity being organised by a third party;
- (k) Contracts of employment which make an individual a direct employee of the authority;
- (l) A staff secondment, where an employee of another organisation shall work on a Council project, on a temporary basis, but where they will not become an employee of the Council;

NB: While the Contract Procedure Rules do not apply to staff secondments, authorisation to proceed must be obtained from Human Resources, and the terms of the secondment appropriately documented.

- (m) Contracts for legal representation by a lawyer (advocate, barrister, or solicitor) in arbitration or conciliation proceedings, judicial proceedings before the courts, tribunals, or public authorities of an EU member state or third country or before international courts, tribunals, or institutions.
- (n) Payments for legal advice given by a lawyer in preparation for, or connected to, any of the proceedings mentioned in (m) above;
- (o) Payments for documents, document certification and authentication services which may only be provided by notaries, or from the issuing authority, such as the General Registry Office, HM Passport Office;
- (p) Payments for legal services provided by trustees or appointed guardians or other legal services, the providers of which are designated by a court or tribunal;
- (q) Fees payable to Phonographic Performance Ltd or PRS for Music, for the playing of recorded music in public, or for the use of the musical composition and lyrics in that recording;
- (r) Fees payable to Northumbria Police Force to cover the cost of additional policing presence at public events or for temporary public safety purposes;
- (s) Appointment of independent planning inspectors nominated by the Royal Institute of Chartered Surveyors (RICS) under the NPIERS scheme;

- (t) Examination fees payable to a qualification awarding body for the certification of exam results only, for a professional or vocational qualification being undertaken by a Council Officer with the support of the Council;

NB: This exemption covers examination fees only, not the cost of any training or study materials, which remain subject to the Contract Procedure Rules;

- (u) Agreements regarding the acquisition, disposal, or transfer of land (to which the Financial Procedure Rules apply), or:
- (v) The payment of grants to third parties.

NB: While grants are not covered by the Contract Procedure Rules, there are rules on the awarding of grants which do need to be observed. The Council cannot simply choose to treat a procurement as a grant in order to avoid conducting a competitive process.

- (w) Contracts which have been procured on the Council's behalf by a Central Purchasing Body, where the process followed is in line with the Public Contracts Regulations (2015) or equivalent subsequent legislation (e.g., the North East Procurement Organisation etc.)
- (x) Where the Council exercises its right to award a contract to a wholly owned subsidiary company that satisfies the requirements of Regulation 12 of the Public Contract Regulations 2015 or equivalent subsequent legislation (i.e. to a "Teckal" company) or for contracts for Housing below WTO threshold built on land owned by the Council and built by a subsidiary company.

Appendix G

Schools' Financial Regulations

Revised July 2024

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Schools' Financial Regulations

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Appendix B: Rules for independent banking arrangements

Appendix C: Management of Schools' Balances (Reserves)

1. Introduction

1.1. Context

- 1.1.1. Northumberland County Council's Chief Finance Officer has statutory duties in relation to the financial administration and stewardship of the Council's funds. The procedures described in these *Schools' Financial Regulations* reflect these statutory duties as well as the financial management responsibilities of school staff and governing bodies.
- 1.1.2. They are intended to assist school staff and governors in carrying out their financial duties by providing clarity, and to hold schools to account.
- 1.1.3. This document is accompanied by the *Scheme for Financing Maintained Schools*.
- 1.1.4. These Regulations apply to governors, headteachers and employees of the Council's maintained schools operating with delegated budgets.
- 1.1.5. These Regulations apply to all schools maintained by the Authority, i.e. all Community, Voluntary, Foundation, Community Special, Foundation Special Schools and PRUs.

1.2. Relationship between the Scheme and these Financial Regulations

- 1.1.1. Every local authority in England is required to maintain a *Scheme for Financing Maintained Schools* which sets out the financial relationship between the Council and its maintained schools; it is a requirement of School Standards and Framework Act 1998.
- 1.1.2. These *Schools' Financial Regulations* provide a framework for maintained schools to manage their financial affairs, and are issued by the Chief Finance Officer, who is responsible for the proper administration of the Council's affairs including maintained schools.
- 1.1.3. Together, these two documents provide a comprehensive framework for schools' financial management and as such should be treated as part of the same framework.
- 1.1.4. Paragraph 2.1.1 of the *Scheme for Financing Maintained Schools* requires that schools manage and control their finances within the rules set out in these *Schools' Financial*

Definitions

- a) "the Council" means Northumberland County Council or any committee or
 - b) representative body thereof
 - c) "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
 - d) "the headteacher" means the person who is the headteacher or acting headteacher of a school to which the scheme of delegation applies

- e) “Delegated budgets” are the amounts of funding that the Council has allocated directly to each individual school at the beginning of each financial year
- f) “Budget share” means the school’s share of the Individual Schools Budget adjusted to take account of under or overspends from the previous year

2. Governance

2.1 Scheme of Delegation

- 2.1.1 The provisions of the School Standards and Framework Act 1998 allow the Governing Body of a school with a delegated budget to delegate to the Headteacher the power and the responsibility for deploying resources, subject to the requirements of this scheme. Governors are responsible for the sound financial administration of their school and must consider the extent to which they wish to delegate their financial powers to the Headteacher, with the limits of any such delegation consistent with the needs of the school.
- 2.1.2 Any delegated powers must be recorded in the Minutes of the Governing Body, and the Headteacher must report back to the next available meeting of the Governing Body any actions taken under that delegated responsibility.
- 2.1.3 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; if governors wish to adopt an alternative scheme this will require the written approval of the Chief Finance Officer.
- 2.1.4 The headteacher and any other person named in the Scheme for Delegation shall always ensure that these Regulations and other instructions issued by the Chief Finance Officer or Government/regulatory bodies in relation to the proper financial administration of the school are complied with.
- 2.1.5 The above delegation shall not apply in respect of the appointment of staff. It shall be for governors to lay down from time to time the extent of the power of the headteacher to deal with staffing matters.
- 2.1.6 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;
- 2.1.7 The headteacher must produce to the governing body at least once each term, and on such further occasions as the governing body 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 governing body.

2.2 Declarations of Interest

- 2.2.1 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 these

Regulations. The provisions relating to pecuniary interests shall be deemed to apply with necessary adaptations to any decisions to be made outside a governing body meeting by the Chair, Vice-Chair, the Headteacher, or any employee to whom a decision under the *Scheme for Financing Maintained Schools* has been delegated.

- 2.2.2 The decision-making processes of the governing body should be conducted, and seen to be conducted, in an objective and unbiased manner. The possibility of any conflicts of interest would jeopardise this objectivity and call into question the probity of any decisions made. Such conflicts may be pecuniary or non-pecuniary.
- 2.2.3 The governing body will establish and maintain a Register of Interests for governors and the headteacher. The Register must record any interests that they, their immediate family or others known to them may have which could affect their judgement or decisions. The Register should be updated annually and be published on their website for examination.
- 2.2.4 Suitable opportunity should be afforded at the start of every meeting to allow attendees to declare potential conflicts of interest, with any such declared interests to be recorded in the minutes. In the event of declaration of interest, and if this interest is considered by the chair to be material in relation to the matter under discussion, the individual concerned must withdraw from participation in the decision-making process for the relevant item(s). The application of this Regulation is aimed at promoting probity in decision-making and should not impede the efficient conduct of business by the governing body.

2.3 Audit arrangements

- 2.3.1 The accounts of schools with delegated budgets are subject to regular inspection by Internal Audit and are available for inspection as necessary by the Council's external auditor. Internal auditors review the management of the school's finances on behalf of the Council as a management function; external auditors are required by statute to assess the legality and regularity of the Council's financial affairs and to ensure that the Council has made proper arrangements to secure stewardship of public funds. This extends to every part of the Council, including maintained schools.
- 2.3.2 Governing bodies must ensure that both internal and external auditors are given access to all premises, documents and assets that the auditors deem necessary to inspect, and that they are provided with any explanations or other assistance they consider require.
- 2.3.3 Governing bodies will ensure that they consider and respond promptly to audit recommendations. Where any remedial action is required, governing bodies will ensure that the necessary action is taken without undue delay. Any critical recommendations must be addressed immediately.
- 2.3.4 Governing bodies should immediately notify Internal Audit of any suspected irregularity.
- 2.3.5 Governing bodies may organise independent audits of the school's affairs if they wish to do so, with any expenditure on such audits to be met from the school's

delegated budget share. Such independent audits will not negate the need for inspection by the Council's internal or external auditors.

- 2.3.6 The Council requires that each governing body shall complete the annual Schools Financial Value Standard (SFVS) self-assessment and return it to the Chief Finance Officer by 31 March. These returns provide assurance to governors and the Chief Finance Officer on the proper operation of financial systems and compliance with the Scheme of Delegation and these Regulations, including:
- Fraud, irregularity, mismanagement or other offences; and
 - Waste, extravagance, inefficient administration, poor value for money; and the suitability, reliability, and effectiveness of financial and other management data maintained by schools.

The SFVS is discussed in more detail in section 3.8.

2.4 Fraud, corruption and whistleblowing

- 2.4.1 The Council approves and keeps under review an Anti-Fraud, Bribery and Corruption Policy and associated Raising Concerns at Work Policy (whistleblowing) in line with the principles of sound governance.
- 2.4.2 All staff must display the highest standards of probity and integrity in line with the Council's counter fraud and corruption policies.
- 2.4.3 All staff and Governors must report promptly any fraud or financial irregularity, or any suspicion of such, to the Chief Finance Officer and Head of Internal Audit and Risk Management immediately in line with the Council's counter fraud and corruption policies.
- 2.4.4 The Council's policies recognise 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, the Council has a whistleblowing policy known as the *Raising Concerns at Work 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.

2.5 Risk management

- 2.5.1 The Council approves and keeps under review a Risk Management Policy and Strategy, which acts as an overall framework for the management of risk.
- 2.5.2 Risk management is a key element of a schools' overall governance framework and, as such, it is essential that governors and staff understand key risk management principles and practices.
- 2.5.3 Governing bodies must effectively manage risk, exercise internal control and have an awareness of risk in every aspect of their work. Recognising and dealing appropriately with the key strategic risks facing a school enables it to identify the key actions required to achieve its main goals and objectives.
- 2.5.4 Governing bodies should develop and regularly review a Risk Register that identifies the risks the school is exposed to, the extent to which existing controls

mitigate the risk, an assessment of the likelihood and impact of the risk and any new controls that could further mitigate the risk.

- 2.5.5 Governing bodies should ensure they devote the necessary time to risk management and therefore consider it as a standing agenda item in management meetings

2.6 Gifts and hospitality

- 2.6.1 On occasion, governors and staff may be offered gifts or hospitality in the course of their duties. Under the Council's *Counter Fraud Policy* and *Bribery and Corruption Policy*, these should not be accepted if they would or could appear to place them under any obligation, compromise their impartiality or otherwise be improper. If there is any doubt, offers should be refused.
- 2.6.2 The governing body will establish and maintain a *Register of Gifts and Hospitality* which must be updated on a regular basis to ensure transparency. Governors and staff are required to disclose the details of any offers and acceptances of gifts or hospitality, regardless of them being accepted or not.

2.7 Legal proceedings

- 2.6.3 The Council's Monitoring 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.

3. Financial administration

3.1 Administration

- 3.1.1 The Council's Chief Finance Officer, by virtue of Section 151 of the Local Government Act 1972, is the responsible officer for the proper administration of the Council's financial affairs.
- 3.1.2 The Chief Finance Officer shall be responsible for keeping these Regulations under regular review.
- 3.1.3 Governing bodies shall be responsible for the proper management of their school's delegated budget and must ensure that these Regulations are complied with.
- 3.1.4 Governing bodies should establish and document internal procedures in a *Financial Procedures Manual* to ensure that financial control is carried on in an efficient and well-ordered manner. 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.

- 3.1.5 Documented financial procedures should be based on, and not contradict, the following source materials:
- The Department for Education's *School Financial Value Standards*
 - The Department for Education's *School Resource Management guidance*
 - The Council's *Schools' Financial Regulations*
 - The Council's *Scheme for Financing Maintained Schools*
- 3.1.6 The Chief Finance Officer is responsible for the compilation of the Council's Statement of Accounts. All accounting procedures and financial records which are required for schools subject to these regulations shall:
- be compatible with the Council's financial systems;
 - follow good financial practice; and
 - be approved by the Chief Finance Officer.
- 3.1.7 The Chief Finance Officer shall approve all accounting systems, procedures and records consistent with these requirements. Governors may suggest to the Chief Finance Officer changes to accounting procedures and records that may lead to the improvement of school administration.
- 3.1.8 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.
- 3.1.9 Where Governors grant decision making powers to a committee, they shall make a record in their minutes stating the limit of such delegation and signed minutes should be presented at the next full meeting. Governors are advised to ensure that all major decisions are taken only at their full meetings.
- 3.1.10 The Chief Finance 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.

3.2 Internal controls

- 3.2.1 Effective internal controls must be put in place within all schools and must satisfy Internal Audit's requirements. Schools must have sound internal control, risk management and assurance processes following a tiered approach:
- clearly communicated procedures, structures and staff training
 - appropriate day-to-day supervision and checks by managers
 - internal scrutiny, overseen by the governing body
 - internal and external audit
- 3.2.2 The control framework must:
- ensure that delegated financial authorities are complied with
 - maintain appropriate segregation of duties
 - co-ordinate the planning and budgeting process

- apply discipline in financial management, including managing debtors, creditors, cash flow and monthly bank reconciliations
- manage and oversee assets, maintaining a fixed asset register
- ensure regularity, propriety and value for money in all activities
- maintain a risk register, reviewed regularly by governors
- minimise the risk of fraud and theft
- ensure independent checking of controls, systems, transactions and risks

3.2.3 The following principles are the key areas underpinning robust financial controls:

- **Internal checks:** one person checking the work of another
- **Segregation of duties:** key tasks are assigned to separate members of staff
- **Authorisation:** transactions are authorised before being passed along the process
- **Audit trails:** retention of documentary evidence of all stages of a transaction

3.3 Document retention

- 3.3.1 Generally, original financial records must be retained for inspection for a minimum of six complete financial years plus the current financial year. This period will meet the requirements of both external auditors and Internal Audit and other purposes such as responding to interest claimed under the Late Payment of Commercial Debts Act. Such records also provide a reasonable level of historical information that may be required for future reference purposes or to deal with queries arising.
- 3.3.2 Original documents may be destroyed, provided they have been captured in some way and capable of being recreated.
- 3.3.3 Documents should be destroyed once the relevant retention period has expired.
- 3.3.4 The governing body will ensure that documents are retained in accordance with local or national guidance.

3.4 Banking arrangements

- 3.4.1 All arrangements for the provision of banking services in relation to Council money shall be made by or under arrangements approved by the Chief Finance Officer. [Appendix B](#) sets out the rules under which schools may operate an independent bank account.
- 3.4.2 Withdrawals from the local bank account can be made using cheques, direct debits, standing orders and BACS payments.
- 3.4.3 Procedures should ensure safeguards against inappropriate expenditure.
- 3.4.4 Schools that do not have an independent bank account must bank at their nearest Barclays Bank unless alternative arrangements have been authorised by the Chief Finance Officer. If a school electing to bank elsewhere incurs bank charges as a result, such charges will be debited to the school's delegated budget.
- 3.4.5 Headteachers shall notify the Chief Finance Officer of those members of staff with local bank account authority, promptly notifying the Council of any changes.

- 3.4.6 Any changes to Council-managed bank account signatories must be authorised by a Council bank signatory.
- 3.4.7 Wherever possible, cheques should be signed by two members of staff.
- 3.4.8 Cheques should be held securely when not in use and must never be pre-signed.
- 3.4.9 Cheques should be crossed, non-negotiable and “a/c payee only” to avoid the possibility of improper use.
- 3.4.10 As schools are not permitted to borrow, overdrafts are strictly forbidden.
- 3.4.11 Debit Cards must be kept securely and only used by the named individuals to purchase items for the school where other methods of purchasing would be less efficient.
- 3.4.12 Schools may use telephone or electronic online banking systems provided that the following control procedures are in place and adhered to:
- The school must comply with the approved bank mandate
 - The Council must be notified of any changes in banking procedures
 - Controls, particularly access controls, must be at a level comparable to any existing or previous manual systems
 - Passwords must be secure and in line with best practice, there must be segregation of duties, prior (documented) approval controls must exist, and an audit trail must be maintained in all cases
- 3.4.13 The governing body will agree bank reconciliation procedures and record, in their Scheme of Delegation, the responsible staff members. Segregation of duties is critical: the person responsible for reconciliations should not have any responsibility for receiving or banking income. Reconciliations should include the following:
- Uncleared credits
 - Payments debited but not accounted for
 - Income credited but not accounted for
 - Unpresented cheques

3.5 Petty cash

- 3.5.1 Petty cash, a basic type of imprest system, involves an organisation holding a sum of money to enable small payments to be made outside of the standard payment processing system for reasons of urgency, convenience or practicality. The following stages exist in a petty cash system:
- A petty cash fund is established with a fixed, agreed amount of cash. This is recorded in the school's financial system (as cash in hand)
 - All expenses are paid through the petty cash fund must be fully documented with receipts to ensure a full audit trail.
 - The fund must be reconciled monthly as a minimum to ensure that all expenditure incurred is moved from cash in hand into the relevant expenditure category so that the cash in hand figure in the financial system matches the amount held in the petty cash fund.

- The fund is replenished regularly with disbursement receipts to maintain a fixed balance, noting that a system must be put in place to manage this effectively; and
 - The fund should be monitored closely for any discrepancies between expected cash (based on documentation) and actual cash. If any discrepancies exist, they must be investigated and reported to management if concerns are raised.
- 3.5.2 Governing bodies must ensure that proper controls and security arrangements are in place to prevent abuse or financial loss, as the nature of petty cash systems presents an inherent area of risk.
- 3.5.3 Governing bodies should formally set the maximum amount of petty cash to be held and a maximum individual transaction limit in their Financial Procedures Manual.
- 3.5.4 Governing bodies should agree a petty cash policy that:
- specifies the employee responsible for management of the fund.
 - specifies authorisation and document retention requirements.
 - specifies the maximum value of the fund.
 - specifies an upper limit on the amount that may be reimbursed against any item of allowable expenditure; and
 - specifies the categories of expenditure that may be reimbursed from the fund.
- 3.5.5 Governing bodies will ensure that separate accounting records are kept for the petty cash fund.
- 3.5.6 Governing bodies must ensure that the following operational controls are in place as a minimum, and that their operation is monitored on a regular basis:
- the fund must be securely held with only authorised staff having access.
 - payments from the fund must be limited to minor items approved in advance by an authorised employee.
 - records of receipts and payments should be reconciled, monthly as a minimum, to the total authorised value of the fund.
 - any expenditure must be supported by receipts.
 - receipts must identify any VAT paid and any arrangements must ensure that VAT can be reclaimed; and
 - personal cheques should not be cashed from the fund.

3.6 Borrowing and investments

- 3.6.1 Governing bodies of maintained schools may borrow money only with the written permission of the Secretary of State. The Chief Finance Officer must be notified in writing of a school's intention to seek such permission at least ten working days before a request is made to the Secretary of State.
- 3.6.2 The Authority makes available to schools a loans scheme to support school capital improvement which is funded by the collective use of all school balances that are

held by the Authority. The total of all loans may not exceed 40% of the collective school surplus balances held by the authority.

- 3.6.3 Internal loans are not available to fund a deficit that has arisen where recurrent costs have exceeded current income.
- 3.6.4 The Chief Finance Officer shall be responsible for the borrowing or lending of all Council monies, except for funds provided to schools operating an independent bank account.
- 3.6.5 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](#).
- 3.6.6 Credit cards are not permitted as they are a form of borrowing.

3.7 Insurance

- 3.7.1 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 Chief Finance Officer.
- 3.7.2 The consent of The Chief Finance Officer shall be required prior to any indemnity being given on behalf of the Council to a third party.
- 3.7.3 The Chief Finance 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.

3.8 Schools Financial Value Standard (SFVS)

- 3.8.1 All maintained schools (including pupil referral units with delegated budgets) must comply with the SFVS and complete the assessment form annually, noting that schools are free to determine when during the year they wish to complete the form.
- 3.8.2 Governing bodies must demonstrate compliance with the SFVS through completion of the SFVS assessment form, which must be signed by the chair of the governing body. The form must include a summary of remedial actions with a clear timetable, ensuring that each action has specified deadline and an agreed owner.
- 3.8.3 All maintained schools must submit the SFVS assessment form to Internal Audit before 31 March each year.
- 3.8.4 The Standard, with further guidance, is available online [SFVS Guidance Department for Education](#).

3.9 Year-end procedures

- 3.9.1 Governing bodies are responsible for the preparation of annual income and expenditure statements for their schools. The Chief Finance Officer is responsible for the Statement of Accounts of the Council, of which the school is a part and

hence must be consolidated into the Council at the end of the financial year. The income and expenditure statement of each school should:

- be based on financial records that comply with the Consistent Financial Reporting (CFR) Framework¹;
- follow generally accepted accounting practice (UK GAAP) in so far as it applies to schools' income and expenditure statements. The main relevant accounting principles, as they apply to schools, are covered within these Regulations. If in doubt, advice should be sought from the Chief Finance Officer;

3.10 Taxation

- 3.10.1 For the purposes of VAT registration, HMRC regard the Council and its maintained schools as a single organisation for the purposes of VAT accounting and reporting. Excluded from this are school voluntary funds and expenditure by Voluntary Aided Schools carrying out their statutory responsibilities to maintain the external fabric of their buildings.
- 3.10.2 The Council submits VAT returns to HMRC on a monthly basis, which must include all VAT relating to eligible schools.
- 3.10.3 Governing bodies will ensure that the procedures in use in their school related to the accounting for VAT follow all guidance issued by the Council.
- 3.10.4 Governing bodies will ensure that only proper VAT invoices are paid as the school will not be reimbursed in the absence of such documentation.
- 3.10.5 The amounts of input VAT (that paid on purchases) and output VAT (that collected on income) will be accounted for separately in the financial system and by the required deadlines.
- 3.10.6 HMRC treat schools' voluntary funds as independent of the Council for the purpose of VAT reporting. Therefore, such voluntary funds with a taxable turnover above the threshold must be separately registered for VAT; the current threshold is £90,000 per annum.
- 3.10.7 If the Council suffers a financial penalty resulting from a school's actions or lack of action in the accounting for, or the reporting of, taxation of any form, the governing body must reimburse the Council from its delegated budget.

3.11 Financial losses

- 3.11.1 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 Chief Finance Officer, from a school's budget share.
- 3.11.2 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 VAT, 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.

¹ <https://www.gov.uk/guidance/consistent-financial-reporting-framework-cfr>

3.12 Provision of financial services

- 3.12.1 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.
- 3.12.2 Where financial services are provided externally there shall be a written agreement setting out the responsibilities of both parties. The Chief Finance Officer shall be notified of all such arrangements.

4. Financial planning and management

4.1 Budget-setting

- 4.1.1 The Council shall inform governing bodies of their budget share by 28 February each year, with adjustments for any carry forwards from the previous year being notified by 31 May. The Council will supply information to schools as early as possible to assist in planning processes.
- 4.1.2 The *Scheme for Financing Maintained Schools* (paragraph 2.3) requires that each school submit a 'multi-year budget plan', approved by the headteacher and governing body, to the Authority by the 15 May each year. This plan is the result of the financial planning process and must show the school's intentions for expenditure for the current and following three financial years, along with the assumptions underpinning the plan.
- 4.1.3 Governing bodies must set detailed operating budgets for each financial year that specifies its anticipated income from delegated budget shares, other income and the estimated expenditure required to perform the activities planned within School Development Plan. Expenditure and income related to private or voluntary funds must be excluded unless it is to become part of the overall school budget.
- 4.1.4 Governing bodies are also recommended to produce similar estimates of income and expenditure for each remaining financial year in the funding cycle.
- 4.1.5 Governing bodies are required to set and maintain, over the planning horizon, a balanced budget, such that total anticipated income (including where necessary, any use of revenue reserves) is not less than total estimated expenditure (including, where appropriate, any planned addition to revenue reserves).
- 4.1.6 All budget figures should exclude VAT and reflect all known (or anticipated) pay and price increases during the course of the year.
- 4.1.7 The budget must be submitted electronically in the format prescribed by the Chief Finance Officer and be compatible with the Consistent Financial Reporting Framework.
- 4.1.8 Where a school with its own bank account fails to provide the required budget by 15th May, instalments will be limited to an amount sufficient to cover direct pay costs only.

4.2 Revisions to the Published Budget

- 4.2.1 Governing bodies may wish to realign their budget in the light of internal or external circumstances. There is no limit to the governing body's powers to amend budgets.
- 4.2.2 Schools must submit a revised budget plan by 1 December each year considering actual income and expenditure incurred and any legislative changes. The impact of any changes should be considered over the multi-year period.
- 4.2.3 Schools are able to move funds freely between budget heads in the expenditure of their budget shares provided that it does not result in a budget deficit.
- 4.2.4 Where no specific item has been provided for in the budget, the Headteacher shall not enter into any financial commitment exceeding £5,000 (or 0.5% of the budget share whichever is the greater) without the consent of the governing body or, in the case of emergency, the chair of the governing body.
- 4.2.5 Such movements should be submitted on a termly basis to the Council.
- 4.2.6 Governing bodies will specify, in their formal statement of delegated responsibilities, the limits of action by individual members of staff, above which the governing body itself must approve any changes.
- 4.2.7 Alongside such delegated responsibilities, the governing body should require that the financial implications of all policy developments or any external changes should be identified and reported to governors.
- 4.2.8 Revisions may increase the schools planned use of accumulated reserves. This is allowable provided that such movements do not result in the school going into overall deficit. If such movements are warranted by circumstances, then the governing body must seek a licensed deficit from the Council.
- 4.2.9 All budgetary changes must be recorded in the minutes of the governing body or nominated committee. Those approved by the headteacher or senior members of staff in accordance with the Scheme of Delegation must be ratified by the governing body or a committee nominated by them.
- 4.2.10 All approved virements will be actioned promptly so that subsequent budget monitoring will provide meaningful financial control information.

4.3 Planning for surpluses

- 4.3.1 Governing bodies may approve a budget that has the effect of increasing accumulated reserves. However, such surpluses should be earmarked for specific future needs to ensure that the pupils in the school benefit from a planned approach to spending that does not unreasonably deprive them of resources in any given year.
- 4.3.2 Where a school's budget share is underspent in any financial year, balances shall be carried forward to the next financial year, provided that surplus balances (after allowing for any amounts assigned for specific, approved purposes) do not exceed 10% of the new financial year's budget share for Middle/High/Secondary Schools, 16% for First/Special schools or £50,000, whichever is the greater. If this amount

is exceeded, the Council may deduct from the current year's budget share an amount equal to the excess.

4.3.3 The Authority will deduct from the calculated balance any amounts for which the school has a prior-year commitment to pay from the surplus balance.

4.3.4 The Authority will then deduct from the resulting sum any amounts that the Governing Body of the school has declared to be assigned for specific purposes permitted by the Authority as listed below, and which the Authority is satisfied are properly assigned. To count as properly assigned, the area of expenditure must have been previously incorporated into the School Improvement Plan (or equivalent) in sufficient detail to justify the proposed expenditure and amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the Authority;

- Repair and maintenance projects for school buildings;
- A revenue contribution towards a Capital building project;
- School security, energy efficiency or Health and Safety projects;
- Refurbishment of classrooms, library or resources areas;
- Acquisition and installation of ICT and telephone systems;
- The total cash value of unspent money or grants from external organisations given for a specific purpose or project, and this includes Pupil Premium Grant.
- Provision for future falling rolls or school re-organisation.
- Specific projects within School Improvement Plan linked to raising standards.

4.3.5 Governing bodies must report to the Chief Finance Officer by 1 July each year on the use which they intend to make of any surplus balances in existence at the previous 31 March, where that surplus is in excess of the appropriate limit for the school as defined in 4.3.2.

4.3.6 Surplus balances held by the authority on behalf of schools will attract interest which will be credited to the school budget share. The calculation will be made at the year end and will assume the surplus had accrued evenly throughout the year. The interest rate shall be the SONIA rate for each month.

4.4 Deficit budgets

4.4.1 A deficit budget is one where planned expenditure exceeds anticipated income plus permitted reserves. Governing bodies cannot plan for or authorise a deficit budget without first agreeing a 'licensed deficit' arrangement with the Council.

4.4.2 The Council cannot, under any circumstances, write off a deficit.

4.4.3 Similarly, where routine monitoring indicates that a school is forecasting a cumulative deficit for the financial year, a governing body must seek a 'licensed deficit' with the Council without delay.

4.4.4 Approval for a deficit will only be given where a Governing Body produces firm and realistic proposals to bring spending back into line with available resources and remove the deficit within two financial years. It may be agreed this can be up to

three financial years, or in exceptional circumstances, an alternative period as agreed by the Chief Finance Officer.

4.4.5 The maximum deficit that will normally be approved will be lesser of 8% of the school budget share, or the following according to phase of school:

- First/Primary £75,000
- Middle £150,000 or
- Secondary/High £300,000

4.4.6 Governing bodies must adhere to any recovery plan agreed with the Council and must regularly monitor adherence to the plan. The Chief Finance Officer must be contacted if it appears that any milestones cannot be met.

4.4.7 The process for applying for and approving a Licensed Deficit is available from the Chief Finance Officer. Further information can be found in section 4.9 of the *Scheme for Financing Maintained Schools*.

4.4.8 Deficit balances held by schools will incur interest which will be charged to the school budget share. The calculation will be made at the year end and will assume the deficit had accrued evenly throughout the year. The interest rate shall be the SONIA rate for each month. Those schools with an approved Licensed deficit application will be exempt from an interest charge.

2.1 Budget monitoring

2.1.1 It is the responsibility of the governing body to control income and expenditure within their school, to monitor performance, report on variances and take the necessary action to avoid exceeding budgets.

2.1.2 The Council should be alerted to any possible budgetary problems as soon as possible.

2.1.3 It is essential that the governing body and headteacher closely monitor the budget, at frequent intervals (ideally monthly), because:

- the school may realise extra funding during the year leading to a larger surplus than expected allowing some investment.
- unexpected expenditure may occur or there may be a shortfall in expected income.
- initial assumptions in preparing the annual budget may require updating.
- any overspends in the current year will be carried forward and may adversely affect resources available and standards in future years.

2.1.4 Regular monitoring of income and expenditure against the agreed budget is central to effective financial management. It allows governors, the headteacher, and relevant staff to maintain financial control by reviewing the current position and taking any remedial action necessary.

2.1.5 The original budget may need regular updating, following consultation with governors, to take account of in-year developments. The transfer of funds from

one budget heading to another is termed 'virement'. The school's approved scheme of delegation should clearly define the limits of delegated powers to the headteacher and resources committee in relation to virement. Schools are reminded that they have full powers of virement and adjustment, provided that proposed virements do not result in an overall budget deficit.

- 2.1.6 Having considered budget monitoring reports and investigated reasons for any significant forecast overspending, governing bodies should formulate action plans to address any identified issues.
- 2.1.7 Governing bodies should then take the actions indicated by these recovery plans and monitor the effectiveness of these actions in rebalancing budgets.
- 2.1.8 For all schools with their own bank account, managing cash flow should be part of the monthly financial management procedures and completed as part of month-end processes. Monitoring cash flow is important to ensure the school has the cash to pay all its bills throughout the year and to consider investment opportunities for surplus cash.
- 2.1.9 Schools that decide to operate their own bank account are required to submit statements at least quarterly to the Chief Finance Officer. The format of the statement will be determined by the Chief Finance Officer, will be compatible with the Consistent Financial Reporting Framework and will include the school's current approved budget, a summary of actual income and expenditure, and explain any significant variations indicated by the figures from the planned profile.
- 2.1.10 Schools must seek effective management of resources and value for money, to optimise the use of their resources and to invest in teaching and learning, considering the Authority's purchasing, tendering and contract requirements.

2.2 Local budgets and cash flow monitoring

- 2.2.1 The frequency of issuing monitoring reports and cash flow forecasts to the headteacher and finance committee members can be agreed locally.
- 2.2.2 It is recommended that, as a minimum, budget monitoring reports are considered at the following frequencies:
 - Once a month to Headteachers
 - Once a term to Resource Committees
 - Once a term to Governing Bodies
- 2.2.3 Governing bodies and finance committees should consider:
 - Any budgetary adjustments agreed since they last met to consider the budget, including both those agreed at their last meeting and any approved by the headteacher under their delegated powers.
 - Proposed budgetary adjustments requiring approval identified through the current monitoring process and their subsequent effect on the school's financial position.

- 2.2.4 Governing bodies must examine ways to reduce spending (or increase income) if an overspend is likely. If the overspending is material to the schools overall financial position the school will need to react positively and quickly. If the overspending is likely to result in a cumulative deficit balance at the end of the current year or in future years, the Chief Finance Officer should be contacted for advice as a Licensed Deficit may be required.

2.1 Withdrawal of delegations

- 2.1.1 The School Standards and Framework Act 1998 Act gives the Authority the power to suspend a school's right to a delegated budget if the provisions of the Scheme for Financing Schools (or rules applied by the School Financial Regulations) have been substantially or persistently breached, or where actions need to be taken to safeguard the financial position of the School or the Authority. The process by which this will be undertaken is set out in a four-stage approach to enable a school the opportunity to take corrective action and prevent further escalation.
- 2.1.2 The four-stage process is detailed in section 1.1 of the Scheme for Financing Schools: Letter of concern; Warning notice; Failure to Comply with a Warning Notice and Notice of Intervention.
- 2.1.3 Such a notice will set out the reasons and evidence for it being made and may place on the Governing Body restrictions, limitations or prohibitions in relation to the management of funds delegated to it. These may include:
- Staff undertaking appropriate training to address any weakness in the financial management of the school.
 - Insisting an appropriately trained/qualified person chairs the Finance Committee of the Governing Body.
 - Placing of more stringent conditions on the day-to-day financial management of the school.
 - Regular Financial monitoring meetings at the school attended by local authority officers.
 - Requiring a Governing Body to buy in to the Local Authority Financial Management system.
- 1.1.1. A notice will clearly state what the requirements are and the way in which such requirements must be complied with along with a timescale in order for the notice to be withdrawn.

2.2 Capital Expenditure

- 2.2.1 Eligibility and guidance criteria for capital expenditure guidance can be found in the 'Guidance for Schools – Capital Expenditure Application' document published and available to Schools.
- 2.2.2 The Council has a de minimis of £10,000 for capital expenditure excluding members local improvement schemes and schools for which the de minimis is £2,000. Any spend under this value will be classified as revenue.

- 2.2.3 All capital expenditure must be approved by the Chair of Governors in conjunction with the Headteacher. Schools must record and document this approval as it is subject to audit.
- 2.2.4 All capital expenditure planned by Schools require a completed and approved Capital Expenditure Application, no matter the funding type.
- 2.2.5 Any works planned over £50,000, or deemed necessary by NCC, require a further strategic check through Capital Strategy Group and follow the Council's capital pathway as found in 'Appendix C – Guide to Capital' within the Finance and Contract Rules.

3. Income

3.1 Income

- 3.1.1 Governors may delegate responsibility for ensuring that all sources of income due to the school and the council are identified, collected promptly and that payments received are accepted, recorded, banked and reconciled promptly and correctly.
- 3.1.2 The Education Act 1996 (sections 449 to 462) sets out what schools can and cannot charge for².
- 3.1.3 Governors' responsibilities for income should be to:
- Establish, in a formal statement of delegated responsibilities, the person(s) responsible for identifying income due to the school.
 - Ensure that all invoiced income is recorded in the accounts as soon as practically after the invoice is raised.
 - Establish a procedure to effectively pursue non-payment within defined timescales, including, if necessary, legal action (the Council's debt recovery procedures should be followed). The Chief Finance Officer and Monitoring Officer must both be involved if any legal action is being contemplated.
 - Agree a lettings policy and the school approach to lettings
 - Agreed a schedule for all discretionary fees levied by the school
 - Receive assurances from the school staff that fees levied will cover associated cost so that there is no strain placed on the delegated budget
 - Receive assurances that the funding formula has been received and is being used for its intended purpose

3.2 Invoicing

- 3.2.1 Arrangements for the invoicing and collection of all official income due to the Council shall be specified by the Chief Finance Officer.
- 3.2.2 All income due to the school should ideally be collected in advance of the provision of those goods or services.

² www.legislation.gov.uk/ukpga/1996/56/contents

- 3.2.3 In general, income generated from third parties must be invoiced to those parties. Where the income is due from other maintained schools or internal departments then a journal will be initiated. Where any source of income is defined within the governing body's charging policy as 'payment in advance' then no invoice need be raised. In this case, the governing body will ensure that output VAT (if any) relating to the supply is correctly identified, substantiated by appropriate documents, and properly accounted for.
- 3.2.4 The decision to 'write-off' any debt if it proves irrecoverable must be minuted by governing bodies and within the approval limits as defined in the Scheme of Delegation for the school. If the value of the debt to be written off exceeds £2,500, then the governing body must seek agreement from the Chief Finance Officer up to the value of £50,000 or the Chief Executive for any values over this sum.

3.3 Receipt of income

- 3.3.1 The Chief Finance Officer shall specify the arrangements for the electronic format or the supply of all receipts or forms used to record income.
- 3.3.2 Governing bodies will establish, in a formal statement of delegated responsibilities, the person(s) responsible for receiving cash due to the school. As far as is practical, this person should be different from the person responsible for identifying income due to be received.
- 3.3.3 All cash received should be acknowledged by the issue of an official receipt, except where such cash is accompanied by a remittance advice. In certain cases, this is impractical, such as school meals, but this policy should be followed wherever possible.
- 3.3.4 At least two persons should be present when sources of income are opened or emptied (e.g. post, vending machines etc) so that all cash from such sources is properly identified and recorded.
- 3.3.5 Official stationery must be pre-numbered and clearly printed with the name of the school. Unused stocks of cash receipts must be kept securely. Spoiled or cancelled receipts should be retained.
- 3.3.6 The details of all income must be entered into the financial system, identifying any output VAT. Detailed consideration of VAT is contained in section 3.10 of these Regulations.
- 3.3.7 Entries in the financial system should be recorded in sufficient detail to provide an adequate audit trail from the source document to the entry.
- 3.3.8 Income collected in respect of delegated or curriculum activities must be banked directly into the Council's income account and not any other account.
- 3.3.9 Cheques must not be cashed from money received on behalf of the Council.
- 3.3.10 Income from the sale of assets owned by the school or the Authority will be retained by the school except where the asset was purchased with funds that were not delegated at the time of the sale.

3.4 Cash

- 3.4.1 The governing body must ensure that cash (including cheques) held on the school premises are secure.
- 3.4.2 Income collections must not be used for the encashment of personal cheques or for other payments.
- 3.4.3 If a school makes its insurance arrangements other than through the Council, the governing body must hold appropriate Money Insurance with a level of cover at least as good as that provided by the Council. The value of cash held on school premises should never exceed the level covered by a school's insurance policy.
- 3.4.4 Any write-off of cash shortages must be reported to the Council. If theft or financial irregularity is suspected, the governing body should immediately notify Internal Audit.

3.5 Banking of income

- 3.5.1 Monies collected should be paid into the appropriate bank account promptly and in full. Income must not be used to defray expenditure. At least monthly, the sums deposited at the bank should be reconciled to the sums collected and reviewed. A different person from those responsible for collections and banking should do this.

3.6 School Fund and other voluntary accounts

- 3.6.1 Governing bodies are responsible for funds from several 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.
- 3.6.2 Governing bodies shall formally approve a Constitution for the use of any funds by the school provided from sources other than the Council. Such documents should be regularly reviewed and updated.
- 3.6.3 Headteachers shall maintain a list of funds in operation and ensure that financial controls are put in place for their proper management.
- 3.6.4 Governing bodies shall formally appoint a treasurer and an independent auditor for each fund on an annual basis.
- 3.6.5 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.
- 3.6.6 Headteachers 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 a governing body, a copy of the certified accounts must be sent to the Chief Internal Auditor.
- 3.6.7 The auditor should be independent and should have no conflict of interest. An independent auditor should not be involved 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.

- 3.6.8 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 Chief Internal Auditor.
- 3.6.9 Income properly due to the school's delegated budget or the Council must not be paid into voluntary funds.

4. Asset management

4.1 Asset management and security

- 4.1.1 Headteachers shall be responsible for the safe custody and control of all monies, vehicles, furniture, equipment, stocks, stores, and any other property.
- 4.1.2 Schools are required to maintain a record of all moveable assets with an insurable value in excess of £1,000. Records must be in a form approved by the Chief Finance Officer.
- 4.1.3 Headteachers 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 Chief Finance Officer immediately.
- 4.1.4 Headteachers 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.

4.2 Disposal of assets

- 4.2.1 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.
- 4.2.2 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.
- 4.2.3 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.

5. Procurement of goods and services

5.1 Background

- 5.1.1 Procurement is the process whereby schools acquire the goods and services they require to conduct their business. Increased delegation to schools has lent even greater significance to this area as schools have greater control over, and responsibility for their spending decisions.

- 5.1.2 Because they are using public funds, schools are required to act with demonstrable probity, and in accordance within the regulations contained in the Contract Procedure Rules which form part of the Authority Finance and Contract Rules. Whilst limits are set with regard to the number of estimates or quotes obtained it remains a duty of any employee to obtain reasonable assurance that prices are competitive and therefore separate quotes should often be obtained below the limits contained in these regulations to provide assurance that value for money is achieved.
- 5.1.3 Schools should aim to achieve value for money from all purchases, whether of goods or services. This goes beyond mere consideration of price, and often means looking further ahead than the immediate purchase, especially when selecting equipment, and considering associated costs such as supplies and maintenance over the lifetime of the item. A sensible balance between quality and price should be achieved.
- 5.1.4 Governors may delegate responsibility for the purchasing of goods and services to a level set by the Full Governing Body in the scheme of delegation. All purchases exceeding the levels set must be referred to the Full Governing Body in advance of making the purchase for decision. The decision should be clearly recorded in the minutes of the meeting.
- 5.1.5 Where contracts are let over a period and continuity of supply is essential or for building contracts then financial stability of the contractor may be considered to ensure that they have the financial resources and economic stability to complete the contract term. The Council may assist in this process and for further assistance please contact Procurement.
- 5.1.6 Contracts must be countersigned by the Chair of Governors, or by the Vice Chair in the absence of the Chair. Contracts that commit the school to expenditure of over £10,000, or are for a period of more than one year, must be specifically agreed in advance by the whole Governing Body.
- 5.1.7 The following links provide further information:
- www.gov.uk/government/collections/buying-for-schools
 - www.gov.uk/guidance/buying-procedures-and-procurement-law-for-schools
- 5.1.8 The Council's Constitution ([Part 10](#)) contains contract procedure rules intended to provide a robust framework, promote good practice and ensure public accountability.

5.2 Specification

- 5.2.1 Before embarking on the acquisition of any supplies, goods or services, the governing body should carefully consider the following issues:
- quality
 - price
 - technical specification
 - fitness for purpose

- legality of expenditure³

- 5.2.2 Schools should not enter into any financial agreement with capital implications without the approval of the Council or appropriate body. This will include items classified as finance leases as these are classed as borrowing or a form of loan.
- 5.2.3 The governing body will ensure that specifications are written in a manner to ensure genuine competition is secured and that competitive bids can be submitted and evaluated on a fair and equitable basis. Specifications should, wherever possible be based around what the works, services or supplies are expected to achieve.
- 5.2.4 In assessing who is to be involved in the decision to place an order, governing bodies must have regard to the regulations related to the *Register of Interests* and the *Register of Gifts and Hospitality*.
- 5.2.5 All procurement activity must accord with the thresholds below and the guidelines associated with each threshold:

Total Value	Award Procedure	Authorisation
Up to £1,000	One oral quotation (confirmed in writing where the total value exceeds £500).	
£1,001-£25,000	At least three written quotations.	As per school's Scheme of Delegation
£25,000 –£100,000	Require three quotes to be sought by the Corporate Commissioning and Procurement Service via the Council's electronic tendering system and to be awarded on the basis of the most economically advantageous submission or a clear written explanation provided otherwise	
£100,000 – WTO Threshold	Must be managed by the Corporate Commissioning and Procurement Service and follow a legally compliant procurement procedure and be awarded on the basis of the most economically advantageous submission or a clear written explanation provided otherwise	
Over WTO Threshold	Must be managed by the Corporate Commissioning and Procurement Service and follow a legally compliant procurement procedure	

Current WTO thresholds (effective 1 January 2024) are as follows:

£214,904 inc. VAT: Supplies, services and design contracts

£5,372,609 inc. VAT: Works contracts

£663,540 inc. VAT: Social and other specific services

- 5.2.6 All procurement where the value is over the statutory regulations must be awarded in accordance with the relevant Public Contract Regulation⁴ that cover works supplies and services (noting that these can be altered by the Government so should be checked routinely).

³ As defined by S50 of the School Standards and Framework Act 1998

⁴ Public procurement policy information can be found at www.gov.uk/guidance/public-sector-procurement-policy

- 5.2.7 A proposed contract must not be divided into smaller parts or carried out as smaller contracts to avoid having to meet any of the specific requirements.
- 5.2.8 Details of any planned spend exceeding £30,000 including VAT must be provided to the Head of Corporate Commissioning and Procurement for inclusion on the Council's Procurement Forward Plan.
- 5.2.9 All tender opportunities above £30,000 including VAT must be published by the Corporate Commissioning and Procurement Service on Contracts Finder. All tender opportunities above the WTO threshold must be published on Find a Tender Service before being published on Contracts Finder or other suitable channels

5.3 Exceptions from the requirement to follow a competitive process

- 5.3.1 The governing body may exercise an exception to the competitive processes if:
 - The supplier is the Council
 - A 'blanket' framework contract has been established by the Council for the supply of specified goods, services or works to the Council as a whole or for appropriate use by schools
 - Only one contractor can provide the goods, services or works required and there is no reasonable alternative contractor
 - The need for the goods, services or works is so urgent that the time needed for tendering would be prejudicial to the School's or the Council's interests.
 - Prices are controlled by Government order
- 5.3.2 The approval of the Head of Corporate Commissioning and Procurement, Chief Finance Officer and Monitoring Officer must be sought for all procurements that do not follow these Contract Procedure Rules on the grounds of urgency.

5.4 Ordering

- 5.4.1 An official purchase order will be issued for all work, goods or services to be supplied to the school, except for supplies of utilities, periodic payments such as rent or rates, or petty cash purchases. Verbal orders should only be given in cases of extreme urgency and must always be confirmed by an official order, as soon as possible.
- 5.4.2 Official purchase orders may only be used for official purposes of the school, and therefore must not be used for any personal or private purchases, nor must personal or private use be made of any contracts entered into by the school.
- 5.4.3 Each order must be signed by an appropriate member of staff as specified by the governing body in its formal statement of delegated. Such signatories will satisfy themselves that the goods or services ordered are appropriate and needed, that there is adequate budgetary provision and quotations or tenders have been obtained if necessary or appropriate and attached to the office copy of the order.

- 5.4.4 When an order is placed, the estimated cost should be committed against the appropriate budget allocation so that it features in subsequent budget monitoring.

5.5 Receipt of goods or services

- 5.5.1 All goods and services received by the school will be checked to ensure they are in accordance with the purchase order. Such receipt will be verified by an appropriate member of staff as specified by the governing body in its formal statement of delegated responsibilities.
- 5.5.2 The person verifying the receipt of the goods or services must not be the same person who approved the purchase order.
- 5.5.3 If any discrepancies are found, these should be noted on the copy order and the matter resolved with the supplier without delay.

5.6 Payment of invoices

- 5.6.1 All invoices received by the school will be matched to the relevant purchase order, having regard to any discrepancies noted on receipt of the goods or services.
- 5.6.2 All invoices will be approved for payment by an appropriate member of staff as specified by the governing body in its formal statement of delegated. This person must be neither the person who approved the purchase order, nor the person who verified the receipt.
- 5.6.3 Prior to signature, the approver will check the invoice details to ensure that:
- The school only pays for goods and services it has ordered and received
 - The price charged is as quoted on the purchase order
 - Payments are made to the correct supplier
 - Costs are charged to the correct budget

5.7 Application of Regulations to leases

- 5.7.1 Assets may be acquired either by outright purchase or by leasing. Any Regulations covering specification, ordering, receipting and payments will also apply to the costs of acquiring the use of assets under leases.
- 5.7.2 National guidance on the implication of different sorts of lease is also available⁵.
- 5.7.3 Schools must check with Corporate Finance before any leases are entered into to ensure that the lease meets all the relevant criteria and does not penalise the school either during the lease period or on termination.
- 5.7.4 The introduction of IFRS16 for local authorities from 1 April 2024 ends the distinction between operating and finance leases at maintained schools for accounting purposes. Under the Education Act 2002, all leases will be classed as borrowing and will require the Secretary of State for Education's consent. The Secretary of State has, however, agreed to provide blanket consent to a range of the most common leasing activities, as set out in the IFRS16 Maintained Schools Finance Lease Class Consent 2024.

⁵

www.gov.uk/government/publications/school-procurement-buying-a-multi-functional-device-mfd

- 5.7.5 Leases not included in this Order will still require the written consent of the Secretary of State, and it remains the general position that schools will only be granted permission for other types of borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes to meet broader policy objectives.

6. Staffing

6.1 Background

- 6.1.1 In schools, staff costs are the largest item of expenditure for most local authority 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.

6.2 Payroll

- 6.2.1 Governing bodies will ensure that all payments of wages, salaries and other emoluments are only made through the payroll service. Employee expenses are usually processed through the payroll but may also be paid through petty cash where payments are small and/or irregular.
- 6.2.2 Schools must follow the policies and procedures prescribed by the Authority for the payment of salaries and bills.
- 6.2.3 Governing bodies should maintain a list of all staff employed by or in the school. Procedures should ensure that this list is updated promptly to reflect new starters and leavers. This list should individually record grades, additional allowances, contract start and end dates, and any other key information.
- 6.2.4 The key controls for payments to employees are:
- Proper authorisation procedures are in place and that there is adherence to payroll timetables in relation to: starters, leavers, variations and enhancements, and that payments are made on the basis of timesheets or claims
 - Monthly reconciliation of payroll expenditure against approved budget to ensure the school is only charged for permanent and temporary staff employed by the school in line with their contract or for hours worked.
 - All appropriate payroll documents are retained and stored for the defined period, in accordance with guidance issued by the Chief Finance Officer
 - All expenditure, including VAT, is accurately recorded against the right department and any exceptions are corrected.
 - All HMRC regulations are complied with.

6.3 Appointment of staff

- 6.3.1 Except for foundation and aided schools, all staff shall be appointed to the service of the Council on terms and conditions as 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.

6.4 Expenses incurred by staff

- 6.4.1 Governing bodies will agree a policy covering the payment of expenses to staff employed by or in the school, in line with the Council Travel and Subsistence policy which should include the following:
- The types of expenditure may be reclaimed by members of staff and governors
 - Submission timescales and the format for expense claims
 - VAT receipts must be submitted with claims wherever possible
 - Authorisation of expense claims
 - Circumstances under which petty cash can be used for expense claims
- 6.4.2 Expense claims must be certified prior to processing for payment, either through the payroll or petty cash. Certification means that:
- Journeys have been correctly authorised
 - All expenses have been properly and necessarily incurred
 - Allowances are properly payable

The objective is to ensure that travel arrangements are cost-effective, and that any tax implications are identified to ensure that any VAT can be recovered from HMRC.

Part 7

7. Appendices

Appendix A: Model Scheme of Delegation

The Scheme of Delegation of financial powers and duties within schools covers three principal elements:

- 1. Delegations to full governing bodies of maintained schools**
- 2. Delegations to Resources Committees of maintained schools**
- 3. Delegations to headteachers**
- 4. Delegations to other employees**

A schedule setting out the powers of the governing body, sub-committees, individual governors and the headteacher is available from the School Governance and Data Protection team and is circulated to schools routinely for annual review by governing bodies.

This Scheme of Delegation must be approved for adoption by governing bodies and a record retained of its approval and of any subsequent changes.

1. DELEGATIONS TO GOVERNING BODIES OF MAINTAINED SCHOOLS

Full Governing Bodies shall be responsible for:

- 1.1 Annually approving a written Scheme of Delegation that satisfies the Full Governing Body's ultimate responsibility for ensuring that there are adequate operational controls in place for all financial processes. It should be noted that the Scheme of Delegation complements the Council's Financial Regulatory Framework and should be operated in conjunction with these documents. The Scheme of Delegation should be reviewed and approved on an annual basis.
- 1.2 Ensuring that all agenda items and decisions are recorded accurately within meeting minutes.

Audit

- 1.3 Receiving any reports on the school issued by the Council's Internal Audit Service. Reports should be reflected in the minutes of the relevant meeting.
- 1.4 Informing Internal Audit if any irregularity affecting Council resources is suspected.

Note that voluntary funds are outside the Council's control, but governing bodies may wish to make provision for these in local Schemes of Delegation.

Budgets/Budgetary Control

- 1.5 Receiving a full report of the school's final financial position no later than four months after the end of each financial year.
- 1.6 Annually approving the school's Budget Plan and ensuring its submission to the Council's Corporate Finance Service.
- 1.7 Receiving budgetary control reports at least once per term from the Resources Committees, with explanations and documentation as required.

- 1.8 Approval of any virements over £5,000 or 0.5% of the budget share. Any virements approved by Resources Committees must also be formally notified to the Full Governing Body for recording.
- 1.9 Approval of all capital expenditure projects to be undertaken and ensuring the Council's Capital Expenditure application process is followed.
- 1.10 Entering into operational leasing or contract hire arrangements, provided that the Council is satisfied that the arrangement is appropriate, and that best value has been secured. Resources Committees shall ensure that the resulting charges can be met within the budget for the current and future years.

Chair's Urgent Powers

- 1.11 Recording the use of the Chair's urgent powers and advising the Council of their use (and ensuring that these are reported to the next meeting of the Full Governing Body).

Contracts

- 1.12 Accepting late tenders or those that are not the most financially favourable; the reasons for such decisions must be formally recorded.
- 1.13 Maintaining a Register of Interests for all governors and any school staff involved in the shortlisting or awarding of contracts.

Ex-Gratia Payments

- 1.14 Authorising ex-gratia payments up to £500. Any ex-gratia payments in excess of this value must be in line with the Council's pay policy.

Income

- 1.15 Authorising the write-off of debts, if the debt has been unsuccessfully pursued following the normal debt recovery procedures, complying with the following:
 - Under £500: to note as Headteacher or Resources Committee can approve up to this limit
 - £500 - £2,500: requires the authorisation of the Governing Body
 - £2,500 - £25,000: with authorisation of the Chief Finance Officer
 - Over £25,000: with authorisation of the Chief Finance Officer and the Chief Executive

Lettings

- 1.16 Receiving and approving any Lettings Policy for the school and agreeing any charges for lettings. Both should be reviewed and approved annually.

Loans, Investments and Trust Funds

- 1.17 Considering any proposals to borrow funds which meets the criteria in section 3.6 and following the Council's required protocols.

Security of Assets

- 1.18 Authorisation of the write off for any stock / equipment items with original purchase values (or current market value) over £1,000
- 1.19 Authorising the disposal of individual items of surplus or unusable equipment or materials with a realisable value of over £1,000.

Voluntary Funds

1.20 Receiving the independently audited accounts of all the school/college's voluntary funds.

2. POWERS AND DUTIES DELEGATED TO THE RESOURCES COMMITTEE OF THE GOVERNING BODY

The Resources Committee shall be responsible for:

General

- 2.1 Exercising the powers and duties of the Full Governing Body in respect of the financial administration of the school, except for those items specifically reserved for the Full Governing Body and those delegated to the Headteacher or other staff.
- 2.2 Reporting on all decisions taken under delegated powers to the next meeting of the Full Governing Body. (Education (School Government) Regulations 1989).

Budgets/Budgetary Control

- 2.3 Considering budgetary control reports on the school's financial position at least once per term, take appropriate action to contain expenditure within the budget and report to the Full Governing Body.
- 2.4 Details of all virements approved and authorised by the Headteacher are to be formally notified to the Resources Committee.
- 2.5 Submitting a draft multi-year Budget Plan to the Full Governing Body for approval and certification before being sent to the Council by the required deadline in May each year.
- 2.6 Make recommendations annually to the governing body on a multi-year financial strategy, having particular regard to the School Improvement Plan.
- 2.7 Consider financial benchmarking & inform the full Board of any significant issues.
- 2.8 Advise the governing body on any matters arising from the audit of the school's accounts and School Financial Value Standards.

Contracts

- 2.9 Exercising the powers and duties of the Full Governing Body in respect of the Council's Financial Regulatory Framework, except for those items specifically reserved for the Full Governing Body or delegated to the Headteacher, up to a limit of £25,000.

Ex-Gratia Payments

- 2.10 Proposing ex-gratia payments up to £500, and notifying the Full Governing Body who will authorise, approve and maintain a record of all payments.

Income

- 2.11 Authorising the write-off of debts between £100 and £500 and notifying the Full Governing Body of any write-offs.
- 2.12 At least once a year, review all fees and charges, including lettings, and authorise any changes it considers appropriate, save in respect of optional extras relating to pupils' education, which must be determined by the Full Governing Body. (Education (School Government) Regulations 1989).

Insurances

- 2.13 Make arrangements for any insurance cover it considers necessary in liaison with the Council's Insurance Department.
- 2.14 Providing evidence that insurance cover commissioned other than from the Council, demonstrates a level of cover that is relevant to the Authority's insurable interests.

Lettings

- 2.15 Reviewing and submitting annually to the Full Governing Body the Lettings Policy and charges for the school.

Loans, Investments and Trust Funds

- 2.16 Setting aside funds that are not required for immediate use, in accordance with arrangements agreed with Schools Finance.
- 2.17 Ensuring that all securities etc, relating to trust funds are deposited with the Council's Legal Services, unless the deed otherwise provides.
- 2.18 Approve arrangements for the audit of funds received where appropriate.

Security of Assets

- 2.19 Ensuring that there are annual independent checks of stock and inventory records, in accordance with the requirements of the Schools' Financial Regulations.
- 2.20 Authorising the write off of any deficiencies of individual stock and inventory items with original purchase values between £250 and £1,000. Where the original purchase value is not available, the current market value should be used. All such write-offs must be in accordance with Schools' Financial Regulations and be formally reported and minuted at the following Full Governing Body meeting.
- 2.21 Authorising the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with a realisable value of between £250 and £1,000. All such authorisations must be in accordance with the Schools' Financial Regulations and be formally reported and minuted at the following Full Governing Body meeting.
- 2.22 Authorising when (if at all) school property may be removed from the premises otherwise than for educational purposes.

Voluntary Funds

- 2.23 Responsibility for ensuring that all voluntary funds are properly administered and audited annually under the requirements of the Schools' Financial Regulations. Voluntary funds must be accounted for completely separately from any Council funds and reported annually to the Full Governing Body.

3. DELEGATIONS TO THE HEADTEACHER

The Education (School Government) Regulations 1989 permit a governing body of a school or college to delegate some of its financial responsibilities to the Headteacher in recognition of the practicalities of running a school. Similarly, the Headteacher may allow some of his/her responsibilities to be exercised by other members of staff, subject to written

approval by the governing body, although they will remain accountable for the actions of these staff.

Heads of School are authorised to act under this scheme in absence of the Headteacher.

The model Scheme of Delegation is intended for all schools and will therefore need to be adapted to suit individual schools. In particular, schools with a small number of staff may feel it inappropriate to delegate some of the responsibilities beyond the Headteacher.

It is recommended that each school develop its own detailed internal financial rules to support their scheme of delegation. The Headteacher shall report all decisions taken under delegated powers to the next meeting of the Full Governing Body. (Education (School Government) Regulation 1989).

The Headteacher shall be responsible for:

Accounts

- 3.1 The operation of financial processes within the school, ensuring that adequate controls are in place and that the key principles of internal control are maintained.
- 3.2 Ensuring that full, accurate and up to date records are maintained in order to provide financial and statistical information and that the figures have been reconciled with the school's bank account and the Council's records.
- 3.3 Consulting the Council's Corporate Finance and IT Services on the development of any financial system and any links into the Council's IT systems.

Audit

- 3.4 Ensuring that all records and documents are available for audit by the Council's Internal Audit Service and arranging for the required accommodation of the auditors.

Banking Arrangements

- 3.5 Maintaining proper records of account in accordance with arrangements approved by the Chief Finance Officer.
- 3.6 Providing monthly reconciled bank statements to Corporate Finance promptly.

Budgets/Budgetary Control

- 3.7 Day to day financial management of the school within the parameters of the agreed operational budget.
- 3.8 Ensuring that reconciliations are performed on a monthly basis between the School's and Council's accounts in accordance with guidance issued by Corporate Finance.
- 3.9 Regular monitoring of expenditure, income and commitments against the approved budget and submitting reports on the school's financial position to every meeting of the Resources Committee (a minimum of termly). Any actual or potential overspending shall be reported to the Full Governing Body.
- 3.10 Ensuring that all required monthly reports and closing of accounts information is sent to the Corporate Finance within the required timescale.
- 3.11 Annually, preparing a draft budget plan for a multi-year period for consideration by the Resources Committee before the start of the relevant financial year.
- 3.12 Submitting an indicative budget plan for the 1 December each year for submission to Corporate Finance.

3.13 The Headteacher may vire between and within budget headings up to a value of £5,000 (or 0.5% of the budget share, whichever is greater), although this must be formally reported and minuted at the following Resources Committee meeting.

3.14 Meeting the requirements of the Schools Financial Value Standards.

3.15 Disposition of additional SEN funding (in year increases) to ensure continuity of provision.

Contracts

3.16 Exercising the following powers and duties of the Full Governing Body in respect of the Council's rules relating to contracts:

- a) Ensuring that all contracts and agreements conform with the Council's Constitution
- b) Acceptance of quotations up to £10,000 in value
- c) Receipt and custody of all tenders
- d) Authorisation of senior members of staff to open tenders
- e) Signing contracts on behalf of the Full Governing Body

3.17 Maintaining a register of formal contracts entered into, amounts paid and certificates of completion.

3.18 Retention of quotes obtained for goods, works and services.

3.19 Signing certificates where contracts require that interim and final payment are made on such certificates.

Income

3.20 Ensuring the arrangements for collection of income are in accordance with the Council's Financial Regulatory Framework.

3.21 Ensuring that all income is accurately accounted for and is promptly collected and banked intact.

3.22 Ensuring that all receipt forms, books, tickets and other such items shall be ordered and issued in a form approved by the Council's Internal Audit Service.

3.23 Writing-off debts up to £100 and informing the full Governing Body.

Information and communication systems

3.24 Ensuring the standards of control for such systems in operation within the school to include the use of properly licensed software, and for the security and privacy of data in accordance with the Data Protection Act.

Insurances

3.25 Notifying the Council's Insurance Officer of any eventuality that could affect the Council's insurance arrangements.

Lettings

3.26 Varying lettings charges if/when it is considered necessary. The Resources Committee shall be informed of any variation to the agreed scale of charges.

Orders for goods, works and services

3.27 Ensuring that arrangements for the ordering of goods, works and services are in accordance with the Council's Financial Regulations and Standing Orders.

- 3.28 Authorising members of staff to order or receive goods and certify invoices for payment, ensuring the appropriate division of these duties between the staff. A record must be maintained of such authorisations.

Payments

- 3.29 Ensuring the arrangements for processing payments are in accordance with the Council's Financial Regulations.
- 3.30 Ensuring that all correct invoices are duly certified by authorised staff before payments are made.
- 3.31 Ensuring that invoices, BACS files, vouchers and other records are retained and stored in a secure way, and are readily available for inspection by authorised persons.

Salaries, Wages and Pensions

- 3.32 The arrangements for processing salaries, wages and pensions are in accordance with the Council's Financial Regulations.
- 3.33 Notifying the Payroll and Human Resources sections of the Council of any matters affecting payments to employees of the Council including termination, resignation, new starters, variations, and enhancements.
- 3.34 Authorising members of staff to certify pay documents and time records, maintaining a record including specimen signatures of such authorised staff and sending a copy to the Payroll Section.

Security of Assets

- 3.35 Ensuring the arrangements for security of assets are in accordance with the Council's Financial Regulatory Framework.
- 3.36 Ensuring that proper security is maintained at all times for all buildings, furniture, equipment, vehicles, stocks, stores, cash, debit cards, bank Authenticator cards, Personal Identification Numbers (PINs), and other information and records under their control.
- 3.37 Maintaining an inventory of all items of furniture, equipment, vehicles and plant with a cost greater than £100. The inventory record shall be a permanent and continuous record.
- 3.38 Where appropriate, arranging for the security marking of items such as laptops, tablets and phones.
- 3.39 Arranging for annual independent checks and certification of stock and inventory records, in accordance with the instructions in the Schools' Financial Regulations.
- 3.40 Authorising the write off of any deficiencies of individual stock and inventory items with original purchase values up to £250. Where the original purchase value is not available, the current market value should be used. All such write offs should be in accordance with Financial Regulations and be formally reported and minuted at the following Resource Committee meeting.
- 3.41 Authorisation, in accordance with Financial Regulations, of the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with a realisable value of less than £250. All such authorisations should be minuted at the following Resources Committee meeting.

- 3.42 Ensuring that keys to safes and other similar receptacles are held under the close security of responsible staff at all times.
- 3.43 Collecting any assets, debit cards or bank tokens from members of outgoing staff.

4. DELEGATIONS TO OTHER MEMBERS OF STAFF

Members of staff with delegated responsibilities should be aware that these must be exercised in accordance with the Schools' Financial Regulations and the wider Council Constitution.

The following responsibilities are delegated to the School Business Manager unless otherwise stated:

Accounts

- 4.1 Ensuring that full, accurate and up to date records and documents are maintained in order to provide financial and statistical information and that the figures have been reconciled with the school's bank account and the school transaction report.

Audit

- 4.2 Ensuring that all records and documents are available for audit by the Internal Audit Services and arranging for the required accommodation of the auditors. Banking Arrangements
- 4.3 Maintaining proper records of accounts in accordance with arrangements approved by Schools Finance.
- 4.4 Providing monthly reconciled bank statements to the Authority in accordance with the timetable.
- 4.5 Petty cash reimbursements only to be obtained by cheque, through the school's local accounting system.
- 4.6 Debit card activity to be reviewed on at least a monthly basis.

Budget/Budgetary Control

- 4.7 Notifying Corporate Finance of variations in the school's budget plan, approved by the Resources Committee at the beginning of each term.
- 4.8 Vire sums between and within budget headings up to a value of £1,000, although this must be formally reported and minuted at the following Resources Committee meeting. The School Business Manager will also process any other virements notified to him/her as authorised by the Full Governing Body, Resources Committee or the Executive Headteacher.
- 4.9 Submitting all required monthly reports to Corporate Finance promptly.

Contracts

- 4.10 Ensuring that all contracts and agreements conform with the Standing Orders relating to contracts.
- 4.11 The following members of staff, in addition to the Headteacher, are authorised to open tenders in the presence of another authorised person.

Income

- 4.12 Maintaining a record of all income held in the school and ensuring that all income is accurately accounted for, promptly collected and banked intact.
- 4.13 Ensuring that no cheques are cashed out of money held on behalf of the Council and that a suitable receipt is given when cash is handed over from one person to another.
- 4.14 Ensuring that all receipt forms and other such items shall be ordered and issued in a form approved by the Council's Internal Audit Services.

Information and communication systems

- 4.15 The designated Systems Manager shall be responsible for the control of systems and for the security and privacy of data.

Lettings

- 4.16 Ensuring the correct administration and authorisation of lettings.

Orders for goods, works and services

- 4.17 The following members of staff, in addition to the Executive Headteacher, are authorised to issue (sign) orders for goods, works and services as specified: -

Staff	Types of Order
	(NB. Varying financial limits can be set to aid control)
Heads of School	All
School Business Managers	All
Finance Support Staff	All
Subject Leaders/Site Managers	For goods for that department's use, subject to there being sufficient provision within the Departmental budget.

All orders, including any by Debit Card orders, must be processed via the School Business Manager who shall be responsible for the safe custody and proper use of official orders, maintaining a record of order marking orders appropriately when they have been paid.

Payments

- 4.18 The following members of staff, in addition to the Executive Headteacher, are authorised to receive goods:
- Heads of school
 - School business managers / Deputy Headteachers
 - Finance assistants
 - Administration staff
 - Site managers / caretakers
- 4.19 Where payments are made by Debit Card, an independent person should confirm that goods/services are received.
- 4.20 The following members of staff are authorised to certify payments:
- Headteacher

- Heads of school
- School business managers

Note: the certifying officer must NOT be the person who ordered or received the goods.

4.21 Ensuring that invoices, vouchers and other records are retained and stored in a secure way.

Salaries and Wages

4.22 Notifying the Payroll and Human Resources sections of the Council of any matters affecting payments to employees of the Council.

4.23 The following members of staff, in addition to the Headteacher are authorised to certify pay documents and time records, excluding documents relating to themselves:

- Heads of School
- School Business Manager

4.24 Collecting any monies advanced to a member of staff who is to leave the school's employment and maintain a record of all cash holdings in the school.

Debit Cards

4.25 The following members of staff are authorised to hold school debit cards:

- Headteacher
- Heads of school
- School business managers
- Financial support staff (as required)
- Headteachers' personal assistants

Card must be kept securely and only used by the named individual to purchase items for the school where other methods of purchasing would be less efficient.

Appendix B: Rules for independent banking arrangements

1 APPLICATION

- 1.1** These Rules apply only to schools choosing to operate Independent Banking arrangements in respect of their delegated budgets.

2 CHOICE OF BANK

- 2.1** Schools can use any of the banks on the approved list (see Scheme for Financing Schools paragraph 3.5.1) to provide both current and deposit bank accounts (subject to Rule 3 below). Schools should not use any other bank without the written approval of the Chief Finance Officer.
- 2.2** 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.

3 OPERATING BANK ACCOUNTS

- 3.1** 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.
- 3.2** Schools shall notify the Chief Finance 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.
- 3.3** All moneys in such an account remain the property of the Authority until spent; the Authority is entitled to receive statements and can take control of the account if the school's right to a delegated budget is suspended by the Authority.
- 3.4** 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 Chief Finance Officer.
- 3.5** Schools must not plan 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 Chief Finance Officer.
- 3.6** Requests from schools for a temporary advance to overcome a particular cash flow difficulty may be made, in writing, to the Chief Finance Officer. The school will have to meet the costs of such advances.
- 3.7** 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 Chief Finance Officer. No personal cheques shall be cashed from any school monies.

3.8 The setting up of new standing orders or direct debits shall require specific written approval of the Headteacher, in addition to the approval of the Chief Finance Officer (via the Cashiers and Income Management team).

3.9 Any cheque which is cancelled shall be retained, be clearly marked cancelled, and a record made as to the reason for cancellation.

4 PAYMENTS INTO AND FROM THE SCHOOL BANK ACCOUNT

4.1 Schools that request their full budget to be paid into a bank account will receive an instalment at the beginning of each month. Schools which request their budget net of pay costs to be paid into a bank account will receive an instalment at the beginning of each term (where the authority remains the payroll provider).

4.2 Where a school chooses to operate a bank account for its full budget share it will receive one twelfth of its budget share at each instalment.

4.3 Where a school requests to operate a bank account net of pay costs, the total to be put into that account will be 1 April 42% 1 September 33% 1 January 25% of the proportion of the budget share less the pay costs calculated based upon the information sent to the Chief Finance Officer before 15 May each year.

4.4 Subsequent instalments will be modified to consider the actual pay costs once they become known or any variation of pay costs.

4.5 Where a school opts to operate an independent bank account, the budget share instalments paid into the account will be net of an amount equal to the estimated interest lost by the Authority in making available the budget share in advance.

4.6 The rate of deduction will be the SONIA rate at the time of the instalment. In the case of termly advances, but not monthly advances, the claw back will be recalculated only if the SONIA rate changes during the course of the term by more than 2 percentage points – see section 11 for further details.

4.7 In the event of any late payments of the budget share, interest will be added on the same basis.

4.8 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.

4.9 All expenditure from voluntary funds shall be kept separate from the school bank account. Contributions from a voluntary fund towards expenditure may be paid into the school bank account.

4.10 Payment into the independent bank account in respect of grants received by the Authority (e.g. Pupil Premium funding) will be actioned immediately and not subject to interest deduction.

5 INTEREST AND BANK CHARGES

- 5.1** Schools that operate independent bank accounts will retain all interest payable on the account and will be responsible for all bank charges.
- 5.2** Schools may move temporary surplus funds to a deposit account opened under these regulations and retain the interest earned.

6 ACCOUNTING RETURNS TO CHIEF FINANCE OFFICER

- 6.1** Each month the school must send to the Chief Finance Officer a summary transaction statement and a VAT claim in the prescribed form. At the end of the financial year a return shall be sent to the Chief Finance Officer which reconciles to the monthly returns.
- 6.2** 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.

7 BANK STATEMENTS AND RECONCILIATION

- 7.1** 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 Chief Finance Officer copies of any bank statements. The Chief Finance Officer will require each bank to notify him immediately of any accounts that are overdrawn.
- 7.2** 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.
- 7.3** 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.

8 SPECIAL PAYMENT ARRANGEMENTS

Building Maintenance - Construction Industry Scheme (CIS) considerations

- 8.1** 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 Council. Schools should authorise the work, confirm satisfactory completion and invoice details, and then pass the certified invoice for the gross amount to the Council who will pay the contractor. The school should then arrange to transfer funds to the council to reimburse for the payment of this invoice.

9 SPECIAL ENERGY CONTRACTS

- 9.1** 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, 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 and invoice preparation for this arrangement.

10 OPERATION OF THE SCHEME

- 10.1** 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 1 April.

- 10.2** The Chief Finance 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 Chief Finance Officer to rectify the position.

11 INTEREST DEDUCTIONS

- 11.1** 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.

- 11.2** There are four elements to the cash advance to be made to schools. These are:

- (a) accumulated balance at 1st April in the year when the account is opened;
- (b) current financial year's budgets, either including or excluding for non- employee costs as appropriate;
- (c) loans and licensed deficits;
- (d) special advances.

- 11.3** 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 employee costs if the payroll service is provided by the Council, and any accumulated balance brought forward.

- 11.4** The interest deduction will be made on cash advances.

- 11.5** Cash advances will be made at the beginning of each month 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 termly on the 1st April, 1st September and 1st January each financial year, in the proportions set out in the Scheme for Financing Schools.

- 11.6** 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 Chief Finance Officer will make an interim first advance. This will be adjusted when the current year's budget is completed.
- 11.7** 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 Chief Finance Officer immediately, so that an adjustment to the remaining cash advance(s) can be made subject to the following:
- (a)** where the change is \pm £3,000 no adjustment will be made;
 - (b)** no retrospective reduction in the interest deductions will be made if a school fails to notify the Chief Finance Officer of budget changes;
 - (c)** an interest charge using the SONIA rate will be made on any budget change which reduces the non-employee costs where a school has failed to notify the Chief Finance Officer during the year;
 - (d)** 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 using the SONIA rate.
- 11.8** The interest charges calculated under (c) and (d) will be deducted from the next cash advance due.
- 11.9** 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.
- 11.10** The interest rate to be used in this calculation will be the SONIA interest 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.

Appendix C: Management of Schools' Balances (Reserves)

1. Principles

- 1.1 This document outlines the Council's process for the management of intended uses of excess revenue balances (also known as reserves). It is sound financial management for maintained schools to retain a reserve from year to year. It is important that school budgets remain resilient. However, this must be balanced against a duty to maximise the spending of resources, targeted correctly, to improve outcomes for children and young people.
- 1.2 This document defines acceptable and excess balances.
- 1.3 The holding of an excess balance should be an exceptional, rather than an ongoing, feature of schools' financial management. The overriding intention is that schools maximise the use of their revenue resources in the year in which these are allocated.
- 1.4 However, it is acknowledged that schools may plan their budgets over more than one year, and as such have the flexibility to manage their finances in such a way as to be able to:
 - Manage significant capital projects where in-year funds may be insufficient and where balances may have to be spread across financial years;
 - Support transitional costs associated with changing pupil numbers and change management projects;
 - Manage the costs associated with high value contracts with inconsistent expenditure across financial years;
 - Manage any identified budget pressures to smooth any impacts; and
 - Manage any exceptional circumstances to avoid significant financial turbulence that could impact on standards.
- 1.5 The following caveats apply to the above:
 - Governing bodies have made deliberate decisions to retain and allocate specified revenue funds for these purposes, with a clear understanding of the timescales and impacts of the expenditure; and
 - Such decisions do not detract from maximising in-year expenditure on schools' priorities.
- 1.6 How successful a school is in maximising resources is significantly influenced by the quality of a school's budgeting and the monitoring of this budget. To ensure compliance with the Authority's approach to the management of surplus balances, every school is required to monitor effectively their revenue budgets, and to take decisions on spending where budgets change in year, rather than waiting until the end of the financial year to decide how to allocate unforeseen excesses.
- 1.7 Clawback may be undertaken by the Council where individual schools do not comply with the Council's rules. The clawback mechanism is important in enabling the Council, in conjunction with Schools Forum, to redistribute funding that is not being used by schools and as a strong incentive for schools to spend their in-year

resources. Any funds clawed back will be returned to the Schools Budget for re-allocation to schools by Schools Forum.

2. Acceptable balance levels

- 2.1 Balance need not be earmarked for a specific purpose as they are held primarily to protect schools against unplanned circumstances and fluctuations in expenditure.
- 2.2 An allowable balance is deemed to be:
 - 16% of the budget share for first, primary and special schools; and
 - 10% of the budget share for secondary and high schools

In practice, most schools should be able to manage with much lower balances, noting that thresholds acknowledge that schools may require a buffer in their planning to avoid the risk of clawback.

- 2.3 To provide certainty for schools, a school's maximum revenue balance ('threshold') will be calculated on the school budget share figure, published in February each year, and will not be subsequently adjusted. This means that every school will be clear at the beginning of the financial year on their maximum revenue balance in advance of schools' budgets being set.
- 2.4 Schools that hold revenue balances at year end that are equal to or lower than the value of their threshold will not be required to take any additional action or to submit any additional information to the Council. Schools that hold revenue balances above their threshold must submit an expenditure plan to be approved by the Council which details any commitments from the balance. Where a school's balance is above the threshold and the school does not submit a fully compliant or committed plan, the Schools Forum may clawback these excess funds.

3. Reporting deadlines

- 3.1 The deadline for the submission of plans relating to excess balances to the Council is 1 July each year. Schools should discuss plans with the Council as early as possible, to avoid any risk of non-compliance.

4. Calculation and adjustment of balances

- 4.1 The balance that will be calculated against the threshold will be the final revenue balance that is recorded in the Council's ledger following the completion of all financial year-end adjustments. At the point these balances are available, the Council will provide this information to schools.
- 4.2 The following will be removed from each school's balance:
 - Any other prior year commitments

- Any balances relating to (evidenced) private income or external ring-fenced grant funding;
and
- Any earmarked funds

4.3 Earmarked funds should be assigned to one or more of the following categories:

- Repair and maintenance projects for school buildings.
- A revenue contribution towards a capital project.
- School security, energy efficiency or health and safety projects.
- Refurbishment of classrooms, library or resource areas.
- Acquisition and installation of ICT and telephone systems.
- The total cash value of unspent money or grants from external organisations given for a specific purpose or project.
- Provision for future falling rolls.
- Specific projects within the School Improvement Plan linked to raising standards.

5. Circumstances in which excess revenue balances can be held

5.1 The circumstances under which a school can hold an excess revenue balance above the defined threshold are as set out in 4.3 above.

5.2 All schemes will be subject to approval by the Council and must be appropriately evidenced using the following information to ensure that governors have approved plans and that the Council can assess the likely financial implications:

- Extracts from governing body or Finance Committee minutes, support by additional verification of at least one of the following:
 - a) an extract from the school's Improvement Plan;
 - b) four-year budget forecasts;
 - c) Council documentation outlining any capital contributions.
 - d) documentation seeking quotations from prospective suppliers
 - e) tenders received, architect's plans etc.
 - f) documentation outlining the details of any contractual liabilities.
- Any plans related to expansions / change management, budget or exceptional circumstances: this may require additional verification from third parties.

5.3 As a minimum, schools must provide evidence of any prior-year commitments made by governors to any plans.

5.4 Schools will be required to be clear on the timescales for the use of excess balances and on the value of funding to be earmarked each year.

6. Capital Schemes

- 6.1 Revenue balances should only be set aside for capital schemes where:
- Revenue funding is used alongside available capital resources; and
 - The use of revenue funding will expedite capital projects.
- 6.2 School should discuss the financing of capital projects with the Council as part of their budget setting or budget monitoring processes, and in particular where schools are planning to hold excess revenue balances for these purposes.

7. Grant clawback

- 7.1 Decisions on clawback can only be made following the confirmation of the year-end position and after the receipt of the Surplus Balance return. Schools at risk of clawback will be notified at this point and each individual case will be considered by the Schools' Forum.
- 7.2 Following consideration, the Schools' Forum will make a recommendation as to whether to apply any clawback and the school will be notified.
- 7.3 Schools will be at risk of clawback where revenue balances in excess of the threshold are held but:
- no expenditure plans have been submitted or the total value of a school's plans does not fully cover the excess;
 - the school has submitted non-compliant plans;
 - a revenue contribution to capital plan is submitted with insufficient capital resources; or
 - a school does not subsequently incur expenditure on an approved plan or expenditure is not sufficiently evidenced.
- 7.4 Where agreed, excess clawback will be processed at the next available funding update via a reduction in each schools' funding allocation. The school will be notified of the final decision and the processing date.

8. Monitoring, amendments and evidence

- 8.1 Once a plan has been approved, it is the school's responsibility to ensure that it is completed according to the timescales and costs previously outlined.
- 8.2 Where a school submits a plan, but its actual balance at 31 March is lower than the expected excess, the school is expected to carry out the plan as it should already be built into the school's four-year budget plan agreed by governors.
- 8.3 Schools with approved plans will be required, as the year-end, to confirm that funds have been fully spent.
- 8.4 Should the circumstance arise where, in the view of the governing body, a scheme cannot go ahead or is required to be significantly amended (content, value, timescales etc) it is the responsibility of the school to immediately notify the Council.

Where it is proposed that a scheme be cancelled, the school must also provide evidence of alternative arrangements for using excess balances (which will need to be approved by the Council upon provision of the necessary evidence).

Appendix H

Guidance on Council Trading Operations

Introduction

This guide discusses some of the considerations in relation to Council trading operations including whether charging or trading is appropriate, the relevant legislation under which the Council can carry out the activity and the required format of the management accounts associated with each activity.

The guide does not cover every consideration necessary in the establishment of alternative service delivery models and should be read in conjunction with other policies and guidance including; [Part 8](#) of the Constitution which includes the Council Owned Company Framework; the NCC Strategic Outline Case Criteria for Alternative Vehicle Delivery; the relevant legislation; and further reading referenced at the end of this guidance.

Charging or trading

When planning to generate income from services it is important to understand whether that will be from 'charging' or 'trading'.

Charging refers to the recovery of costs of providing a discretionary service and is limited to full cost recovery.

Trading refers to generating efficiencies, surpluses and profits. There are various forms of trading models and different rules exist if the trading is for a 'commercial purpose'.

Whether income is to be generated through charging or trading it is important to consider what you are trying to achieve:

Delivering value for money

This could be through exploring new and more efficient ways of working through collaboration or generating additional income through charging or trading. Profits and surpluses generated through trading activities can be used to help hold down council tax and/or can be directed into frontline services. Additional income generated from charging for the costs of supplying discretionary services can also help the Council's financial position and deliver savings.

Sustaining communities

In some areas the market may not supply the services that residents need at a price they can afford to pay. Correcting market failure such as this by helping to moderate prices where there is an absence of competition may be another reason for the Council to enter the market.

Providing choice

The Council may look to tailor services and provide choice where appropriate. This may include providing a new discretionary service and charging for it meaning the service pays for itself through usage and demand or establishing a trading enterprise to exploit existing skills and expertise to a wider market. Through a commercial trading company the Council could extend and improve the range of services offered and introduce competition and value into the market.

Charging

Specific powers to charge for services are contained in a variety of local government statutes:

- Under the **Local Authorities (Goods and Services) Act 1970** councils were given powers to enter into agreements with each other and with a long list of other designated public bodies.
- **The Local Government Act 2003** ('the 2003 Act') enables councils in England to trade in activities related to their ordinary functions on a commercial basis with a view to profit through a company. In addition, the 2003 Act empowers councils to charge for any discretionary services on a cost recovery basis.
- The General Power of Competence ('GPC') contained in the **Localism Act 2011** now sits alongside local government's existing powers to trade and charge. The Localism Act 2011 also provides the ability to charge for discretionary services on a cost recovery basis.

The 2003 Act includes a general power to charge for the provision of any discretionary service available to all 'best value authorities'.

The charging powers do not apply to services which the Council is mandated or has a duty to provide. However, authorities can charge for discretionary services (that is, services they have power to provide but are not obliged to provide by law).

The recipient of the discretionary service must have agreed to pay for the provision of such services. The 2003 Act charging power cannot be used where charging is prohibited or where another specific charging regime applies. Charging is limited to full cost recovery and [statutory guidance](#) published in 2003 outlines how costs and charges should be established and that guidance remains in force.

Use of the GPC to charge is subject to a duty to secure that, taking one financial year with another, the income from charges does not exceed the costs of provision. The requirement to take one year with another recognises the practical difficulties authorities will face in estimating the charges and establishes the idea of balancing the books over a period of time. The Act does not define the specific period of time, but suggests initially it should be not less than one year and no more than three years. Any over or under recovery that resulted in a surplus or deficit of income in relation to costs in one period should be addressed when setting charges for future periods so that taking one year with another income does not exceed costs.

Charging for things done in exercise of the GPC is not a power to make a profit from those activities. If the aim is to engage in commercial trading to generate a profit then this will rely on other powers to trade which are discussed later in this note.

Why/when to charge?

Charging represents a commercial opportunity which is potentially relatively straight forward to introduce and not dependent upon significant change and/ or investment. There are however limitations; charging powers do not apply to services which an authority is mandated or has a duty to provide, and charging is limited to cost recovery. But the ability to charge for discretionary services can generate significant income, allowing money to be used to fund other services. The decision to charge or increase charges for a service should align with the Council's existing strategy. Charging for services can be part of a transition into an alternative delivery model, but if the expectation is to generate more than full cost recovery then an alternative delivery model, discussed later in this guide, should be considered.

Considerations

Before deciding to charge for a service it is essential to understand the true cost of delivering that service. This will help to determine what level to charge at, drive out any inefficiency to remain competitive with the market and will help to decide whether it is in fact worthwhile to create additional demand for the service. It is important to ensure that all costs associated with providing the service are considered in the recovery. This includes support services such as IT, HR and finance as well as overheads such as property, pensions and a proportion of Non-Distributed Costs and Corporate and Democratic core (Corporate Finance will be able to assist in calculating these costs).

Charging for a discretionary service should only be undertaken following consultation with the market and users of the service who are most likely to be affected. The following measures can help to meet concerns and opposition to charging and income generation:

- provide proper transparency and accountability of the charge regime
- explain the context of the charges, how they have been assessed and the basis upon which charges have been calculated setting out the context within which the charges are being considered and what the income will be used for
- demonstrate that the impact of charges on different sections of the community have been considered
- undertake thorough market research on what other councils are doing, what they are charging and what other private and voluntary bodies are doing in the same or similar markets
- demonstrate that the end user is getting value for money.

Benchmarking and market analysis

Benchmarking against other providers and conducting market analysis are both useful exercises before decision making but also periodically as a useful source of business

intelligence. Understanding market trends and demand can help to inform whether entering a particular market is the right thing to do.

Questions to consider:

- Who is operating in the market?
- What do other providers charge?
- Are there any gaps in the market?
- Can you be competitive while remaining viable?
- How do you compare?
- What are the margins?

Trading

The legislation relevant to local authority trading uses the term ‘commercial purpose’ to describe trading activities. Government guidance suggests ‘commercial purpose’ means having a primary objective to make a profit from the trading activities in question. In this guidance, the term ‘trading’ is used more broadly to cover a range of arrangements that the Council might wish to enter into to make efficiencies through reducing costs; improving services for the benefit of users and, potentially, to generate profits. These may involve establishing new relationships with other councils and public bodies or with the private sector, voluntary and community sector, and individuals. When considering a new trading venture it is essential to first determine whether it is pursuant to a ‘commercial purpose’. If so, the law requires that commercial purpose should be carried out via a company. If not, alternative arrangements to establishing a company are also explored later in this guide.

The Local Government Act 1972, Section 101 permits local authorities to arrange for the discharge of their functions by a committee, sub-committee, an officer of the local authority or by another local authority. Many shared service arrangements are set up under these public administrative arrangements, usually with one of the authorities involved taking the lead.

The Local Authorities (Goods and Services) Act 1970 (‘the 1970 Act’) remains the bedrock for establishing shared service or joint arrangements between two or more public bodies. It permits councils to enter into ‘agreements’ with other local authorities or other designated public bodies, for the provision of goods, materials and administrative, professional and technical services, for the use of vehicles, plant and apparatus belonging to the authority and associated staff, and for the carrying out of maintenance. These powers remain particularly useful where authorities are seeking to provide goods or services of a relatively modest value to each other, and the costs and time associated with setting up a commercial trading company would be disproportionate. The 1970 Act leaves it to the public bodies concerned to make an ‘agreement’ to set out payment terms or otherwise as the parties consider appropriate. This offers flexibility and does not limit arrangements to simply cost recovery.

Setting up a company is one route by which public bodies that are 'contracting authorities' under the 2015 Regulations can establish shared services arrangements. Such public bodies could, for example, establish a company to perform a trading function of a specific and limited nature, with that company providing services to its controlling owners. The owners should be able to engage with the company without going through a procurement exercise, provided these arrangements are akin to 'in-house' arrangements. This type of 'Teckal' company would not be permitted to trade commercially with the public at large. Local authorities creating a 'Teckal' company need to very clearly articulate what sort of enterprise they are intending to establish and what sort of custom or 'trade' that company would undertake to distinguish it from a more market orientated commercial trading undertaking. Commercial trading companies, unlike companies set up for trading by and between local authority owners would be outward facing and would seek to attract business from any source.

The Local Government Act 2003 added new possibilities for councils to extend their trading activities to provide services to other users beyond the designated public bodies' listed in the 1970 Act. This includes the wider market, private individuals and other bodies or organisations. In 2009 the Government permitted all best value authorities in England 'to do for a commercial purpose' anything which they are authorised to do for the purpose of carrying on their ordinary functions.

The Localism Act 2011 has extended opportunities to do things for a commercial purpose much further. For example, when exercising the General Power of Competence (GPC) to do things for a commercial purpose, councils are not required to identify a statutory function upon which to 'hang' their trading activity. In other words, local authorities are allowed to expand their trading activities into areas not related to their existing functions. It also effectively removes geographical boundaries to local authority activity so that they can set up a trading company that can trade anywhere in the UK or elsewhere. But the law continues to prevent councils trading with individuals where they have a statutory duty to provide that service to them already.

Under both the Local Government Act 2003 and the Localism Act 2011, the power to trade must be exercised through a company. There are different definitions of 'company' in the relevant legislation but there is no substantive difference between the types of entity permitted as trading companies.

With trading companies wholly owned by a council, any profits generated may go back to the council through dividends or service charges. These can then be used to hold down council tax and/or can be invested into frontline services.

Why/when to trade?

Trading covers a broad range of arrangements from shared services to establishing new companies. The model used will be dependent on the objectives but if pursuing a 'commercial purpose' then the law requires councils to do this via a company.

Trading as a separate company can have many benefits when aligned to an overall strategy but it should not be treated as a quick win as it will take time to fully explore and then implement a new model. With risk involved, developing a strong evidence

base and robust modelling pre and post decision is vital, as is good change management.

You need to be clear about your drivers and what you're trying to achieve as this will have a direct consequence on the type of model that you adopt. Different approaches will be needed depending on whether you are trying to reduce your costs, fill a gap in the market, increase quality or grow; and these drivers are not mutually exclusive. It is still important to consider other options available, for example, stopping the direct delivery of services if another provider can meet the outcome or if there is no longer demand.

As part of the exploration stage you should consider the scope of services involved in the new model; it is not a case of all or nothing. Different elements of a service can be provided seamlessly to the end user without the new model delivering everything directly. It is therefore important to understand the different options available to create a model that creates value.

There are many benefits to establishing trading arrangements. When successful, there can be direct financial benefits such as reducing delivery costs, allowing growth and increased income to be reinvested locally, contributing to the local economy and safeguarding and/or creating local jobs. A trading venture can benefit from a level of freedom and flexibility that is harder to achieve as a council or public sector body because both organisations have a very different purpose; with fewer services to deliver and different levels of risk, council trading companies can reduce hierarchies, increase autonomy amongst staff and speed up decision making. All of this can improve the quality of services and outcomes for service users.

Key features:

- different models to choose from
- greater scope for income generation
- less control for the council than in-house delivery
- greater control than outsourcing model
- greater opportunity to innovate
- more complexity and cost for set up.

Considerations

Full understanding of the delivery costs, anticipated income and the factors that could affect either figure will create a strong foundation and early warning signals. While budget pressures may drive the setup of a trading entity, there will be a cost associated with developing and implementing a new model; investment should be considered, with a funding source identified. Reserves can be a source of investment if the business case stacks up, but robust financial modelling should be used to fully understand the financial impact over the short, medium, and long term.

It is common for companies to be in deficit for the first few years of operation so access to finance should be in place. The business case should include the financial impact for both the new organisation or model and the Council. While there will be a

desire for the new organisation to be successful and profitable, it should not be to the detriment of the Council. For example, establishing an alternative delivery model for a service that was achieving income for the council and therefore contributing to support services could leave a budget gap. This all needs to be considered as part of the overall business case to the council.

There will be a cost to exploring the options and developing a business case and business plan. As a minimum, staff time will be required to assess the options, and specialist advice is likely to be required at some stage in the journey, particularly when setting up a new company. As part of the business case, you should consider the cost of implementation. This may include legal fees, tax advice, training and development, recruitment and equipment. Additional resources may be needed as part of shadow or transition arrangements.

A new model will inevitably have new running costs to consider. If staff are transferring, there may be pension considerations; actuarial evaluations will be needed and decisions made on new pensions arrangements. This can have an impact on running costs and Local Government Pension Scheme implications will need to be considered.

Corporation tax will need to be incorporated into financial models in most scenarios when trading commercially, with the exception of certain charities. Tax advice should be sought to fully understand the implications of different models.

Additional costs such as property, new staff roles, bidding for contracts, and building a reserve fund may also be important for long term sustainability and future investment. But the new company should be designed to be agile in other areas allowing for savings to be made to offset additional costs. It may be appropriate to put buy back arrangements in place between the new organisation and the council. Support services such as HR, finance and ICT should be considered.

Modelling for efficiency, growth and income targets should form part of financial modelling with a clear understanding of the ambition, but also the reality of the market in which you are operating. Market analysis can provide information on the costs and performance of competitors which can help to identify the targeted customer base and set realistic milestones. Market analysis and understanding operating and unit costs should inform price setting which is regularly reviewed to stay competitive.

Delivery models

When it comes to considering the legal model for commercial activity form should always follow function. It will be important to consider what you're trying to achieve and then see which model fits; strategic fit, partnership opportunities, ownership distribution, control and influence, procurement regulations, tax considerations, risk allocation, sources of additional investment, whether private sector capabilities are desirable, exit strategies and competitive advantage, will all form part of the decision-making process. A wide range of delivery models are available and while such choice can allow you to tailor make your design to your unique circumstance, it can be difficult to navigate through all of the options. When considering which legal form is the most

appropriate, it is important to get legal, tax and business advice. An overview of each of the most commonly used models is shown below:

Model	Overview
Shared services or joint working	A number of bodies come together to deliver services to each other that they previously provided separately. The main driver is achieving efficiency; bringing independent departments and resources together can release efficiency without a reduction in standards, however, the financial benefits are limited. Developing and implementing shared services arrangements still takes time to design and plan while relationships can have a significant impact on the outcomes. Other key considerations for shared services are being able to directly employ expertise that individual authorities couldn't afford and providing resilience in service continuity.
Joint ventures	A commercial arrangement where two or more organisations establish a new entity for a specific purpose. When between the private and public sector it can provide advantages over traditional contractual arrangements. Shared ownership, risk and reward creates a different dynamic and can build more positive, collaborative relationships than traditional contracting. A typical driver is to attract private sector investment and joining up the different knowledge and skills from the two sectors. Robust governance and contractual arrangements that suit both parties are vital.
Local authority trading company	These are 100 per cent owned by a local authority but can operate commercially therefore can participate in a much wider market than a council could. A key benefit is that financial return comes directly back into the council while the council can maintain a high level of control as the parent organisation. This in turn makes it easier to retain a public service ethos and have the company share the goals of the local authority. However, too much control can stifle the innovation and entrepreneurialism that the trading company was set up to take advantage of.
Mutual	There are many different types of mutual but in short, they are owned and run by and for the benefit of their members who can be employees, customers, suppliers, investors or other organisations. They fit well with a public sector ethos and benefits include employee control which in turn can improve productivity, staff morale and innovation as staff are active agents.

Limited company	These can be limited by shares, by guarantee or public limited and provide limited liability to the members/owners for the activities and debts of the company. A memorandum and articles of association are the governing documents outlining the objectives of the organisation along with powers, duties and responsibilities, in line with the Companies Act. Charities and CICs can take a limited form, adding additional legal and regulatory requirements.
Community interest company (CIC)	A company must satisfy several criteria to become a CIC. They must then comply with CIC law and the CIC regulatory framework. Everything that it does should contribute towards benefit for the community. This focus provides greater access to funding, albeit not to the same level as a charity. There are restrictions on how assets and profits can be used to safeguard their use for the community; these restrictions are outlined in the articles of the company.
Trusts	As a non-profit-distributing organisation, trusts are an effective way of managing an asset or resource for the benefit of a third party. Councils can transfer responsibilities and functions to other organisations through a trust, for example, transferring a local park to a town council.
Charity	A charity must comply with charity law and the charity regulatory framework. The main aim of a charity is to provide benefit to the public and a key attraction is the ability to increase access to different funding streams such as grants and donations as well as benefit from tax advantages. Charities have the freedom to trade but do have restrictions on what they can do with their profit.

Governance arrangements

It is understood that any company wholly or part-owned by the Council will need sufficient freedom to achieve its objectives in order to thrive. The Council also needs to balance this freedom 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.

Section 8 of the Constitution 'Relationships with Partners' covers the Council's interest in local authority controlled or influenced companies and contains the 'Council Owned Company Governance Framework' which should be followed for all Council companies.

Format of accounts

Whether charging or trading it is important that appropriate reporting is in place to monitor performance, both against financial and other performance targets.

Charging

Charging for council services is more straightforward from a reporting perspective as the activity will be carried out using the Council's own financial system and procedures and incorporated within the overall position of the Council. A cost centre should be created to capture and monitor all costs and income associated with the activity. Performance will be scrutinised through the monthly budget monitoring process and captured in the financial performance reporting. The format of the accounts will follow Council's internal reporting procedures. The cost of providing the service should be monitored over an appropriate period to determine that, taking one year with another, income does not exceed costs. The full cost of providing the service, including all support services, overheads, non-distributed costs and corporate and democratic core costs should be included. Corporate Finance can assist in calculating these costs.

Trading

Trading through a company will take place outside of the Council's accounts, but the results for the company may need to be consolidated into the overall Group accounts. It is possible that different systems and software will be used by company. The format of the trading accounts is dependent on the delivery model used and the information required as part of the management accounts reporting will be specific to each individual company. The specifics of what is required and when will be defined in the Shareholder and Operating agreements between the Council and the Company. However, it is likely that the reports will need to cover:

- The company's latest financial position including the forecast profit or loss and the impact on reserves with narrative explanations of key issues
- The forecast balance sheet position with explanations of movements
- Progress against the delivery of key projects
- Performance against agreed key performance indicators
- External audit progress and issues
- An assessment of company risks and mitigation
- Wider company issues

Financial and performance reports relating to the Council's interest in companies will be reported to the Shareholder Cabinet Committee.

References and further reading:

[General Power for Best Value Authorities to Charge for Discretionary Services – Guidance on the Power in the Local Government Act 2003](#)

[Local Government Association - Enterprising Councils - Supporting councils' income generation activity](#)

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PART 11

Regulatory Functions

This Part sets out how the Council will conduct its regulatory and licensing functions.

PART 11 – Regulatory Functions

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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:

- (a) Planning (development control) applications and enforcement, which is dealt with by the Strategic Planning Committee and the Local Area Committees
- (b) Matters regulated by the Licensing Act and Gambling Act, which are the responsibility of the Licensing Committee
- (c) 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.

1.2 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.

Section 2

2 LICENSING GUIDE

2.1 Introduction

- 2.1.1** 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.
- 2.1.2** 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.
- 2.1.3** 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.
- 2.1.4** 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.
- 2.1.5** 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.

2.2 Key principles

2.2.1 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

- (a) relevant representations presented to it by interested parties or responsible authorities
- (b) the promotion of the four licensing objectives
- (c) guidance issued by central Government
- (d) the Licensing Council's Statement of Licensing Policy

2.2.2 Members must:

- (a) place due weight on all the facts and arguments, avoiding pre-conceived ideas and pre-determined approaches and giving full consideration to all parties;
- (b) not take irrelevant or improper considerations into account (this includes considerations which are not relevant to the Licensing Objectives or Statement of Licensing Policy);
- (c) 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.

2.2.3 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.

2.2.4 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.

2.2.5 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.

2.2.6 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.

2.2.7 against the Council even where the actions giving rise to that finding are those of a single Member.

2.3 What this means for Members

2.3.1 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.

- (a)** 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.
- (b)** 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
- (c)** 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.
- (d)** 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).

- (e) 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.
- (f) 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.
- (g) 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.
- (h) 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.

2.4 At the Licensing Committee

2.4.1 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:

- (a) 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:
- (b) 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.
- (c) 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.
- (d) 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.
- (e) 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.
- (f) 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.

- (g) 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.
- (h) 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.
- (i) 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
 - i. 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
 - ii. 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.

2.5 Conclusion

2.5.1 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.

Section 3

3 PLANNING CODE

3.1 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.

3.2 Introduction

3.2.1 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.

3.2.2 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.

3.2.3 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.

3.2.4 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.

3.3 The need for guidance on the conduct of Planning Matters

3.3.1 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.

- 3.3.2** 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.

3.4 The role and conduct of Members and Officers

- 3.4.1** 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.
- 3.4.2** 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.
- 3.4.3** 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.
- 3.4.4** 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.
- 3.4.5** 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.
- 3.4.6** 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.

- 3.4.7** 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.
- 3.4.8** 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.
- 3.4.9** 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.
- 3.4.10** 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.
- 3.4.11** 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.

3.5 Declaration of Interests

- 3.5.1** 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.
- 3.5.2** 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.

- 3.5.3** 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.
- 3.5.4** 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.
- 3.5.5** 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.

- 3.5.6** 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.
- 3.5.7** 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.
- 3.5.8** 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.

3.6 Lobbying of and by Members

- 3.6.1** 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.
- 3.6.2** 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.
- 3.6.3** 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.

- 3.6.4** 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.
- 3.6.5** 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.
- 3.6.6** 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.

3.7 Pre – and Post Application Discussions and Negotiations

- 3.7.1** 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.
- 3.7.2** 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.
- 3.7.3** 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.
- 3.7.4** Pre- or post-application discussions or negotiations by officers shall be conducted in accordance with the following guidelines.

- (a) 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.
- (b) 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.

3.7.5 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.

3.7.6 Members must avoid indicating the likely decision on an application or otherwise committing the Council during contact with applicants or objectors.

3.8 Officer Reports to Committee

3.8.1 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.

3.8.2 Oral reports (except to present and update a report) should be extremely rare and carefully minuted when they do occur.

3.8.3 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.

3.9 Public Speaking at Planning (Development Control) Committee Meetings

3.9.1 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.

3.9.2 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.

3.10 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.

3.10.1 Those entitled to speak can nominate anyone to speak on their behalf.

3.10.2 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.

3.10.3 How much time will be allocated for speaking?

Five minutes for

- (a) objector(s)
- (b) local Councillor and/or parish/town council
- (c) applicant/supporter(s)

3.11 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.

3.12 How to register to speak at Committee

3.12.1 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.

- 3.12.2** 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.
- 3.12.3** 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.
- 3.12.4** 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.
- 3.12.5** 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.
- 3.12.6** Requests to speak can be withdrawn at any time.

3.13 Committee Site Visits

- 3.13.1** 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.
- 3.13.2** Site visits will be organised in accordance with the following procedures:
 - (a)** The relevant planning committee will authorise Members to attend the site visit.
 - (b)** 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.
 - (c)** 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.

- (d) 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.
- (e) 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.
- (f) 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.
- (g) 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).
- (h) 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.

3.14 Public Meetings

3.14.1 A public meeting may be held where a proposal results in a significant number of representations from local citizens or groups.

3.14.2 Public meetings will be organised in accordance with the following procedures.

- (a) The planning committee will authorise Members (including relevant local county councillors) to attend the public meeting.
- (b) The Head of Paid Service will advertise the public meeting by site notices and, if appropriate, by a notice in a local newspaper.

- (c) The Chief Planning Officer will notify the applicant and all who have made representations on the application of the public meeting.
- (d) Accessible venues will be used and reasonable adjustments made to allow disabled people to participate in proceedings as and when necessary.
- (e) 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.

3.15 Training and Review of Decisions

3.15.1 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.

3.15.2 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.

3.16 Collateral Agreements

6.18.1 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.

3.17 Community Benefits

- 3.17.1** 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.
- 3.17.2** 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.

Section 4**4 PLANNING SYALLABUS**

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.

Section 5

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.

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PART 12

Members' Allowances Scheme

The Council has to agree and adopt an allowance scheme

PART 12 – MEMBERS ALLOWANCE SCHEME

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1. 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)

2. 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 –

the period beginning on 22 May 2013 and ending on 31st March 2014; and
any period of 12 months ending on 31st March in any year after 2014.

3. BASIC ALLOWANCE

3.1 For each year a basic allowance ("basic allowance") set out in Schedule 1 shall be paid to each Member.

3.2 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.

3.3 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.

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 basic allowance payable to them in respect of the period for which they are suspended or partially suspended may be withheld by the Council.

4. SPECIAL RESPONSIBILITY ALLOWANCE

4.1 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](#).

4.2 The amount of each special responsibility allowance shall be the amount specified against that special responsibility in [Schedule 2](#).

4.3 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.

4.4 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.

4.5 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.

5. DEPENDANTS’ CARERS’ ALLOWANCE

5.1 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](#).

5.2 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.

6. TRAVELLING AND SUBSISTENCE ALLOWANCE

6.1 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](#).

6.2 The travelling and subsistence allowance will comprise the rates specified in [Schedule 4](#).

6.3 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.

7. AMENDMENTS AND REPAYMENT OF PART OF ALLOWANCES

7.1 This Scheme may be amended at any time.

7.2 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.

7.3 Where payment of any allowance has already been made in respect of any period during which the Member or Co-optee concerned:

7.3.1 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;

7.3.2 ceases to be a Member or a Co-optee; or

7.3.3 is in any other way not entitled to receive the allowance in respect of that period,

7.3.4 the Council may require that such part of the allowance as relates to any such period be repaid to the Council.

7.3.5 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.

8. ELECTION TO FORGO ALLOWANCES

8.1 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.

9. CLAIMS AND PAYMENTS

9.1 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).

9.2 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.

9.3 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:

9.3.1 Dependants' carers' allowance.

9.3.2 Travelling and subsistence allowance.

9.4 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 9.3.

10. DELEGATIONS

10.1 The Standards Committee shall have full delegated power to make the following determinations under this Scheme:

10.1.1 under paragraph 3.4, whether to withhold payment of a basic allowance during the suspension etc. of a Member;

10.1.2 under paragraph 4.4, whether to withhold payment of a special responsibility allowance during the suspension etc. of a Member;

10.1.3 under paragraph 6.3, whether to withhold payment of travelling and subsistence allowances during the suspension etc. of a Member or co-optee;

10.1.4 under paragraph 7.3, whether to require re-payment of an allowance from a Member or co-optee in certain circumstances.

10.2 The Head of Paid Service shall have delegated power to permit claims to be paid outside the period referred to in paragraph 9.3.

Section 11

Schedule 1

11 BASIC ALLOWANCE

Subject to paragraphs 2.2 and 2.3 of this scheme, the amount of the basic allowance is £13,329.

Section 12

Schedule 2

12 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 and Regulatory and Licensing Committees	1	£9,450.00
Vice Chair Licensing and 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		£2,700 pa
Independent Person – Standards Committee		£2,700 pa
Co-optees – Standards Committee		£500 pa
Independent Co-opted Members - Audit Committee		£1,000 pa

Section 13

Schedule 3

13 TRAVELLING SUBSISTENCE

13.1 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.

13.2 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.

13.3 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.

Section 14

Schedule 4

14 DEPENDANTS' CARER'S ALLOWANCE

14.1 The Northumberland County Council, in exercise of the powers conferred by the Local Government Act 1972, hereby makes the following scheme:-

14.1.1 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.

14.1.2 This scheme applies to elected Members of Northumberland County Council.

14.1.3 The allowance is available in relation to all approved duties, and duties in respect of which travel and subsistence are paid.

14.1.4 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.

14.1.5 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.

14.1.6 The allowance is not payable in respect of Members of the Members household who may be providing the care.

14.1.7 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.

14.1.8 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.

14.1.9 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.

14.1.10 Payments in relation to this scheme will be made on the same basis as those made for other Members' Allowances.

Section 15

Schedule 5

15 APPROVED DUTY FOR DEPENDANTS' CARERS' ALLOWANCE AND TRAVEL AND SUBSISTENCE ALLOWANCE

15.1 Approved duties for the purpose of the payment of Dependants' Carers' allowance and travel and subsistence allowance shall be:

15.1.1 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.

15.1.2 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.

15.1.3 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.

15.1.4 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.

15.1.5 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.

15.1.6 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).

15.1.7 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:

- 15.1.8** the attendance at a meeting of a Working Group or Panel of the Council (provided that at least two political groups have been invited);
- 15.1.9** the attendance at site visits and inspections arranged by the Council;
- 15.1.10** the attendance at training activities arranged/approved by the Council, and
- 15.1.11** 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).
- 15.1.12** 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

PART 13 – OTHER MATERIALS**CONTENTS**

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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 Procedure Rules
Best Value	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. When reviewing service provision the Council should consider overall value, including economic, environmental and social value.
Budget	The financial statement that is prepared and agreed each year. It contains all of the financial resources allocated to different services and projects and aligned to various funds and budget heads.

	<p>The Budget will include:</p> <ul style="list-style-type: none"> a) 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, b) 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, c) the financial reserves which the authority estimate it will be appropriate to raise in the year for meeting their estimated future expenditure, and d) 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>a) 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 Executive Director of children's services appointed under section 18 of the Children Act 2004; v) the Executive Director of adult social services appointed under section 6(A1) of the Local Authority Social Services Act 1970; and vi) the Executive Director of public health appointed under section 73A(1) of the National Health Service Act 2006; vii) The Executive Director of Place and Regeneration The Chief Fire Officer in respect of the Fire and Rescue Services Act 2004; <p>b) a non-statutory chief officer mentioned in section 2(7) of the 1989 Act; and</p> <p>c) a deputy chief officer mentioned in section 2(8) of the 1989 Act.</p>
CIPFA	The Chartered Institute of Public Finance and Accountancy.
Code of Conduct for Elected 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.
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.
Forward Plan	A list of all 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 Directors	The Chief Officers holding posts referred to as Executive Director by the Chief Executive
[Executive Management Team]	The meeting of Chief Officers, also known as EMT
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 Part 9
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; a) the day of the meeting b) the day on which the meeting is called c) 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 Person	A person who attends Standards Committee meetings throughout the year and Standards Hearings regarding complaints about Members as and when they occur. An Independent Person must also be a member of a panel considering any proposal by the EAC to dismiss the Chief

	Executive, Chief Finance Officer or the Monitoring Officer.
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 Employment (Appeals) 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	An executive decision which is either: a) 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 b) is likely to be significant in terms of its effects on communities living or working in an area comprising two or more electoral divisions 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).
Leader	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.
Licensing Committee	The committee that makes carries out the Council's responsibilities under the Licensing Act 2003 Act and the Gambling Act 2005.
Local Choice Functions	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.
Local Government Application Note	The guidance note on the requirements and practice of internal audit in the local government environment, in line with Public Sector Internal Audit Standards.

Monitoring Officer	The officer charged with ensuring that everything that the Council does is fair and lawful.
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.</p> <p>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	A person employed by the Council to carry out the work of the authority. Officers cannot be Members. 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 Part 5 of the Constitution.
Overview and Scrutiny	Overview and 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"> a) is 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 is to be listed in [Part 5] of this Constitution (Responsibilities of Council)]
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 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 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 Transformation and 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.

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