



Constitution



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Part 1 - Introduction

Part	Content
1.1	Overview of the North East Combined Authority
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Part 1.1 - Overview of the North East Combined Authority

1. Introduction

- 1.1 This is the constitution of the North East Combined Authority (referred to in the constitution as “the Authority” or “NECA”).
- 1.2 A combined authority is a legal body set up under national legislation which enables a group of councils to collaborate and take collective decisions across council boundaries.
- 1.3 The North East Combined Authority was created on 7 May 2024 by a legal order¹ made by the Secretary of State following a period of public consultation. The area of the Authority includes the areas of the councils of County Durham, Gateshead, Newcastle upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland. Those seven councils are the “constituent councils” of NECA and their combined area is referred to as the “Combined Area” or the “North East Area”. It should also be noted that the order states that the formal legal name of the Authority is the North East Mayoral Combined Authority, but the Authority is to be referred to as the North East Combined Authority or NECA for all practical purposes.

2. The Devolution Deal

- 2.1 NECA was established to give effect to a “minded to” devolution deal which was agreed between the government and the seven councils in December 2022. That deal was confirmed when the legal order mentioned above was made.
- 2.2 The devolution deal provides the area with new powers and funding to increase opportunities and living standards through inclusive growth and productivity improvements.
- 2.3 The deal includes:
 - 2.3.1 the election of a North East mayor to provide overall vision and leadership, be directly accountable to the electorate and to receive new powers on transport, housing and skills;
 - 2.3.2 control of an investment fund over 30 years to be invested by the North East to drive growth and take forward its priorities over the longer term;
 - 2.3.3 new powers to improve and better integrate local transport, including the ability to introduce bus franchising and control of a key route network;
 - 2.3.4 a city region sustainable transport settlement;
 - 2.3.5 new powers to better shape local skills provisions to ensure these meet the needs of the local economy. This will include devolution of adult education functions and the core adult education budget, as well as input into the new local skills improvement plans;
 - 2.3.6 planning and delivery of the UK Shared Prosperity Fund (UKSPF) from 2025/26;
 - 2.3.7 the integration of the North East Local Enterprise Partnership into the Authority will ensure there continues to be a strong and independent local business voice which informs local decision making and strategic economic planning;
 - 2.3.8 a commitment to explore a local partnership with Great British Railways Transition Team so that the Authority can help shape and improve the local rail offer;

¹ The North East Mayoral Combined Authority (Establishment and Functions) Order 2024

- 2.3.9 new powers to drive the regeneration of the area and to build more affordable, more beautiful homes, including compulsory purchase powers and the ability to establish mayoral development corporations;
- 2.3.10 additional funding for building new homes on brownfield land;
- 2.3.11 capital funding to drive place-based economic regeneration; and
- 2.3.12 a commitment to developing, in partnership with the Government, an arrangement which ensures close cooperation with the North East's Police and Crime Commissioners (PCCs), and a key leadership role for the mayor in local resilience and civil contingency planning, preparation and delivery.

Part 1.2 - Overview of Decision-Making Arrangements

1. Introduction

- 1.1 The later parts of the Constitution (ie Parts 2 to 6) set out the detailed decision-making arrangements which apply to NECA. The sections below are intended to provide a short guide to how NECA works. It should be stressed that, if there are any questions of interpretation, then the detail set out in the later parts of the Constitution will take precedence over the short guide below.

2. The legal status of NECA

- 2.1 NECA is a mayoral combined authority. It has a range of functions which are set out in the statutory order which created it ("the Order") and in other legislation. Some of these are identified as being Mayoral Functions. Decisions on these functions must be made by the Mayor. Decisions on all other functions must be taken by the Mayor and representatives of the constituent councils acting together as the Cabinet.

3. The Cabinet

- 3.1 The Cabinet comprises the following members ("Cabinet Members"):
- 3.1.1 the Mayor;
 - 3.1.2 one elected member appointed by each of the seven constituent councils (a "Constituent Council Cabinet Member");
 - 3.1.3 the Chair of the Authority's Business Board (the "Business Board Cabinet Member");
 - 3.1.4 a representative of the community and voluntary sector (the "CVS Cabinet Member").
- 3.2 Each constituent council will also appoint two elected members as Substitute Constituent Council Cabinet Members either of whom may act as a Cabinet Member in the absence of its Constituent Council Cabinet Member.
- 3.3 Similarly, the Cabinet will also appoint another member of the Business Board as a Substitute Business Board Cabinet Member and another representative of the community and voluntary sector as a Substitute CVS Cabinet Member.

4. The Mayor

- 4.1 The first election of the Mayor took place in May 2024 and the Mayor will serve a 4 year term of office. Each election of the Mayor will take place on the "ordinary day" of election in the relevant year, ie the date when local authority elections are normally held. The Mayor must appoint one of the Constituent Council Cabinet Members as Deputy Mayor, who will carry out the responsibilities of the Mayor when they are absent.

5. Cabinet decision-making

- 5.1 The Mayor will be the Chair of the Cabinet.
- 5.2 As noted above, decisions on Mayoral Functions must be made by the Mayor ("Mayoral Decisions"). Decisions on all other functions are matters for Cabinet ("Cabinet Decisions").
- 5.3 Cabinet Decisions will be taken at Cabinet meetings. For decisions to be taken at a Cabinet meeting, the following Members must be present:
 - 5.3.1 the Mayor, or (in their absence) the Deputy Mayor; and
 - 5.3.2 at least 5 Constituent Council Cabinet Members.
- 5.4 As far as is reasonably possible, all decisions taken by Cabinet will be by way of consensus. However, if it is not possible for all members of Cabinet to agree on a particular issue, then a vote will be taken. The following Members will be entitled to vote:
 - 5.4.1 the Mayor or (in their absence) the Deputy Mayor; and
 - 5.4.2 the Constituent Council Cabinet Members.
- 5.5 Each voting member of the Cabinet, including the Mayor, will have one vote. No Cabinet Member has a casting vote. If the vote is tied, then the proposal is not approved.
- 5.6 Cabinet decisions will generally be taken by way of a simple majority but certain decisions are subject to unanimity or other specific requirements. These are set out in paragraph 5 of Part 2.1 of the Constitution.
- 5.7 All decisions taken by Cabinet will ordinarily be made in public. Decisions will be recorded and published (unless there are specific reasons why non-publication is permissible). Cabinet Decisions are subject to call-in by the Overview and Scrutiny Committee.
- 5.8 In order to promote efficient decision-making, Cabinet may also delegate certain decisions, for example to a committee or officer of NECA. Cabinet has approved a range of delegations to officers which are set out in Part 2.7 of the Constitution.

6. Mayoral decision-making

- 6.1 As noted above, the Order provides the Mayor with a number of statutory functions and other legislation provides the Mayor with further functions. These are described in Part 2.2 of this Constitution. The Mayor is responsible for making decisions on the exercise of these functions, subject to the requirements described in Part 2.2.
- 6.2 The Mayor must prepare a draft annual budget for their areas of responsibility for the coming financial year. The draft budget shall set out the Mayor's spending plans and how the Mayor intends to meet the costs of their functions. The Mayor has the power to set a precept on local council tax bills to help pay for their work. The Cabinet may amend the Mayor's budget proposals if 5 or more of the Constituent Council Cabinet Members agree to the amendment

- 6.3 The Mayor will make Mayoral Decisions in an open and transparent manner during the course of formal Cabinet meetings (except for urgent Mayoral Decisions where the Chair of Overview and Scrutiny Committee has agreed the grounds for urgency).
- 6.4 All Mayoral Decisions will be recorded and published (unless there are any specific reasons why non-publication is permissible). As with Cabinet Decisions, Mayoral Decisions are subject to call-in by the Overview and Scrutiny Committee (see below).

7. Committees and advisory boards

- 7.1 The Authority currently has 2 committees, namely

- 7.1.1 the Overview and Scrutiny Committee; and
- 7.1.2 the Audit and Standards Committee.

The Cabinet may decide to set up further committees as it considers appropriate.

Overview and Scrutiny Committee (see Part 2.4 of the Constitution)

- 7.2 Scrutiny of the decisions of the Mayor and Cabinet will be carried out by the Overview and Scrutiny Committee. The committee comprises 2 representative members from each of the constituent councils (and those members must not be members or substitute members of NECA's Cabinet). The composition of the committee must reflect political balance taken across the constituent councils as a whole. The chair of the committee will be an "appropriate person" (as defined in legislation), ie an elected member of the Overview and Scrutiny Committee who is not of the same political party as the Mayor.
- 7.3 The Overview and Scrutiny Committee will be entitled to call-in and scrutinise decisions taken either by the Cabinet or the Mayor. Following such call-in of a decision the committee may refer the matter back to the Cabinet or the Mayor for further consideration. In certain situations where a matter is urgent the chair of the Overview and Scrutiny Committee may agree that a matter will not be subject to the call-in process.

Audit and Standards Committee (see Part 2.5 of the Constitution)

- 7.4 The Audit and Standards Committee will discharge the Authority's audit and risk responsibilities and deal with matters relating to the Code of Conduct for Members. The committee will comprise 2 members from each constituent council and one independent person who will be a "co-opted" member of the committee (ie this person is not an elected member).

Advisory Boards (see Part 2.3 of the Constitution)

- 7.5 The Authority may establish one or more advisory boards to provide advice to the Mayor and Cabinet on the exercise of their functions. Each advisory board will be an informal working group and not a committee or subcommittee of the Authority for the purpose of local government legislation. As such, an advisory board does not have decision-making powers, political balance rules do not apply to its membership and it is not subject to the access to information rules which apply to local authority meetings.
- 7.6 The Authority must establish a Business Board but the Cabinet will determine what other advisory boards are required and also their terms of reference, procedural arrangements and membership.

Part 2 - Responsibility for Functions

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Part 2.1 - The Cabinet

1. Overview

- 1.1 The members of the Authority are collectively referred to as “the Cabinet”.
- 1.2 The Cabinet is responsible for exercising all decision-making powers on behalf of the Authority except where the decision relates to a Mayoral Function (see Part 2.2 below).
- 1.3 The Cabinet may delegate the responsibility for a decision to a committee of the Authority, an officer of the Authority, another combined authority or a local authority.

2. Cabinet Members

- 2.1 The Cabinet comprises the following members (“Cabinet Members”):
 - 2.1.1 the Mayor;
 - 2.1.2 an elected member¹ from each constituent council as appointed by that constituent council (“Constituent Council Cabinet Member”);
 - 2.1.3 the Chair of the Authority’s Business Board as appointed by the Cabinet (“Business Board Cabinet Member”); and
 - 2.1.4 a representative of the Community and Voluntary Sector as appointed by the Cabinet (“CVS Cabinet Member”)

3. Substitute Cabinet Members

- 3.1 Each constituent council will also appoint two elected members to represent the constituent council in the absence of its Constituent Council Cabinet Member (who shall each be referred to as a “Substitute Constituent Council Cabinet Member”).
- 3.2 The Cabinet shall also appoint a member of the Business Board to attend Cabinet in the absence of the Business Board Cabinet Member (who shall be referred to as a “Substitute Business Board Cabinet Member”).
- 3.3 The Cabinet shall also appoint a representative of the Community and Voluntary Sector to attend Cabinet in the absence of the CVS Member (who shall be referred to as a “Substitute CVS Cabinet Member”).
- 3.4 The members appointed pursuant to this paragraph are referred to as “Substitute Cabinet Members”.

4. Term of Membership

- 4.1 A person may resign as a Cabinet Member or Substitute Cabinet Member by serving notice (in writing or electronically) on the Authority’s Monitoring Officer and the resignation shall take effect on receipt of the notice by the Monitoring Officer.

¹ For the purposes of these provisions an elected mayor of a constituent council is to be treated as an elected member of that council.

- 4.2 A Constituent Council Cabinet Member or Substitute Council Cabinet Member shall also cease to be a Cabinet Member or Substitute Member if:
- 4.2.1 they cease to be a member of the constituent council that appointed them; or
 - 4.2.2 the constituent council which appointed them terminates their appointment

In either case, the constituent council must give written notice to the Monitoring Officer and such termination takes effect at the end of the period of one week beginning with the date on which the notice is given or such longer period (not exceeding one month) as is specified in the notice.

- 4.3 Where a Constituent Council Cabinet Member's or Substitute Council Cabinet Member's appointment ceases by virtue of paragraphs 4.1 or 4.2 above, the constituent council that made the appointment must, as soon as practicable appoint another of its elected members in that person's place and such appointment takes effect at the end of the period of one week beginning with the date on which notice of the appointment is given to the Authority's Monitoring Officer or such longer period (not exceeding one month) as may be specified in the notice.
- 4.4 The Cabinet may at any time terminate the appointment of a Business Board Cabinet Member or Substitute Business Board and then shall appoint another member of the Business Board as a replacement to that position as soon as reasonably practicable.
- 4.5 The Cabinet may at any time terminate the appointment of a CVS Cabinet Member or Substitute CVS Cabinet Member and then shall appoint a replacement to that position as soon as reasonably practicable.

5. Cabinet Meetings

- 5.1 Cabinet Decisions will be taken at meetings of the Cabinet. Cabinet meetings will be conducted in accordance with the principles set out below and the Cabinet Procedure Rules at Part 3.1 of this Constitution.
- 5.2 In the subsequent paragraphs of this Part a reference to a Constituent Council Cabinet Member shall include a Substitute Constituent Council Cabinet Member acting in the absence of the relevant Constituent Council Cabinet Member.

Quorum

- 5.3 For decisions to be taken at a meeting of Cabinet, the following Cabinet Members must be present:
- 5.3.1 at least 5 Constituent Council Cabinet Members; and
 - 5.3.2 the Mayor or the Deputy Mayor acting in the place of the Mayor (in which event and in accordance with paragraph 3.6 of Part 2.2 the Deputy Mayor shall not be treated as a Constituent Council Cabinet Member).

Chair

- 5.4 The Mayor shall be the Chair of the Cabinet. The Deputy Mayor shall act as the Chair of the Cabinet in the absence of the Mayor.

Voting rights and procedure

- 5.5 The following Cabinet Members are entitled to vote on decisions to be taken by Cabinet:
- 5.5.1 each Constituent Council Cabinet Member present at the meeting; and
 - 5.5.2 the Mayor (or in the absence of the Mayor) the Deputy Mayor.
- 5.6 The Mayor and each Constituent Council Cabinet Member shall each have one vote. Save for those matters set out below, Cabinet decisions will be taken by way of a simple majority. No Cabinet Member has a casting vote. If a vote is tied, then the proposal is not approved.

Matters requiring unanimity

- 5.7 A decision on the following matters can only be made with the approval of all seven Constituent Council Cabinet Members, and the Mayor or the Deputy Mayor acting in the absence of the Mayor (in which event and in accordance with paragraph 3.6 of Part 2.2 the Deputy Mayor shall not be treated as a Constituent Council Cabinet Member):
- 5.7.1 approval of, and any amendment to, the Authority's annual budget excluding those elements of the annual budget which relate to Mayoral functions;
 - 5.7.2 approval of, and any amendment to, the setting of any levy which the Authority shall apply to any constituent council;
 - 5.7.3 agreement to confer upon the Mayor a duty to produce a Spatial Development Strategy;
 - 5.7.4 approval or amendment of the Authority's constitution or standing orders;
 - 5.7.5 approval or amendment of such other plans and strategies as may be determined by the Authority and set out in its constitution or standing orders.

Matters requiring a special majority

- 5.8 Where there has been the necessary unanimous vote under paragraph 5.7.3 to confer upon the Mayor a duty to produce a Spatial Development Strategy, the adoption by the Mayor of a Spatial Development Strategy (and any amendment thereto) is subject to a Cabinet decision in which at least four Constituent Council Members vote in favour of the said adoption or amendment of the Spatial Development Strategy.
- 5.9 The Cabinet may amend the Local Transport Plan by a Cabinet decision in which a simple majority of the Constituent Council Cabinet Members present at the meeting vote in favour of the amendment.
- 5.10 Subject to the process set out at Part 2.2 the Cabinet may amend the Mayor's draft budget (or draft revised budget) by a Cabinet decision supported by at least five Constituent Council Cabinet Members.

- 5.11 Any Cabinet decision that might lead to a financial liability falling directly upon a constituent council may only be passed if the majority in favour includes the Constituent Council Cabinet Member appointed by the constituent council affected.

Matters requiring the consent of a Constituent Council Cabinet Member

- 5.12 Any Cabinet decision to exercise a function identified in Table 1 below may only be passed if the majority in favour includes each Constituent Council Cabinet Member whose constituent council's area contains any part of the land in relation to which the function is to be exercised.

Matters requiring the Mayor to be in the majority

- 5.13 Any Cabinet decision to exercise a function identified in Table 2 below may only be passed if the majority in favour includes the Mayor (or Deputy Mayor acting in the absence of the Mayor).

Mayoral review

- 5.14 The provisions of paragraph 5.15 to 5.16 do not apply to a Cabinet decision to exercise a function identified in Table 2 below.
- 5.15 If a Cabinet Decision is made but the Mayor votes against that decision, then the Mayor may seek a review ("Mayoral Review") of that decision by making an application to the Monitoring Officer within 24 hours of the decision being made. The request for a review must be in writing and should state the Mayor's reasons for disagreeing with the decision.
- 5.16 Where an application for review is made in accordance with paragraph 5.15, the Cabinet must reconsider the decision at a subsequent meeting (which shall generally be held at the expiry of the period during which a Cabinet decision may be called in by the Overview and Scrutiny Committee under Part 3.3 of this Constitution). At that meeting the Cabinet will consider the reasons for the request for the review and reconsider its original decision. The Cabinet must then vote on the question under consideration in accordance with paragraphs 5.5 to 5.12 above. The Authority must publish the reasons for any decision taken following a further vote on a question under these provisions. These must be published on the Authority's website as soon as reasonably practicable. A Cabinet decision made under this paragraph 5.16 shall not be subject to a further Mayoral Review.

Validity of proceedings

- 5.17 The proceedings of the Cabinet are not invalidated by any vacancy among the Cabinet Members or Substitute Members or by any defect in the appointment or qualifications of any Cabinet Member or Substitute Member.

6. Committees and other bodies

- 6.1 In addition to the committees and other bodies set out in this Part 2 of the Constitution the Cabinet may establish:

- 6.1.1 such other committees or subcommittees as it sees fit (which may include the co-option of any member of a constituent council or other persons); and

- 6.1.2 such advisory boards and ad-hoc working groups as it considers may be expedient to assist it.

7. Delegations

- 7.1 The Cabinet shall maintain and publish a scheme setting out where responsibility for the exercise of the Cabinet's functions is delegated:
 - 7.1.1 to a committee or subcommittee;
 - 7.1.2 to an officer of the Authority; or
 - 7.1.3 by way of joint arrangements with another authority.
- 7.2 The delegations to officers are set out at Part 2.7 of this Constitution.

Table 1 – Cabinet decisions requiring the consent of the Constituent Council Cabinet Member

Statutory Provision	Description	Reference in Order
Section 6 of the Highways Act 1980	Power to enter into agreements with the Minister relating to construction, improvement or maintenance of trunk roads etc)	Art 21(1)
Section 8 of the Highways Act 1980	Power to enter into agreements with local highway authorities for the carrying out of certain highway works	Art 21(2)
Section 33, 33A & 36 of the Traffic Management Act 2004 & the Traffic Management Permit Scheme (England) Regulations 2007	Operation of permit schemes for carrying out of works in streets	Art 22
Section 39(2) and (3) of the Road Traffic Act 1988	Duties of local authorities in relation to measures designed to promote road safety and studies into vehicular accidents arising, etc	Art 23
Part 2 of the Traffic Management Act 2004 and Part 8 of the Road Traffic Regulation Act 1984 and associated regulations	Civil enforcement of bus lane contraventions	Art 25(1)
Section 9(2) of the Housing and Regeneration Act 2008	Acquisition of land	Art 34(5)
Sections 11, 12 and 17 of the Housing Act 1985	Acquisition of land for housing purposes and provision of amenities	Art 35(1)
Section 226 of the Town and Country Planning Act 1990	Compulsory acquisition of land for development and other planning purposes	Art 35(1)
Sections 334 to 337 and 341 of the Greater London Act 1999	Provisions relating to the adoption of a spatial development strategy);	Art 37(3)

Table 2 – Matters requiring the Mayor to be in the majority (ie new powers under the 2024 Order)

Statutory Provision	Description	Reference in the Order
Section 6 of the Highways Act 1980	Power to enter into agreements with the Minister relating to construction, improvement or maintenance of trunk roads etc)	Art 21(1)
Section 8 of the Highways Act 1980	Power to enter into agreements with local highway authorities for the carrying out of certain highway works	Art 21(2)
Section 33, 33A & 36 of the Traffic Management Act 2004 & the Traffic Management Permit Scheme (England) Regulations 2007	Operation of permit schemes for carrying out of works in streets	Art 22
Section 39(2) and (3) of the Road Traffic Act 1988	Duties of local authorities in relation to measures designed to promote road safety and studies into vehicular accidents arising, etc	Art 23
Part 2 of the Traffic Management Act 2004 and Part VIII of the Road Traffic Regulation Act 1984 and associated regulations	Civil enforcement of bus lane contraventions	Art 25(1)
Sections 226, 227, 229, 230(1)(a), 232, 233, 235, 236, 238, 239 and 241 of the Town and Country Planning Act 1990	Acquisition and appropriation of land for planning and public purposes.	Art 35(1) (f) to (p)

Part 2.2 – The Mayor

1. Overview

- 1.1 The Mayor of the Authority is directly elected by the electorate across the area of its constituent councils (“the Combined Area”). The Mayor is a member of the Authority’s Cabinet and chairs meetings of the Cabinet. The Mayor’s role in Cabinet decision-making is set out in Part 2.1 of this Constitution. Furthermore, some functions of the Authority can only be exercised by the Mayor as set out below.

2. Term of Office

- 2.1 The Mayor’s term of office generally begins on the fourth day after the day of the poll at the election for a Mayor save that the term of office for the first Mayor began on 7 May 2024.
- 2.2 The duration of each term of office is 4 years. The second election for a Mayor will be in 2028.
- 2.3 Each election of the Mayor will take place on the “ordinary day” of election in the relevant year, ie the date when local authority elections are normally held.
- 2.4 The term of office of each Mayor will end on the third day after the day of the poll at the next election for a Mayor.

3. Deputy Mayor

- 3.1 The Mayor must appoint one of the Constituent Council Cabinet Members as Deputy Mayor, who will carry out the responsibilities of the Mayor if the Mayor is absent or unable to act
- 3.2 The Deputy Mayor holds office until the end of the term of office of the Mayor, provided that a person will cease to be the Deputy Mayor if at any time:
- 3.2.1 the Mayor removes the person from office;
 - 3.2.2 the person resigns as Deputy Mayor; or
 - 3.2.3 the person ceases to be a Cabinet Member.
- 3.3 If a vacancy occurs in the office of Deputy Mayor, the Mayor must appoint another Constituent Council Cabinet Member as Deputy Mayor.
- 3.4 The Deputy Mayor must act in place of the Mayor if for any reason:
- 3.4.1 the Mayor is unable to act; or
 - 3.4.2 the office of Mayor is vacant.
- 3.5 If for any reason:
- 3.5.1 the Mayor is unable to act or the office of Mayor is vacant; and
 - 3.5.2 the Deputy Mayor is unable to act or the office of Deputy Mayor is vacant
- the other Cabinet Members must act together in place of the Mayor, taking decisions by simple majority.
- 3.6 Where the Deputy Mayor acts as the Mayor the Deputy Mayor shall not be treated as a Constituent Council Cabinet Member for the purposes of Part 2.1 of this Constitution in

relation to the quorum or voting arrangements at Cabinet meetings nor in relation to the requirement for Constituent Council Cabinet Member consent to the exercise of any of the mayoral functions in paragraphs 7.1 and 7.2 below.

4. Mayor's Political Adviser

- 4.1 The Mayor may appoint one person as the Mayor's Political Adviser. Such person shall be appointed as an employee of the Authority.
- 4.2 No appointment under paragraph 4.1 may extend beyond:
 - 4.2.1 the term of office for which the Mayor who made the appointment was elected; or
 - 4.2.2 where the Mayor who appointed the political adviser ceases to be the Mayor before the end of the term of office for which the Mayor was elected, the date on which the Mayor ceases to hold that office.
- 4.3 A person appointed under paragraph 4.1 is to be regarded for the purposes of Part 1 of the Local Government and Housing Act 1989 (political restriction of officers and staff) as holding a politically restricted post under a local authority. Subject to paragraph 4.4 below, section 9(1), (8), (9) and (11) of the 1989 Act (assistants for political groups) shall apply to an appointment under paragraph 4.1 as if the appointment were made in pursuance of that section and the Authority was a relevant authority for the purposes of that section.
- 4.4 Subsection (3) of section 9 of the 1989 Act applies in relation to an appointment under paragraph 4.1 as if the words "and that the appointment terminates" to the end of that subsection were omitted.

5. Mayoral Functions

- 5.1 Under the terms of the Order the functions set out in Table 1 at the end of this Part of the Constitution are general functions which can only be exercised by the Mayor.
- 5.2 The Mayor also has such other general functions which have been or may be conferred by other legislation. These include:
 - 5.2.1 the power under section 40 of the Local government Finance Act 1992 to issue a council tax precept on behalf of the Authority;
 - 5.2.2 the power under the Transport Act 2000 to make, vary or revoke a bus franchising scheme.
- 5.3 Subject to the requirements set out in Part 2.1 and below, the Mayor does not generally require the approval of other Cabinet Members to make a decision on the functions set out in paragraphs 5.1 and 5.2 above except that, where the Mayor proposes to exercise such functions as identified in the third column of Table 1 below, the Mayor can only do so with the consent of:
 - 5.3.1 the Constituent Council Cabinet Member appointed by each constituent council whose area contains any part of the land in relation to which the function is to be exercised; and

- 5.3.2 (in the case of the exercise of the functions relating to town and country planning contained in section 202(2) to (4) of the Localism Act 2011 in respect of land in the area of the Northumberland National Park Authority) the Northumberland National Park Authority.
- 5.4 The exercise by the Mayor of any function also requires the consent of each Constituent Council Member whose constituent council's area contains any part of the land in relation to which the function is to be exercised if it would lead to a financial liability falling directly upon that constituent council or if the requirement for such consent is otherwise specified in the Authority's Constitution.
- 5.5 The Mayor will consult the Cabinet on any policy or strategy relating to the exercise of a Mayoral Function. The Mayor will make Mayoral Decisions in an open and transparent manner during the course of formal Cabinet meetings (except for urgent Mayoral Decisions where the Chair of Overview and Scrutiny Committee has agreed the grounds for urgency). The other Cabinet Members shall be entitled to make representations to the Mayor during the course of a Cabinet meeting before the Mayor makes a Mayoral Decision.

6. Mayoral Budget-setting

- 6.1 Before 1st February each year the Mayor must notify the Cabinet of their draft mayoral budget for their areas of responsibility for the forthcoming financial year. The Mayor's draft budget shall set out for the forthcoming year the Mayor's strategies, spending plans, and how the Mayor intends to meet the costs of their functions (including the relevant amounts and calculations). The Mayor has the power (under the Combined Authorities (Finance) Order 2017) to set a precept on local council tax bills to help pay for their work. The provisions below are to be read in conjunction with that Order (or any successor order).
- 6.2 The Cabinet must review the Mayor's draft budget and may make a report to the Mayor on the draft budget, which:
- 6.2.1 shall set out whether or not the Cabinet would approve the draft budget in its current form; and
 - 6.2.2 may include recommendations, including recommendations as to the relevant amounts and calculations that should be used for the financial year.
- 6.3 The Mayor's draft budget shall be deemed to be approved by the Authority unless the Cabinet makes a report under paragraph 6.2 to the Mayor before 8th February.
- 6.4 Where the Cabinet makes a report under 6.2 the Mayor must consider that report and decide whether or not to make revisions to the draft budget and notify the Cabinet of the reasons for that decision and, where the Mayor makes revisions, the revised draft budget.
- 6.5 The Cabinet may veto the Mayor's draft budget (or revised draft budget) and approve the Mayor's draft budget incorporating the recommendations set out in the report to the Mayor under paragraph 6.2. Any such proposal by Cabinet shall be passed if five of the Constituent Council Cabinet Members agree. .
- 6.6 In the event that the Mayor subsequently proposes any variation to the Mayor's budget, then this variation shall be presented to and considered by Cabinet, and may be amended by Cabinet if five of the Constituent Council Cabinet Members agree to the amendment.

7. Delegations

7.1 The Mayor may arrange for the following to exercise any general functions of the Mayor:

7.1.2 the Deputy Mayor;

7.1.2 another Cabinet Member;

7.1.3 an officer of the Authority; or

7.1.4 a joint committee consisting of the Authority, constituent councils and other councils (including another combined authority).

7.2 The Mayor will maintain and publish a scheme setting out how responsibility for the exercise of particular mayoral functions is delegated to the Deputy Mayor, an individual Cabinet Member (in which circumstances the procedural provisions above shall apply) or officer of the Authority.

8. Recording of Decision Making

8.1 All Mayoral Decisions will be fully recorded and published (unless there are any specific reasons why non-publication is permissible). As with Cabinet Decisions, Mayoral Decisions are subject to call-in by the Authority's Overview and Scrutiny Committee (see Part 3.3 below)

Table 1 – Mayoral functions set out in the Order

Statutory provision	Description	Constituent Council Cabinet Member Consent
Section 17(3) of the Housing Act 1985	Compulsory acquisition of land for housing purposes	Required
Section 9(2) of the Housing and Regeneration Act 2008	Compulsory acquisition of land	Required
Sections 334 to 337 and 341 of the Greater London Act 1999	Provisions relating to the adoption of a spatial development strategy	Required
Sections 108, 109 and 112 of the Transport Act 2000	Local transport plans	Not required
Section 154(1) of the Transport Act 2000	Grants to bus service operators);	Not required
Section 31 of the Local Government Act 2003	Power to pay grant to the constituent councils in relation to the exercise of highway functions	Not required
Sections 197, 199, 200, 202, 204, 214 to 217, 219 to 221 and paragraphs 1 to 4, 6 and 8 of Schedule 21 of the Localism Act 2011	Designation of mayoral development areas and creation of mayoral development corporations);	Required for: i. the designation of a mayoral development area under section 197(1); ii. the exclusion of land under section 199(1); and iii. the exercise of powers under sections 202(2) to 204 in relation to town and country planning
Business Rate Supplements Act 2009	Functions relating to Business Rates Supplements	Not required

Part 2.3 – Advisory Boards

1. Overview

- 1.1 The Authority shall establish Advisory Boards, including:
 - 1.1.1 the Business Board; and
 - 1.1.2 such other Advisory Boards as the Cabinet considers appropriate.
- 1.2 The purpose of each Advisory Board is to provide advice to the Mayor and Cabinet on the exercise of their functions.
- 1.3 Each Advisory Board is an informal working group and not a, committee or subcommittee of the Authority. As such, it does not have decision-making powers, political balance rules do not apply to its membership and it is not subject to the access to information rules which apply to local authority meetings.
- 1.4 Cabinet is responsible for:
 - 1.4.1 developing and approving the terms of reference of each Advisory Board;
 - 1.4.2 determining the composition of each Advisory Board and making appointments thereto; and
 - 1.4.3 approving the procedural arrangements which shall apply to each Advisory Board.
- 1.5 Each Advisory Board will be directly accountable to the Cabinet and will operate in an advisory capacity, monitoring and reporting progress and making recommendations as appropriate.
- 1.6 Each Advisory Board may investigate any activity within its Terms of Reference. It may seek any information it requires from any Board member, or the organisation(s) represented by the Board member.
- 1.7 The role and operation of each Advisory Board will be reviewed by Cabinet on an annual basis.

Part 2.4 – Overview and Scrutiny Committee

1. Overview

- 1.1 Effective scrutiny arrangements are an essential component of local democracy, enhancing accountability and transparency of decision making and enabling local councillors to represent the views of their constituents. These arrangements have been established to enable local councillors, on behalf of their communities, to scrutinise and challenge the Cabinet and the Mayor and to consider matters of strategic importance to residents within the Authority's area with a view to influencing their decisions.

2. Membership

- 2.1 The Cabinet shall appoint an Overview and Scrutiny Committee which shall consist of 2 members of each of the constituent councils (who are not Cabinet Members or Substitute Members of the Authority) in such a manner that the members of the Overview and Scrutiny Committee taken as a whole reflect, so far as reasonably practicable, the balance of political parties for the time being prevailing among members of the constituent councils when taken together;
- 2.2 The Cabinet shall also appoint as substitute members (for those mentioned in paragraph 2.1 above) 2 members of each of the constituent councils (who are not Cabinet Members or Substitute Cabinet Members of the Authority) in such a manner that the members of the Overview and Scrutiny Committee taken as a whole reflect, so far as reasonably practicable, the balance of political parties for the time being prevailing among members of the constituent councils when taken together.
- 2.3 Substitute members of the Committee may attend the meetings of the Committee to act in the place of an ordinary member of the Committee appointed under paragraph 2.1.

3. Quorum

- 3.1 No business of the Committee shall be transacted unless two-thirds of the members are present.

4. Chair

- 4.1 The Chair of the Committee will be an "Appropriate Person" (as defined in paragraph 3(5)(a) of Schedule 5A of the Local Democracy, Economic Development and Construction Act 2009) which means that the Chair shall be a member of one of the constituent councils appointed under paragraph 2.1 above and:
- 4.1.1 (where the Mayor is a member of a registered political party) the Chair may not be a member of the same registered political party; or
 - 4.1.2 (where the Mayor is not a member of a registered political party) the Chair may not be a member of the political party with the most members of the constituent councils taken together.
- 4.2 The Chair of the Committee shall be appointed annually by the Cabinet at its Annual Meeting.

5. Terms of Reference

5.1 The Overview and Scrutiny Committee can:

- 5.1.1 Review or scrutinise decisions made, or other actions taken, by the Cabinet or the Mayor in connection with the discharge of any functions which are the Cabinet's or the Mayor's responsibility. (In exercising this function, the Committee may also direct that a decision is not to be implemented whilst it is under review or scrutiny and, furthermore, to recommend that the decision be reconsidered – this is referred to in this Constitution as “call-in”.)
- 5.1.2 Make reports or recommendations to the Cabinet or the Mayor (as appropriate) with respect to the discharge of their functions or on matters of strategic importance that affect the Combined Area or inhabitants.
- 5.1.3 Review the performance of the Cabinet and Mayor against objectives within their strategies and policies.
- 5.1.4 Facilitate the exchange of information about the work of the Cabinet and the Mayor and share information and outcomes from reviews.

6. Overview and Scrutiny Procedure Rules

- 6.1 In carrying out its role the Committee shall at all times comply with the Overview and Scrutiny Procedure Rules at Part 3.3 of this Constitution and shall, in particular, be mindful of the key principles of scrutiny set out therein.

7. Delegation

- 7.1 The Overview and Scrutiny Committee may establish such subcommittees, panels and ad-hoc working groups as it considers necessary to assist it and will do so in accordance with the key principles of scrutiny set out in the said procedure rules.

Part 2.5 – Audit and Standards Committee

1. Overview

- 1.1 The Audit and Standards Committee is a key component of the Authority's corporate governance arrangements.
- 1.2 It is an important source of assurance about the Authority's arrangements for managing risk, maintaining an effective control environment; reporting on financial and other performance.
- 1.3 It is also responsible for promoting and maintain high standards of conduct by members of the Authority and its committees. The Committee will review complaints made against Members in respect of alleged breaches of the Members' Code of Conduct in accordance with its agreed arrangements (see Part 5.1 of the Constitution).

2. Membership

- 2.1 The Cabinet shall appoint an Audit and Standards Committee which shall consist of:
 - 2.1.1 2 members of each of the constituent councils in such a manner that the members of the Audit and Standards Committee taken as a whole reflect, so far as reasonably practicable, the balance of political parties for the time being prevailing among members of the constituent councils when taken together; and
 - 2.1.2 one non-voting co-opted member who will act as Chair.
- 2.2 The Cabinet shall also appoint as substitute members (for those mentioned in paragraph 2.1 above) 2 members of each of the constituent councils (who are not Cabinet Members or Substitute Cabinet Members of the Authority) in such a manner that the members of the Audit and Standards Committee taken as a whole reflect, so far as reasonably practicable, the balance of political parties for the time being prevailing among members of the constituent councils when taken together.
- 2.3 Substitute members may attend the meetings of the Committee to act in the place of an ordinary member of Committee appointed under paragraph 2.1.

3. Quorum

- 3.1 No business of the Audit and Standards Committee shall be transacted unless two-thirds of the voting members are present.

4. Terms of Reference

The following functions are the responsibility of the Audit and Standards Committee:

Audit

The Committee's core functions are:

- 1. At a strategic overview level, to review and scrutinise the Authority's financial affairs.

2. To review and assess the Authority's risk management, internal control and corporate governance arrangements.
3. To review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the Authority's functions.
4. To make reports and recommendations to the Authority in relation to reviews conducted under 1 to 3 above.

To discharge these core functions, the Committee will:

- a. be satisfied that the Authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievements of the Authority's objectives.
- b. in relation to the internal audit function:
 - i. oversee its independence, objectivity, performance and professionalism;
 - ii. support the effectiveness of the internal audit process,
 - iii. promote the effective use of internal audit within the assurance framework.
- c. consider the effectiveness of the Authority's risk management arrangements and the control environment; review the risk profile of the organisation and assurances that action is being taken on risk-related issues, including partnerships and collaborations with other organisations.
- d. monitor the effectiveness of the control environment, including arrangements for ensuring value for money, supporting standards and ethics and managing the Authority's exposure to the risks of fraud and corruption.
- e. consider the reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control.
- f. support effective relationships between external audit and internal audit, inspection agencies and other relevant bodies, and encourage the active promotion of the value of the audit process.
- g. review the financial statements, external auditor's opinion and reports to members, and monitor management action in response to the issues raised by external audit.

Provided that:

- (i) The Committee's audit role is to review the relevant procedures of the Authority, and to maintain an overview on the framework of governance, risk management and control within the Authority, but not to make or review policy.
- (ii) For the avoidance of doubt, the Committee will review and scrutinise the Authority's financial affairs at a strategic overview level. Nothing in these terms of reference shall confer upon the Committee the power to regulate or control the finances of the Authority. Detailed reports on ongoing financial performance, budget setting and

budget management, and requests to approve the financial statements shall be matters for the Cabinet.

Standards

1. To promote and maintain high standards of conduct by Authority members and co-opted members.
2. To ensure the Authority's members and co-opted members observe the Members' Code of Conduct.
3. To advise the Cabinet on the adoption or revision of the Members' Code of Conduct.
4. To monitor the operation of the Members' Code of Conduct.
5. To advise, train or arrange to train the Authority members and co-opted members on matters relating to the Members' Code of Conduct and Disclosable Pecuniary Interests.
6. To grant dispensations to the Authority members and co-opted members from requirements relating to interests set out in the Members' Code of Conduct.
7. To monitor complaints received by the Authority in respect of Member conduct.
8. To review the Whistleblowing Policy and recommend any changes to the Monitoring Officer for consideration by the Cabinet.
9. To conduct hearings following investigation and determine complaints made against members and co-opted members (including requests for review).
10. Where a member or co-opted member is found to have failed to comply with the Code of Conduct to take such action as may be necessary to promote and maintain high standards of conduct, in accordance with the powers available to the Committee.
11. To review the assessment criteria for complaints against members and co-opted members (included in the Authority's adopted arrangements) as it considers appropriate from time to time and recommend any changes to the Monitoring Officer for consideration by the Cabinet.
12. To undertake such further functions as may be the responsibility of the Committee under the Authority's adopted local arrangements in relation to the handling of complaints against members and co-opted members.
13. To appoint when required a Sub-committee to conduct hearings and determine complaints of breaches of the Code of Conduct for Members and for granting dispensations for members with registerable and non-registerable personal interests to enable Members to participate and vote at committee meetings.

Notes:

- a. The Localism Act 2011 requires the Authority to appoint at least one Independent Person for their views to be sought and taken into account before the Audit and

Standards Committee makes its decision on an allegation about a Member's conduct which has been investigated and at other times when considered appropriate. An Independent Person's views may also be sought by a Member who is the subject of a misconduct complaint.

- b. The Members' Code of Conduct and all codes and protocols can be found in Part 5 of this Constitution.

Part 2.6 – Proper Officers

There are a number of specific references in the legislation applicable to local government which call for functions to be undertaken by what is termed the ‘Proper Officer’. The following lists such references and identifies the Chief Officers responsible for their discharge.

1. Head of Paid Service

- 1.1 The Head of Paid Service is responsible for the corporate and overall strategic management of the Authority’s staff in accordance with section 4 of the Local Government and Housing Act 1989.
- 1.2 The Head of Paid Service cannot be the Monitoring Officer.

2. Chief Finance Officer

- 2.1 The Chief Finance Officer has responsibility for ensuring lawfulness and financial prudence of decision making. The Chief Finance Officer is appointed Proper Officer in relation to the following:
 - 2.1.1 receipt of money due from officers (Local Government Act 1972, section 115(2)); and
 - 2.1.2 administration of the financial affairs of the Authority (Local Government Act 1985 section 73).

3. Monitoring Officer

- 3.1 Under the provisions of the Local Government and Housing Act 1989, the Cabinet shall appoint a Monitoring Officer who will be responsible for promoting and maintaining high standards of conduct. The Monitoring Officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budgetary issues to all Members and provide a comprehensive administrative service to the Authority.
- 3.1 The Monitoring Officer to the Authority is appointed the Proper Officer in relation to the following under the Local Government Act 1972:
 - 3.1.1 Determination of those reports which should be available for public inspection prior to a meeting of the Cabinet or committee or subcommittee of the Authority, and those which are likely to be heard in private and consequently which should not be released to the public (section 100B (2));
 - 3.1.2 Provision of documents to the press, additional to committee reports (section 100B(7));
 - 3.1.3 Preparing written summaries of proceedings (section 100C (2));
 - 3.1.4 Making arrangements for list of, and background papers to reports, to be made available for public inspection (section 100D (1))
 - 3.1.5 Determination of documents disclosing exempt information which may not be inspected by Members (section 100F (2)).

- 3.1.6 Signature of Summonses to the Authority (paragraph 4 (2) (b) of Schedule 12).
- 3.1.7 Receipt of notices regarding address to which Summonses to meetings of the Authority are to be sent (paragraph 4 (3) of Schedule 12).
- 3.1.8 Declaration and Certificates with regard to securities (section 146 (1)(a) and (b)).
- 3.1.9 Deposit of documents (section 225 (1)).
- 3.1.10 Certifications of photographic copies of documents (section 229 (5)).
- 3.1.11 Issuing and signing of formal notices (section 234 (1) and (2)).
- 3.1.12 Serving copies of Byelaws (section 236 (9) and (10)).
- 3.1.13 Certification of Byelaws (section 238).
- 3.3 The Monitoring Officer will maintain an up to date Register of Members' interests and an up to date version of the Constitution and will ensure that it is widely available for consultation by Members, officers and the public.
- 3.4 The Monitoring Officer will contribute to the promotion and maintenance of high standards of conduct through provision of support to the Audit and Standards Committee and be the Proper Officer for receipt and acknowledgement of complaints of failure by a Member of the Authority to comply with the Members Code of Conduct.
- 3.5 The Monitoring Officer cannot be the Head of Paid Service or the Chief Finance Officer.

4. Scrutiny Officer

- 4.1 The Authority must designate one of its officers as the scrutiny officer of the Overview and Scrutiny Committee to:
 - 4.1.1 promote the role of the Overview and Scrutiny Committee;
 - i. provide support and guidance to the Overview and Scrutiny Committee and its members;
 - ii. provide support and guidance to members of the Authority and to the Mayor in relation to the functions of the Overview and Scrutiny Committee.
- 4.2 The Authority may not designate any officer of a constituent council as the scrutiny officer.

5. General

- 5.1 All officers in whose name reports are submitted to the Cabinet, and any Committee or sub-committee via the Monitoring Officer and Chief Finance Officer are appointed the Proper Officers in relation to the following under the Local Government Act 1972:
 - 5.1.1 Compilation and retention of lists of background papers and copies of the relevant documents and reports (section 100D (1) (a))
 - 5.1.2 Identifying and determining what are background papers (section 100D (5)).

Part 2.7 – Scheme of Delegations

Introduction

1. Section 101 of the Local Government Act 1972 enables the Authority to delegate any of its functions to its officers. This part of the Constitution specifies those powers of the Cabinet which, for the time being, are exercisable from time to time by officers of the Authority and stating the title of the officer in question by whom the powers are exercisable.
2. Delegated Officers in the context of this Constitution means the Head of Paid Service, the Chief Finance Officer, the Monitoring Officer and the Directors.
3. A delegated power of a Delegated Officer set out in this Scheme may be exercised by other officers (“Authorised Officers”) authorised by the Delegated Officer to act on their behalf and in their name, provided that administrative procedures are in place to record the authorisation and monitor decisions taken.
4. The exercise of delegated powers by officers is required to be in accordance with:
 - a) statute or other legal requirements, including the principles of public law, the Human Rights Act 1998, statutory guidance and statutory codes of practice;
 - b) this Constitution including (but not limited to) the Cabinet Rules of Procedure, Financial Regulations and Contract Standing Orders currently in force;
 - c) the Authority’s Assurance Framework;
 - d) the revenue and capital budgets of the Authority, subject to any variation thereof which is permitted by the Authority’s Financial Regulations; and
 - e) any policy or direction of the Cabinet or any other committee acting in exercise of powers delegated to that committee by the Authority.
5. Officers may **not** exercise delegated powers where:
 - a) the matter is reserved to the Cabinet or Mayor by law or by this Constitution;
 - b) the matter is a function which cannot by law be discharged by an officer;
 - c) the Cabinet, or a committee, sub-committee or joint committee to which the Authority is a party, has determined that the matter should be discharged otherwise than by an officer; or
 - d) the Head of Paid Service has directed that the officer concerned should not exercise a delegated function in special circumstances.
6. Before exercising delegated powers, particularly on matters involving the reputation of the Authority, officers should consider the advisability of consulting the Head of Paid Service and/or the Mayor or (in their absence) Deputy Mayor.
7. Where, in relation to an item before the Cabinet, or a joint committee, committee or sub-committee, a Delegated Officer is given specific authority to determine a particular matter,

the officer should ensure that there is an appropriate audit trail to evidence such determination.

8. Any reference in this Scheme of Delegations to any enactment shall include a reference to any amendment or re-enactment of the same.
9. All decisions made by officers under delegated authority will be fully recorded.

A. General Delegations to all Delegated Officers

- GD1 To carry out the routine management of the functions of the Authority in accordance with the responsibilities allocated to the Delegated Officer.
- GD2 To seek any regulatory approval or other consent from an external party which is reasonably required to progress a project, scheme or programme which has been approved by Cabinet or any officer acting under delegated powers.

Contracts

- GD3 To authorise the procurement process for a contract for:
- a. goods and/or services up to a value of £250,000;
 - b. works up to a value of £250,000.
- GD4 To authorise the award of a contract for :
- a. goods and/or services up to a value of £250,000;
 - b. works up to a value of £250,000.
- GD5 To authorise contract extensions and variations to contracts up to:
- a) a value of £40,000 on contracts up to £500,000 in value; and
 - b) a value of £80,000 on contracts above £500,000 in value.
- GD6 To authorise the disposal of surplus or obsolete equipment up to a limit of £10,000 in value to the person submitting the highest quotation.

Grants and loans

- GD7 To award and sign a grant offer or agreement within an approved budget up to £500,000.
- GD8 To award and sign a loan offer or agreement within an approved budget up to £500,000.
- GD9 To approve or reject claims for payment made under a grant (or loan) offer or agreement.
- GD10 To approve a variation of conditions attached to grant or loan funding where there is no material impact on the approved project or its outcomes, including (but not limited to) variations to:
- outputs and/or milestones (including their phasing)
 - funding draw-down dates or repayment profile
 - key performance indicators (KPIs)
 - reduce the amount of funding provided
- GD11 To approve the use of contingency budgets in projects (in accordance with any grant conditions relating to the use of those budgets), where the value of contingency use is no more than £50,000.

Staffing

- GD12 Subject to the Authority's Constitution (including Financial Regulations and Officer Employment Procedure Rules), HR policies and acting within the approved budget:
- a) to create (and appoint officers to) staffing positions to carry out the functions of the Authority for which the Delegated Officer has responsibility provided that the creation of a position at (or regrading to) JNC level or above shall be subject to approval by the Head of Paid Service and Chief Finance Officer); and
 - b) to manage and deal with all staffing matters (including disciplinary action and dismissal) in respect of the said officers.

B. Delegations to the Head of Paid Service

- HPS1 To discharge the functions of the Head of Paid Service in relation to the Authority as set out in section 4 of the Local Government and Housing Act 1989. The duties of the Head of Paid Service are to report to the Cabinet where necessary setting out proposals with respect to the coordination of the Authority's functions, the number and grades of staff required and the organisation, appointment and proper management of the Authority's staff.
- HPS2 To engage officers on behalf of the Authority to coordinate its functions (as set out in Part 3.4 of this Constitution).
- HPS3 To discharge any function of the Authority which has not been specifically delegated to another officer, Committee or reserved to the Cabinet under Part 2.1 of this Constitution, and to direct any officer not to exercise a delegated function in special circumstances unless they are required to do so by law.
- HPS4 To take any operational action which is required as a matter of urgency in the interests of the Authority, following consultation (where practicable) with the Mayor (or, in their absence, the Deputy Mayor), the Monitoring Officer and the Chief Finance Officer.
- HPS5 To take steps to protect the rights and interests of the Authority following consultation with the Mayor (or, in their absence, the Deputy Mayor) in relation to any Bill or Statutory Instrument or Order in Parliament.
- HPS6 To conduct before either House of Parliament any proceedings (including the retention of Parliamentary Agents and Counsel) connected with the passage of any Private Bill which the Authority has resolved to promote or oppose, including the negotiation and agreement of amendments to any such Bill, and the negotiation and approval of any terms, agreement or undertaking offered in consideration of the Authority not opposing any Private Bill.
- HPS7 To nominate, appoint and remove, following consultation with the Mayor (or, in their absence, the Deputy Mayor), the Authority's representatives on the boards of companies, trusts and other bodies, and to agree constitutional arrangements for such companies, trusts and other bodies, and give any necessary consent required within the relevant constitutions.
- HPS8 To provide a comprehensive policy advice service to the Authority and, in particular, to advise on the Authority's plans and strategies included in the Budget and Policy Framework.
- HPS9 To control and co-ordinate press and media relations, the organisation of press conferences, publicity and public relations within prescribed policy including approval of the issue of all official Authority publicity and official publications.

- HPS10 To be the authorised representative of the Authority in respect of any company established pursuant to section 323 of the Companies Act 2006 (as amended) and any other company of which the Authority is a member or shareholder.
- HPS11 To take an urgent decision where a decision needs to be made urgently and it is not practical to convene a quorate meeting of the Cabinet or relevant committee or subcommittee of the Authority, following consultation with the Mayor (or, in their absence, the Deputy Mayor) the Chief Finance Officer and the Monitoring Officer.
- HPS12 To authorise the procurement process for a contract for goods, works and/or services up to a value of £500,000.
- HPS13 To authorise the award of a contract for goods, works and/or services up to a value of £500,000.
- HPS14 To authorise (following consultation with the Chief Finance Officer and the Monitoring Officer) contract extensions and variations which exceed the thresholds in GD5 above.

C. Delegations to the Chief Finance Officer

- CFO1 To effect the proper administration of the Authority's financial affairs particularly in relation to financial advice, procedures, records and accounting systems, internal audit and financial control generally.
- CF02 To take all action required on borrowing, investment and financing subject to the submission to the Cabinet of an annual report of the Chief Finance Officer on treasury management activities and at six-monthly intervals in accordance with CIPFA's Code of Practice for Treasury Management and Prudential Codes.
- CF03 To effect all insurance cover required in connection with the business of the Authority and to settle all claims under such insurances arranged for the Authority's benefit.
- CF04 To prepare manuals of financial and accounting procedures to be followed by officers of the Authority and the constituent councils working on Authority matters.
- CF05 To accept grant offers on behalf of the Authority, subject to all the terms and conditions set out by the grant awarding body.
- CF06 To submit all claims for grant to the UK Government or other bodies .
- CF07 To make all necessary banking arrangements on behalf of the Authority, to sign all cheques drawn on behalf of the Authority, or make arrangements for cheques to be signed by other officers or to arrange for such cheques to bear the facsimile signature of the Chief Finance Officer.
- CF08 To monitor capital spending and submit a report to the Cabinet at not more than quarterly intervals. This report will separately identify the capital expenditure relating to schemes promoted by the Authority.
- CF09 In relation to revenue expenditure under the control of officers, to consider reports of officers on any likely overspending, and to approve transfers between expenditure heads up to a maximum of £25,000, provided that, where it is not possible to finance an overspending by such a transfer, the matter shall be referred to the Cabinet for consideration of a supplemental estimate.

- CFO10 To collect all money due to the Authority and write off bad debts.
- CFO11 To supervise procedures for the invitation, receipt and acceptance of tenders.
- CFO12 To administer the scheme of Mayoral and other allowances.
- CFO13 To discharge the functions of the 'responsible financial officer' under the Accounts and Audit (England) Regulations 2015 including the requirement under Regulation 8(2) to sign and date the statement of accounts, and certify that it presents a true and fair view of the financial position of the Authority at the end of the year to which it relates and of the Authority's income and expenditure for that year.
- CFO14 To discharge the functions of the Authority under the Accounts and Audit (England) Regulations 2015 (with the exception of Regulations 4(3), 6(4) and 8(3)).
- CFO15 To sign certificates under the Local Government (Contracts) Act 1997.
- CFO16 To be the officer nominated, or to nominate in writing another officer, as the person to receive disclosures of suspicious transactions for the purposes of the Proceeds of Crime Act 2002 and any Regulations made thereunder.
- CFO17 To determine an amount (not exceeding £5,000) being the maximum sum which the Authority will receive in cash without the express written consent of the Chief Finance Officer.
- CFO18 To exercise the responsibilities assigned to the Chief Finance Officer in the Financial Regulations.
- CFO19 To determine requests by Nexus (the Passenger Transport Executive) for the Authority's approval to dispose of land (whether absolutely or for a terms of years) under section 10(1)(xxiii) of the Transport Act 1968, up to a value of £500,000 per transaction.
- CFO21 To exercise the rights of the Authority under the Project Agreement with TT2 for the Tyne Tunnels crossing (dated 23 November 2007) relating to the award and/or waiver of Performance Points and Lane Closure Points (as defined within the Project Agreement).

Supporting the Audit Regime

- CFO22 To support the Audit and Standards Committee by:
- a) providing or procuring independent assurance on the effectiveness of the risk management framework and the associated control environment;
 - b) providing or procuring independent examination of the organisation's performance and how this affects the Authority's control environment and its exposure to risk; and
 - c) overseeing the financial reporting process.

D. Delegations to the Monitoring Officer

MO1 The Monitoring Officer is authorised to:

- a) institute, defend or participate in any administrative action and/or in any legal proceedings;
- b) sign (or seal) any document in any case where such action will facilitate the carrying out of decisions of the Cabinet; or in any case where the Monitoring Officer considers that such action is necessary to protect the Authority's interests, or to further or achieve the objectives of the Authority; and
- c) settle or otherwise compromise any administrative action or legal proceedings if they have been commenced or there are reasonable grounds for believing such actions or proceedings may be contemplated.

MO2 After consulting with the Head of Paid Service and Chief Finance Officer, to report to the Cabinet if he/she considers that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration as determined by the Local Government Ombudsman. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.

MO3 To provide a comprehensive administrative service to the Authority.

MO4 To accept on behalf of the Cabinet in-year changes to the membership of Cabinet, committees, sub-committees, joint committees, advisory boards/working groups and external bodies. These changes must be notified in writing to the Monitoring Officer and will be effective when receipt of the notification is acknowledged in writing by the Monitoring Officer.

MO5 To make minor changes to the Constitution and its associated documents to reflect organisational changes or other changes approved by Cabinet, or legislative changes when the power remains unaltered.

MO6 To make any textual or grammatical corrections to the Constitution and its associated documents.

MO7 To attend any meeting of the Cabinet and its committees, subcommittees, advisory boards and working groups.

MO8 To require officers to provide access to documentation in their possession insofar as this is necessary for the Monitoring Officer to discharge their functions.

Supporting the Standards Regime

MO9 To be the Proper Officer for receipt and acknowledgement of complaints of failure to comply with the Members' Code of Conduct under the Authority's adopted local arrangements.

- MO10 To receive and review complaints received in respect of any alleged breach by a Member of the Code of Conduct for Members and to act in accordance with the Authority's adopted local arrangements.
- MO11 To conduct or arrange for investigations to be conducted into alleged breaches of the Members' Code of Conduct and, as appropriate, to submit reports to the Audit and Standards Committee in accordance with the Authority's adopted local arrangements.
- MO12 To undertake informal resolution of such complaints in accordance with the Authority's adopted local arrangements.
- MO13 To grant urgent dispensations to members and co-opted members from requirements relating to interests set out in the Members' Code of Conduct.

Part 3 – Rules of Procedure

Part	Content
3.1	Cabinet Rules of Procedure (“Standing Orders”)
3.2	Budget and Policy Framework Rules
3.3	Overview and Scrutiny Procedure Rules
3.4	Officer Employment Procedure Rules

Part 3.1 - Cabinet Rules of Procedure (“Standing Orders”)

1. Application and interpretation

- 1.1 These Rules of Procedure (referred to as “Standing Orders”) apply to all meetings of the Cabinet but shall also apply to all meetings of the committees and subcommittees of the Authority as appropriate and should be read in conjunction with other parts of this Constitution. These Standing Orders are also subject to any statute or other enactment, whether passed before or after these Standing Orders came into effect.
- 1.2 References in these Standing Orders to the ‘Chair’ mean the member for the time being presiding at the meeting.

2. The Annual Meeting

- 2.1 The Annual Meeting of the Cabinet will take place after the annual meetings of the constituent councils on a date and time determined by Cabinet but no later than 30 June in any year.
- 2.2 The Annual Meeting will:
 - a. elect a person to chair the meeting if the Mayor or Deputy Mayor is not present;
 - b. approve the minutes of the last meeting;
 - c. receive any declarations of interests;
 - d. receive any announcements from the Mayor and/or the Head of Paid Service;
 - e. confirm the appointment of the Constituent Council Cabinet Members (and substitutes) and appoint to the Cabinet the Business Board Cabinet Member and the CVS Cabinet Member (and substitutes);
 - f. approve the schedule of Cabinet meetings for the forthcoming year;
 - g. appoint the Overview and Scrutiny Committee, Audit and Standards Committee and any other committee, subcommittee, board, panel or working group considered necessary and agree a timetable of meetings;
 - h. appoint the Chairs and Vice Chairs of the bodies referred to in (f) above;
 - i. agree the representatives of the Authority on any external bodies to which the Authority may appoint representatives;
 - j. agree the allocation of Cabinet portfolios to Cabinet members;
 - k. receive and consider reports from committees, subcommittees, advisory boards and officers; and
 - l. conduct any other business reserved to its Annual Meeting as set out in this Constitution.

3. Ordinary Meetings

3.1 Ordinary meetings of the Cabinet will take place in accordance with the schedule agreed by the Cabinet.

3.2 Ordinary meetings will:

- a. elect a person to chair if the Mayor and Deputy Mayor are not present;
- b. approve the minutes of the last meeting;
- c. receive any declarations of interests;
- d. receive any announcements from the Mayor and/or the Head of Paid Service;
- e. deal with any uncompleted business from the last Cabinet meeting;
- f. receive and consider reports from committees, subcommittees, advisory boards and officers;
- g. conduct any business reserved to it in accordance with Part 2 (Responsibility for Functions) and specified in the summons to the meeting in accordance with the following Standing Orders;
- h. authorise the sealing or signing of documents; and
- i. consider any proposed Mayoral decisions.

3.3 Cabinet may agree to vary the order of business set out above at any ordinary meeting.

4. Extraordinary Meetings

4.1 Those listed below may request the Monitoring Officer to convene a Cabinet meeting in addition to ordinary meetings:

- a. the Cabinet by resolution;
- b. the Mayor (or, in their absence, the Deputy Mayor); and
- c. any three Cabinet Members if they have signed a requisition presented to the Mayor (or, in their absence, the Deputy Mayor) and the Mayor (or, in their absence, the Deputy Mayor) has refused to convene a meeting or has failed to call a meeting within seven days of the presentation of the requisition.

4.2 The agenda for the extraordinary meeting will include the resolution, request or requisition which led to it being called and any other business agreed by the Mayor, (or, in their absence, the Deputy Mayor) of the Cabinet, the Monitoring Officer and the Head of Paid Service. No items of business may be conducted at an extraordinary meeting other than those specified in the agenda for the meeting unless the Mayor, (or, in their absence, the Deputy Mayor) agrees the matter is urgent and requires a decision before the next ordinary meeting of the Cabinet. The report submitted to the extraordinary meeting will set out the reason why the matter could not be determined at the next ordinary meeting and this reason will be recorded in the minutes of the meeting.

5. Summons

- 5.1 At least five clear days before a Cabinet meeting the Monitoring Officer shall arrange for a notice of the time and place of the intended meeting to be published at the Authority's principal office and on its website. Where the meeting is called by Members that notice is to be signed by those Members and specify the business proposed. A summons to attend the meeting, specifying the proposed business and signed by the Monitoring Officer, is to be left at or sent by e-mail or post to the usual place of residence of every Member or to such other place as may be requested by that Member.
- 5.2 Except in the case of business required by statute to be transacted at the Annual Meeting no business shall be transacted at a meeting other than that specified in the summons.

6. Quorum

- 6.1 For a meeting of Cabinet to be quorate, the following Cabinet Members must be present:
- a. a Cabinet Member or Substitute Member from at least 5 of the constituent councils; and
 - b. the Mayor or the Deputy Mayor (acting in the place of the Mayor).
- 6.2 No business shall be transacted at any meeting unless a quorum is present.
- 6.3 If a quorum is not reached within 15 minutes of the time appointed for the start of the meeting, the meeting will be reconvened on another date.
- 6.4 If, during any meeting, the Chair counts the number of Members present and declares there is not a quorum present, then the meeting will adjourn immediately.
- 6.5 Remaining business will be considered at a time and date fixed by the Chair. If the Chair does not fix a date, the remaining business will be considered at the next ordinary meeting.

7. Chair and Vice Chairs

- 7.1 As set out in Part 2.1 of this Constitution, the Chair of the Cabinet shall be the Mayor. In the absence of the Mayor, the Deputy Mayor shall act as Chair.
- 7.2 Subject to any Standing Orders made by the Cabinet, anything required to be done by, to or before the Chair may be done by, to or before a Vice Chair.
- 7.3 Any power or duty of the Chair in relation to the conduct of a meeting may be exercised by the person presiding at the meeting.
- 7.4 The ruling of the Chair on the interpretation of these Standing Orders in relation to all questions of order and matters arising in debate shall be final.

8. Access to Information

- 8.1 All meetings of the Cabinet and the committees and sub-committees of the Authority shall be open to the public unless it is likely in view of the nature of the business to be transacted that either confidential information (as defined in section 100A (3) of the Local

Government Act 1972) or information falling within one of the categories of exempt information in Schedule 12A (as amended) of the 1972 Act would be disclosed.

- 8.2 Members of the public and media may take photographs, film, audio-record or report via social media the proceedings of any meeting of the Cabinet and the committees and subcommittees of the Authority where the meeting is open to the public. The Chair of the meeting may withdraw consent to film, record or photograph a meeting at any time in the event that it is carried out in a manner that interferes with the proper conduct of the meeting.
- 8.3 Copies of the agenda and reports open to the public will be available for public inspection at least five clear days before a meeting. If an item is added to the agenda later, the revised agenda and any additional report will be open to inspection from the time it was added to the agenda.
- 8.4 The Authority will make available for public inspection for six years after a meeting the minutes of the meeting (but excluding any part of the minutes when the meeting was not open to the public or which disclose confidential or exempt information), a summary of any proceedings not open to the public where the minutes open to inspection would not otherwise provide a reasonably fair and coherent record, the agenda for the meeting and reports relating to items when the meeting was open to the public.
- 8.5 The author of any report will set out in it a list of those documents (called background papers) relating to the report which in his/her opinion disclose any facts or matters on which the report is based and which have been relied on to a material extent in preparing the report (except for documents which are published works or which disclose confidential or exempt information). Such background papers will remain available for public inspection for four years from the date of the meeting.
- 8.6 Where information is withheld under these provisions the fact must be made known to the member of the public concerned who shall be advised of the categories of information being withheld and the way in which the withholding can be challenged.

9. Disturbance

- 9.1 No member of the public shall interrupt or take part in the proceedings of any meeting. If any member of the public interrupts or takes part in the proceedings at any meeting, the Chair shall warn them and, if they continue the interruption, the Chair shall order their removal.
- 9.2 The Chair may at any time, if they think it desirable in the interests of order, adjourn or suspend a meeting for a time to be specified by the Chair.

10. Declaration of Interests in Meetings

- 10.1 Members must comply with the Authority's Code of Conduct for Members (Part 5.1 of the Constitution), and any other Codes or Protocols approved by the Authority.
- 10.2 A member must withdraw from the meeting room, including from the public gallery, during the whole of the consideration of any item of business in which s/he has an interest which warrants non-participation in accordance with Part 4 of the Authority's Code of Conduct for Members (except where permitted to remain as a result of a dispensation).

11. Order of Debate

- 11.1 The Chair will introduce each item and may invite a Member or Officer to present it.
- 11.2 Each Member shall be given an opportunity to speak on the matter and on any recommendations contained in a report.
- 11.3 The order in which anyone will be invited to speak will be decided by the Chair.
- 11.4 Members may speak more than once on the same item, with the agreement of the Chair.
- 11.5 Subject to 11.2 above, the Chair shall decide when a vote shall be taken on an item. The entitlement to vote and voting procedure is set out in Part 2.1 of this Constitution.
- 11.6 Any Member who is entitled to vote may, when speaking, move that:
 - a. an amendment be made to the recommendation(s); or
 - b. that an item be withdrawn.
- 11.7 If a motion to amend or withdraw is made under 11.6 is seconded, then each Member shall be entitled to speak on that motion. The motion shall then either be agreed by consensus amongst those voting Members present, or be voted upon.

12. Duration

- 12.1 At any meeting which has sat continuously for three and a half hours, the Chair shall have discretion to adjourn the meeting for a short period of time unless the majority of voting Members present, by vote, determine that it shall stand adjourned to another day, the date and time of which shall be determined by the Chair.

13. Minutes

- 13.1 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. Discussion of the minutes must be limited to their accuracy.
- 13.2 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 The effect of this is that minutes will not be submitted for approval to an extraordinary meeting.

14. Suspension of Standing Orders

- 14.1 Subject to 14.2 below, any of these Standing Orders (except those prescribed by statute) may be suspended at a meeting of the Cabinet with the consent of a majority of the voting Cabinet Members who are present. A Member moving the suspension of a Standing Order shall state without comment the purpose for which the motion is made, and, if seconded, the question shall be put at once.

- 14.2 Suspension of any of these Standing Orders can only be for the duration of the meeting and must only be moved in exceptional circumstances where the Chair is satisfied that the reasons for the exceptional circumstances can be sufficiently justified. The reasons for the exceptional circumstances must be given by the mover of the motion and the Chair's reasons for considering the exceptional circumstances will be recorded in the minutes of the meeting.

15. Officers' Interests

- 15.1 If it comes to the knowledge of an officer engaged by the Authority that a contract in which he/she has a pecuniary interest, whether direct or indirect, has been or is proposed to be entered into by the Authority, he/she shall as soon as practicable give notice in writing to the Monitoring Officer of the fact that he/she has an interest.

16. Financial Regulations

- 16.1 The Financial Regulations of the Authority are deemed to be incorporated in and have the same force as these Standing Orders.

17. Sealing of Documents

- 17.1 A decision of the Cabinet or the Mayor (or of a joint committee, committee, subcommittee, person or persons to whom the Cabinet has delegated its powers and duties) shall be sufficient authority for the signing or sealing of any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which in the opinion of the Monitoring Officer should be sealed.
- 17.2 The Common Seal of the Authority shall be kept in a safe place in the custody of the Monitoring Officer and the affixing of the Common Seal shall be attested by the Monitoring Officer or other person nominated by him/her, unless any enactment otherwise authorises or requires, or the Authority has given requisite authority to some other person.

18. Authentication of documents

- 18.1 Where any document is necessary for any legal procedure or proceedings on behalf of the Authority it will be signed by the Monitoring Officer or other person nominated by him or her, unless any enactment otherwise authorises or requires, or the Authority has given requisite authority to some other person.

19. Committees

- 19.1 The Cabinet shall at its Annual Meeting each year appoint such committees as are required to be appointed by or under any statute and may at any time appoint such other joint committees, committees or sub-committees as are necessary to carry out the work of the Authority but, subject to any statutory provision, may at any time dissolve a joint committee, committee, sub-committee or alter its membership.
- 19.2 These Standing Orders shall with any necessary modifications apply to meetings of committees and sub-committees of the Cabinet. Save where it is otherwise stipulated elsewhere in this Constitution or in legislation, decisions of the committees and subcommittees of the Authority shall be made by way of a simple majority of the Members present and voting, and the Chair shall have a second or casting vote.

19.3 The proceedings of the Authority's Overview and Scrutiny Committee are also subject to the requirements of the Overview and Scrutiny Committee Procedure Rules at Part 3.3 of this Constitution.

20. Working Groups

20.1 Any committee or subcommittee of the Authority can establish working groups to undertake specific studies/examinations, subject to agreement from the Cabinet.

20.2 In appointing working groups, the committee or subcommittee will:

- a. have regard to any approved work programmes (to avoid duplication of work or the undertaking of non-priority work), and advice from relevant officers on the overall capacity of the Authority to support such studies;
- b. determine the remit for each working group which will be bound by the terms of that remit.
- c. determine the membership of the working group to be drawn from the membership of the committee or subcommittee with appropriate representation across the constituent councils;
- d. consider whether a flexible arrangement for the work required is preferable, for example, a joint arrangement with one or two specified constituent councils.
- e. consider and either approve, amend or reject any reports and recommendations for submission to its parent committee or subcommittee, the Cabinet, an individual or outside organisation as appropriate.

20.3 The Chair of any working group established to support strategy development and delivery will be the Member of the Cabinet who is the relevant portfolio holder or their nominee, or such other Member as may be agreed by Cabinet.

20.4 Working groups may seek the assistance of Members and officers of the Authority and/or outside organisations and individuals to meet the objectives of their agreed remit.

21. Co-opted Members

21.1 The appointment of co-opted Members by the Authority to any committee, subcommittee, joint committee or other body is a matter reserved to the Cabinet.

21.2 A committee, subcommittee, joint committee or other body can make representations to the Cabinet on the appointment of co-opted members. In making such representations, the committee, subcommittee, joint committee or other body will propose the term of office to be applied in each case. The term of office for any appointed co-opted Member can only be extended with the express approval of the Cabinet. Subject to what may be specified elsewhere in this Constitution, co-opted Members appointed by the Cabinet can attend and speak at meetings of the committee, subcommittee, joint committee or body to which they are appointed but cannot vote.

22. Attendance

22.1 The Monitoring Officer shall record the attendance of each Member at each meeting of the Cabinet and committees and subcommittees of the Authority.

23. Failure to attend Meetings

- 23.1 Subject to the exceptions prescribed by statute, if a Member of the Authority fails throughout a period of six consecutive months to attend any meeting of the Cabinet or the joint committees, committees or subcommittees of the Authority to which they have been appointed, they shall (unless the failure to attend was due to a reason approved by the Cabinet before the end of that period), cease to be a Member of the Authority. For the purpose of this provision, the period of failure to attend shall date from the first meeting which the Member could have attended as a Member.

24. Appointments

- 24.1 A person, so long as they are a Member of the Authority, and for twelve months after they cease to be a Member of the Authority, shall be disqualified from being appointed by the Authority to any paid office.
- 24.2 A Member shall not solicit for any person any appointment with the Authority or recommend any person for such appointment or for promotion, but this Standing Order shall not prevent a Member from giving a written testimonial of a candidate's ability, experience or character for submission to the Authority with an application for appointment.
- 24.3 Canvassing of Members directly or indirectly for any appointment with the Authority shall disqualify the candidate for that appointment. A statement to this effect shall be included in all recruitment information for appointments.

25. Forward Plan

- 25.1 The Monitoring Officer will prepare and publish the Forward Plan for the purpose of giving 28 days' notice of key decisions of the Authority.
- 25.2 For these purposes, a "key decision" is a decision of a decision maker, which in the view of the Authority's Overview and Scrutiny Committee, is likely to:
- a. result in the Authority or the Mayor incurring significant expenditure, or the making of significant savings, having regard to the Authority's budget for the service or function to which the decision relates; or
 - b. be significant in terms of its effects on persons living or working in an area comprising two or more electoral wards or electoral divisions in the Authority's area.
- 25.3 The Forward Plan will be published on the Authority's website and will be available for inspection at the offices of the Combined Authority.
- 25.4 Subject to 25.5, the Forward Plan will contain the following details of decisions to be taken:
- a. the matter in respect of which the decision is to be made;
 - b. the identity of the decision-maker;
 - c. the date on which, or the period within which, the decision will be taken;

- d. whether it is intended to exclude the press and public from any meeting, or part of a meeting;
- e. a list of the documents submitted to the decision-maker for consideration in relation to the matter and an address from which the documents are available; and
- f. a statement to indicate that other documents may be submitted to the decision maker(s) and details of the procedure for requesting copies of them.

25.5 Exempt information need not be included in the Forward Plan and confidential information cannot be included.

26. General Exception

26.1 A key decision which is not included in the Forward Plan can only be taken where:

- a. the Monitoring Officer has notified the Chair (or, in their absence, Vice Chair) of the Overview and Scrutiny Committee in writing of the matter to be decided;
- b. the Monitoring Officer has published the notice mentioned in (a) above on the Authority's website and made that notice available for inspection at the offices of the Combined Authority; and
- c. at least 5 clear days have elapsed between the said notice being published and the decision being made.

26.2 The Monitoring Officer shall as soon as reasonably practicable thereafter publish on the Authority's website (and make available for inspection at the offices of the Authority a notice setting out the reasons why the matter could not be included on the Forward Plan.

27. Special Urgency

27.1 A key decision which is not included in the Forward Plan can only be taken with less than 5 clear days' notice where:

- a. the Monitoring Officer has notified the Chair (or, in their absence, Vice Chair) of the Overview and Scrutiny Committee in writing of the matter to be decided; and
- b. agreement has been obtained from the Chair (or, in their absence, Vice Chair) of the Overview and Scrutiny Committee that the matter is urgent and cannot be reasonably deferred.

27.2 As soon as reasonably practicable after obtaining the agreement set out in 27.1(b), the Monitoring Officer shall publish on the Authority's website and make available for inspection at the offices of the Authority a notice setting out the reasons why the decision is urgent and cannot reasonably be deferred. The report submitted to the meeting (or decision-maker) will set out the reason why the matter is urgent and cannot reasonably be deferred and this reason will be recorded in the minutes of the meeting (or record of a delegated decision).

28. Urgent Decisions

28.1 Where a decision needs to be taken urgently and it is not practical to convene a quorate meeting of the Cabinet or relevant committee or subcommittee of the Authority, the Head of Paid Service, following consultation with the Mayor (or, in their absence, the Deputy

Mayor), the Chief Finance Officer and the Monitoring Officer, has the authority to take an urgent decision (see delegation HPS11 in Part 2.7 -Delegations to Head of Paid Service). Where this decision is a key decision, it must be made in compliance with the requirements in 26 and 27 above.

- 28.2 The Monitoring Officer will maintain a record of all 'urgent' decisions and submit a report on these decisions at least annually to the Cabinet. The report will include a summary of the subject matter of the decisions taken.

Part 3.2 Budget and Policy Framework Rules of Procedure

1. Introduction

- 1.1 The Budget and Policy Framework (“the Framework”) is the collective name given to the budgets and the major plans and strategies of the Authority that must be considered by Cabinet (including the Mayor) before they are finally approved.
- 1.2 This part of the Constitution sets out how the Cabinet will decide on which plans and strategies are in the Framework. It also sets out how decisions will be taken on the content of the Framework where the budgets and such plans and strategies are brought forward.
- 1.3 Once a budget or plan or strategy within the Framework is in place it is the responsibility of the Cabinet and/or the Mayor to implement it.

2. Content of the Budget and Policy Framework

2.1 The Framework comprises:

2.1.1 The Authority’s Budget

The Authority’s Budget includes the allocation of financial resources to different services and projects, proposed contingencies, earmarked and un-earmarked reserves, the transport levies, and decisions relating to the control of the Authority’s borrowing requirements, the control of its capital expenditure and the setting of virement limits.

The Budget also includes the Treasury Management Strategy. Treasury Management is the management of the Authority’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

The Treasury Management Strategy aims to protect the Authority from market-related risks by monitoring interest rates, economic indicators and UK and overseas government finances. The prime objective of the Authority’s investment strategy is to maintain capital security whilst ensuring that there is the necessary liquidity to carry out its business.

2.1.2 The Mayoral Budget

The Mayoral Budget relates to the carrying out of the Mayoral functions (which are described in Part 2.2 of this Constitution). It includes the Mayoral precept (if there is one) and Mayoral general fund.

2.1.3 Plans and Strategies

Such other major plans and strategies as may be identified by the Cabinet.

- 2.2 The Cabinet (including the Mayor) will keep under review the composition of the Framework.

3. Process to develop the Budget

- 3.1 The process described below aims to ensure that appropriate and effective consultation takes place with all Members and other stakeholders on the content of the Authority's Budget and the Mayoral Budget. This process needs to be considered in conjunction with the decision-making arrangements in Parts 2.1 and 2.2 of this Constitution..

Initial Proposals

- 3.2 Prior to the calculations on the transport levies being finalised the Cabinet will produce their initial proposals for the Authority's Budget and the Mayor will produce their initial proposals for the Mayoral Budget respectively. These initial proposals will be accompanied by:

3.2.1 a summary of information that has been taken into account in producing the initial proposals (including specific reference to consideration of any reviews/studies previously carried out by the Overview and Scrutiny Committee);

3.2.2 detailed information on how it is intended to consult with the Members, constituent councils, stakeholders, residents and others;

3.2.3 a timetable for the consultation and the preparation of final proposals for consideration by the Overview and Scrutiny Committee and Cabinet;

3.2.4 proposals on the extent of virement permitted within the relevant budget.

- 3.3 These initial budget proposals and accompanying information will then be referred to the Overview and Scrutiny Committee by the Cabinet and Mayor respectively. The Overview and Scrutiny Committee will at this stage examine the consultation proposals and timetable and make recommendations on these, where it is considered appropriate, to the Cabinet and Mayor respectively.

Preparing the final proposals

- 3.4 The Cabinet and Mayor will consider any recommendations made by the Overview and Scrutiny Committee and, where it is considered appropriate, amend their budget proposals, consultation process and/or timetable accordingly. Once the consultation process has been completed, the Cabinet will refer the details of their revised proposals for the Authority's Budget to the Overview and Scrutiny Committee, together with the relevant background information on which the revised proposals have been based. The Mayor will do likewise in respect of their revised proposals for the Mayoral Budget. It is the responsibility of the Cabinet and the Mayor and relevant officers to ensure that the Overview and Scrutiny Committee has sufficient background information to enable it to evaluate the revised proposals against that background information.

- 3.5 The revised proposals for the Authority's Budget will then be referred back to the Cabinet and the revised proposals for the Mayoral Budget will be referred back to the Mayor, together with any recommendations and/or observations from the Overview and Scrutiny

Committee. The Cabinet will prepare final proposals for the Authority's Budget and the Mayor will prepare final proposals for the Mayoral Budget, having regard to any recommendations and/or observations from the Overview and Scrutiny Committee.

Approval of the Authority's Budget and the Mayoral Budget

- 3.6 The final proposals for the Authority's Budget must be approved by a unanimous decision of the voting Cabinet Members as set out in paragraph 5.7.1 of Part 2.1 of this Constitution.
- 3.7 The approval of the Mayoral Budget is a matter for the Mayor subject to the requirements set out in paragraph 6 of Part 2.2 of this Constitution.
- 3.8 Once the Authority's Budget and the Mayoral Budget have been approved, the Chief Finance Officer shall prepare a notice of the respective decision and provide this to each constituent council.

Plans and Strategies

- 3.9 A similar process to that outlined in paragraphs 3.2 to 3.8 shall be applied to those plans and strategies which form part of the Framework.

4. Decisions that contravene the Budget and Policy Framework

- 4.1 The Authority's Financial Regulations contain provisions allowing virement. Subject to those provisions, the Cabinet, Mayor (or Deputy Mayor), committees, subcommittees and officers of the Authority discharging any functions of the Cabinet or Mayor are only authorised to take decisions in line with the approved budgets, plans and strategies within the Framework. Only the Cabinet can take a decision that wholly or in part does not accord with the Framework.
- 4.2 Decision makers must take the advice of the Monitoring Officer and/or Chief Finance Officer where it appears to them that a decision they wish to make would be contrary to the approved budget, plans and strategies in the Framework. Where advice is given that the decision would be contrary to the Framework, that decision must be referred to Cabinet.

Part 3.3 Overview and Scrutiny Procedure Rules

1. Introduction

- 1.1 These rules of procedure provide a framework for carrying out the overview and scrutiny work of the Authority.

2. Objectives and key principles of scrutiny of the Authority

- 2.1 The Authority has established an Overview and Scrutiny Committee (“the Committee”) in accordance with the relevant legislation and the Authority’s Constitution in order to scrutinise and support the decision-making of the Cabinet and the Mayor and other decision-making bodies and officers within the Authority.
- 2.2 The terms of reference of the Committee are set out in paragraph 5 of Part 2.4 of this Constitution.
- 2.3 The Committee shall be responsible for determining their own work programme, having taken advice from relevant officers. When considering their work programme, they shall:
- determine whether an issue is more appropriately dealt with by one of the constituent councils or by some other organisation or in some other way and will not duplicate the work of existing bodies or agencies;
 - take into account the resources available to support that programme, and avoid establishing priorities for which the costs exceed the likely benefits;
 - avoid initiating enquiries at a time, or in a manner which disrupts the effective and efficient operation of the Authority, or unnecessarily delays the conduct of its business.
- 2.4 The scrutiny process will be open and transparent and designed to engage all relevant organisations, residents and other stakeholders.
- 2.5 The terms of reference, timescale and outline of any review shall be agreed by the Committee.
- 2.6 Different approaches to scrutiny reviews may be taken in each case, but Members shall seek to act in an inclusive manner and take evidence from a wide range of opinion. The Committee shall make specific efforts to engage with groups who would otherwise be excluded.
- 2.7 The Committee may also establish subcommittees and temporary working groups to consider specific issues in more depth and to report back to the Committee. Working groups cannot, however, receive delegated authority from the Committee, who retain responsibility for all decisions.

3. Meetings of the Committee

- 3.1 The Committee shall hold at least four meetings per year and may convene additional meetings as necessary, taking account of the considerations set out above.
- 3.2 Notice of the meetings will be sent to each Member of the Committee in accordance with the requirements of the Local Government Act 1972.

- 3.3 Meetings will be held in public, unless the Committee decides to convene in private in order to discuss confidential or exempt information, in accordance with the relevant provisions of the Local Government Act 1972.
- 3.4 The Committee, acting reasonably, may:
- request the members or statutory officers of the Authority (including the Mayor) to attend before it to answer questions and give evidence; and
 - invite such other persons, including officers of the constituent councils, to attend meetings of the Committee.
- 3.5 Any invitation to officers under paragraph 3.4 must be made through the Head of Paid Service of the Authority, or the Chief Executive of the relevant constituent council. If any request is declined by the Head of Paid Service or Chief Executive, they must indicate the reasons for so doing.
- 4. Functions of the Committee regarding the Authority's Budget and the Mayoral Budget**
- 4.1 Prior to the calculations on the transport levies being finalised the Cabinet and Mayor will consult the Committee on the Authority's proposed budget and the Mayor's proposed budget in accordance with the provisions of section 3 of Part 3.2 of this Constitution
- 4.2 The Committee will ensure that it responds to that consultation in a timely manner to ensure that the Cabinet and the Mayor can comply with their obligations to adopt the Authority's budget and the Mayor's budget for each financial year.
- 5. Agendas and Business of the Committee**
- 5.1 The Chair will approve the agenda for each meeting of the Committee.
- 5.2 Any member of the Committee may raise with the Chair a matter which is relevant to the functions of the Committee, for consideration by the Committee.
- 5.3 Any member of the Authority or of a constituent council may also raise with the Chair an item which is relevant to the functions of the Committee, for the Committee's consideration.
- 5.4 In considering whether or not to exercise any of the powers specified in the Terms of Reference of the Committee (at paragraph 5 of Part 2.4 of this Constitution) in relation to a matter referred to it under paragraph 5.2 or 5.3 above, the Committee must have regard to any representations made as to why it would be appropriate for the Committee to exercise any of those powers.
- 5.5 If the Committee decides not to exercise any of those powers in relation to the matter, it must notify the relevant member of its decision and the reasons for the decision.
- 5.6 The Committee must also provide the relevant member with a copy of any report or recommendations which the Committee makes regarding the exercise of its powers in connection with the matter referred to it by the Member(s) concerned, subject to the provisions of paragraph 6.5 (confidential and exempt information).

6. Reports or Recommendations of the Committee

6.1 Where the Committee makes a report or recommendations, the Committee may:

- publish the report or recommendations;
- by notice require the Cabinet or Mayor to:
 - consider the report or recommendations;
 - respond to the Committee indicating what (if any) action the Cabinet or Mayor proposes to take; and
 - (if the Committee has published the report or recommendations), publish the response.

6.2 Notice given under the preceding paragraph 6.1 must require the Cabinet or Mayor to comply with it within two months beginning with the date on which the Cabinet or the Mayor received the report or recommendations or (if later) the notice.

6.3 The Cabinet or the Mayor must respond to a report or recommendations made by the Committee as a result of a referral made in accordance with these Rules, within two months beginning with the date on which the Cabinet or the Mayor received the report or recommendations or (if later) the notice.

6.4 When publishing any document comprising such report or recommendations, or a response of the Cabinet or the Mayor to the report or recommendations, the Committee must exclude any confidential information, and may exclude any relevant exempt information.

6.5 When the Committee provides a copy of any such documents to a Member of the Authority, or to a Member of a constituent council, the Committee may exclude any confidential information or relevant exempt information.

6.6 Where the Committee excludes information under the preceding paragraphs, the Committee in publishing or providing a copy of the document may replace so much of the document as discloses the information, with a summary which does not disclose that information, and must do so if, in consequence of excluding the information, the document published, or the copy provided, would be misleading or not reasonably comprehensible.

6.7 Notwithstanding that the Committee, in publishing or providing a copy of a report or recommendations, has excluded information, or has replaced part of a report or the recommendations with a summary, it is nevertheless to be taken to have published the report or recommendations.

6.8 “Confidential information” has the meaning given by section 100A (3) of the Local Government Act 1972.

6.9 “Exempt information” has the meaning given by section 100I of the 1972 Act.

6.10 “Relevant exempt information” means:

- in relation to a report or recommendations of the Committee, exempt information of a description specified in a resolution of the Committee under section 100A(4) of the 1972 Act which applied to the proceedings, or part of the proceedings of the Committee at which the report was, or the recommendations were, considered; and

- in relation to a response of the Cabinet or the Mayor, exempt information of a description specified in such a resolution of the Cabinet or Mayor which applied to the proceedings, or part of the proceedings, at any meeting of the Cabinet at which the report or response was, or the recommendations were, considered.

7. Rights of Committee Members to documents

7.1 Subject to paragraph 7.3 below a member of the Committee is entitled to a copy of any document which:

- is in the possession or under the control of the Cabinet or the Mayor and
- contains material relating to any business that has been transacted at a meeting of a decision-making body of the Authority, or to any decision that has been made by an individual Member of the Authority.

7.2 Where a member of the Committee requests a document which falls within the preceding paragraph 7.1, the Cabinet or the Mayor must provide that document as soon as reasonably practicable, and in any case no later than 10 clear days after the Cabinet or the Mayor receives the request.

7.3 However, no member of the Overview and Scrutiny Committee is entitled to a copy of any such document or part of a document as contains exempt or confidential information unless that information is relevant to:

- an action or decision that the Member is reviewing or scrutinising; or
- any review contained in any programme of work of the Committee or of a working group of the Committee; or
- of a document or part of a document containing advice provided by a political adviser

7.4 Where the Cabinet or the Mayor or the Head of Paid Service determines that a member of the Committee is not entitled to a copy of a document or part of any such document for a reason set out in the preceding paragraph 7.3, they must provide the Committee with a written statement setting out its reasons for that decision.

8. Call-In Procedure

8.1 The power of the Committee to call-in decisions for review and scrutiny is intended to apply in exceptional circumstances and it cannot be used in respect of day-to-day management and operational decisions.

8.2 The following decisions are subject to call-in:

- all decisions made by the Mayor (or Deputy Mayor or other Cabinet member), Cabinet or committees;
- decisions made by officers under delegated powers where the decisions are key decisions.,

Such decisions shall be published within 3 working days of being made. Committee members will be sent copies of the records of all such decisions by the person responsible for publishing the decision. The notice will bear the date on which it is published and will specify that (subject to paragraph 8.10 below) the decision will come into force, and may then be implemented, on the expiry of 5 working days after the

publication of the decision (which is period is referred to as “the Call-in Period”), unless a valid request for call-in is received during the Call-in Period.

8.3 It is important that the call-in mechanism is not abused or used unduly to delay decisions or slow down the process of decision-making. It should not be used solely as a means of requesting information. In making a request to call-in a decision, members of the Committee will need to demonstrate grounds that a decision of the Authority may have been made:

- in a manner which is inconsistent with the Constitution and procedures of the Authority;
- without adequate consultation with relevant parties;
- without adequate evidence to inform that decision, or with inaccurate or misleading evidence; and/or
- without sufficient regard to the financial or other impacts of the decision or the risks arising from the decision.

8.4 The written request for call-in of a decision should always include specific details clearly explaining why the Members making the request consider that one or more of the criteria in paragraph 8.3 applies. Wherever possible, the request shall also indicate whether the Members wish to request persons to attend any Committee meeting which is to be held to consider the call-in request. The Monitoring Officer will provide a form for completion by the Members making the call-in request, to ensure the proper application of the call-in procedure.

8.5 A decision shall be called in for scrutiny by the Committee if:

- a. a call-in request signed by at least 5 Members of the Committee is received by the Monitoring Officer within the Call-in Period; and
- b. the Monitoring Officer considers that one or more of the criteria in paragraph 8.3 have been met for the request to be valid.

In that event the Monitoring Officer shall then notify the decision-maker of the call-in. 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 a period not exceeding 10 days of the decision to call-in unless there are exceptional circumstances as to why this cannot be achieved. The Monitoring Officer, in consultation with the Chair of the Committee, will determine if there are exceptional circumstances.

8.6 On receipt of a valid call-in request, the Committee meeting to review the decision shall follow the following format:

- the Members requesting the call-in will explain the reasons for calling-in the decision;
- other Members of the Committee may ask questions or seek clarification on the reasons for call-in;
- the (representative of the) decision maker and/or supporting officer(s) will explain the reasons for the decision being made and respond to any issues raised by the call-in;
- Members of the Committee may ask questions or seek clarification; and
- the Committee will then deliberate and come to a decision.

Timings for each element of the meeting may be determined by the Chair in order to ensure the efficient conduct of the meeting.

- 8.7 The Committee may, by majority decision, take one of the following steps:
- a. agree that the original decision should stand, no further action should be taken and the decision can be implemented without further delay;
 - b. agree that the original decision should stand, but make comments to the decision-maker on the decision;
 - c. agree that the original decision should be referred back to the decision-maker with a recommendation it be reconsidered, providing a statement of the reasons for the referral;
 - d. (where the decision was made under delegated arrangements) agree that the original decision should be referred to the Cabinet or Mayor (as appropriate) with a recommendation that it be reconsidered, providing a statement of the reasons for the referral;
 - e. agree to adjourn the meeting for further consideration (the meeting can only be adjourned once).
- 8.8 If following a valid call-in, a quorate meeting of the Committee is not held within 10 days (unless there are exceptional circumstances for holding the meeting at a later date as set out in paragraph 8.5 above), or does meet but does not refer the matter back to the decision-maker or the Cabinet (as appropriate), the decision shall take effect on the sooner of the date of the Committee meeting or the 10 day period.
- 8.9 If the matter is referred to the Cabinet for reconsideration, the Cabinet shall meet within 10 days of the request, unless there are exceptional circumstances as to why this cannot happen, to reconsider the matter. Following the meeting the Cabinet shall respond to the Committee indicating what, if any, action the Cabinet proposes to take.
- 8.10 The call-in procedure set out above shall not apply where:
- a) the decision is urgent because any delay likely to be caused by a call-in would seriously prejudice the Authority's or the public's interest; or
 - b) there is substantial risk of serious prejudice to the Authority because of the increased risk of public disclosure of highly sensitive confidential information arising from the call-in process.

In these circumstances:

- the Head of Paid Service shall determine whether a risk of serious prejudice exists. In the event that the Head of Paid Service is the decision-maker, this assessment shall be confirmed by the Monitoring Officer;
- the Head of Paid Service must secure the agreement of the decision-maker, and the Chair (or, in their absence, the Vice Chair) of the Committee;
- the decision shall be communicated to the Committee in advance of implementation; and

- the fact that a decision is exempt from call-in shall be recorded alongside the decision itself.
- 8.11 The operation of the provisions relating to call-in and urgency shall also be monitored and reviewed annually.
- 8.12 Each decision can only be called in once.

Part 3.4 - Officer Employment Rules of Procedure

These Officer Employment Rules of Procedure set out the Authority's governance arrangements for the recruitment and dismissal of, and the taking of disciplinary action against, officers.

This section should be read in conjunction with the Scheme of Officer Delegations at Part 2.7 of this Constitution.

In this section, the term "Chief Officer" shall have the meaning set out in section 2 of the Local Government and Housing Act 1989, namely:

- a. a statutory Chief Officer (ie the Head of Paid Service in accordance with section 4 of the Local Government and Housing Act 1989 and the Chief Finance Officer in accordance with section 73 of the Local Government Act 1985); or
- b. non-statutory Chief Officer.

In accordance with section 2(7) of the 1989 Act, the Authority's non-statutory Chief Officers are: -

- a. any person for whom the Head of Paid Service is directly responsible;
- b. any person who, as respects all or most of the duties of their post, is required to report directly, or is directly accountable to the Head of Paid Service; and
- c. any person who, as respects all or most of the duties of their post, is required to report directly, or is directly accountable to Cabinet.

(A person whose duties are solely secretarial or clerical or are otherwise in the nature of support services shall not be regarded as a non-statutory chief officer.)

1. General

- 1.1 The functions of appointment and taking disciplinary action against (including dismissal) Chief Officers must be discharged by the Cabinet.
- 1.2 Subject to paragraph 4 below, the functions of appointment and taking disciplinary action (including dismissal) against officers who are not Chief Officers must be discharged by the Head of Paid Service, on behalf of the Authority, or by an officer nominated by them.

2. Recruitment

- 2.1 The Authority will draw up a statement requiring any candidate for appointment as an officer to state in writing whether they are the parent, grandparent, partner, child, stepchild, adopted child, grandchild, brother, sister, uncle, aunt, nephew or niece of an existing Member or officer, or of the partner of such persons.
- 2.2 No candidate so related to a Member or an officer will be appointed without the authority of the Head of Paid Service or an officer nominated by them.
- 2.3 The Authority will disqualify any applicant who directly or indirectly seeks the support of any Member for any appointment with the Authority. The content of this paragraph will be included in any recruitment information.
- 2.4 No Member will seek support for any person for any appointment with the Authority.
- 2.5 Nothing in the above paragraphs precludes a Member from giving a written reference for a candidate for submission with an application for employment.

- 2.6 Where the Cabinet determines to appoint a Chief Officer the Cabinet will draw up a statement specifying the duties of the officer concerned and any qualifications or qualities to be sought in the person to be appointed.
- 2.7 If it is not proposed that the appointment be made exclusively from among existing officers of the constituent councils, the Cabinet will:
- a) 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
 - b) make arrangements for a copy of the written statement mentioned above to be sent to any person on request.
- 2.8 The recruitment and appointment of any officer other than a Chief Officer is a matter for the Head of Paid Service.

3. Appointment of Chief Officers

- 3.1 The Cabinet will approve the appointment of the Head of Paid Service. The Cabinet may establish a panel of the Cabinet to consider applications and interview candidates, which panel shall then make a recommendation to Cabinet as to the appointment of the Head of Paid Service.
- 3.2 The Cabinet (or a panel of the Cabinet established by the Cabinet for this purpose) will appoint any other Chief Officer. An offer of employment as a Chief Officer shall only be made after all members of the Cabinet (or, in their absence, the relevant substitute member) have been consulted.

4. Disciplinary Action including dismissal

- 4.1 Members will not be involved in disciplinary action (including dismissal) against any officer below Chief Officer level except where such involvement is necessary for any investigation or inquiry into alleged misconduct, through the Authority's disciplinary, capability and related procedures.
- 4.2 No disciplinary action may be taken in respect of the Head of Paid Service, the Chief Finance Officer or Monitoring Officer except in accordance with the processes described in the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended).

Part 4 - Financial Regulations

Introduction

1. Definitions

In these Regulations:

The “Direct Services” of the Authority include those services provided directly to it by the lead constituent councils responsible for providing the services.

“Delegated Officers” are those officers listed below, together with any other officers or consultants that may be approved by the Authority for the purpose of these regulations:

Head of Paid Service

Chief Finance Officer

Monitoring Officer

Directors

Any duty or power devolving upon a Delegated Officer may (in his or her absence) be exercised by a nominated deputy.

2. Financial Regulations provide the framework for the financial administration of NECA with a view to ensuring that its financial affairs are conducted in a sound and proper manner, constitute value for money and minimise the risk of legal challenge. Financial Regulations are not intended to constitute a set of detailed rules to respond to every contingency. The Regulations allow for variation in detailed controls by the Delegated Officers where justified by local circumstances.

- a) Financial Regulation 1 defines responsibility for financial control.
- b) Financial Regulations 2, 3, and 4 lay down the tasks required of the Authority, joint committee, committee, sub-committee, or Delegated officer for the fundamental financial processes of:
 - (i) forward planning and budgetary strategy.
 - (ii) incurring and controlling revenue spending and income.
 - (iii) incurring and controlling capital spending and income.
- c) Financial Regulation 5 covers the requirements for Risk Management.
- d) Financial Regulations 6 and 7 cover the standards required for:
 - (i) accounting.
 - (ii) internal audit.
- e) Financial Regulation 8 governs procedures for obtaining goods, materials, works and services.

- f) Financial Regulation 9 regulates the 'day to day' financial systems of the Authority. It requires Delegated officers to ensure that prescribed controls are present, but allows them, except where explicitly stated otherwise, to determine the detail of the controls to meet service circumstances.
- 3. All financial decisions and decisions with financial implications must have regard to proper financial control. Any doubt as to the appropriateness of a financial proposal or correctness of a financial action must be clarified in advance of the decision or action.
- 4. Failure by officers to observe Financial Regulations and the codes and guidance issued under them may result in action under the Authority's disciplinary procedures.
- 5. Failure by Members to observe Financial Regulations may amount to a breach of the Code of Conduct for Members.
- 6. Amendments to Financial Regulations require the approval of the Cabinet following a report from the Chief Finance Officer. The Cabinet may amend all other Procedures, Policies, Codes and Checklists referred to in these Financial Regulations. The Chief Finance Officer will review as often as they consider appropriate supporting advice and guidance to the Financial Regulations and report any recommended changes to the Cabinet for approval.
- 7. If any financial issues arise which result in any uncertainty or ambiguity as to the correct procedure to follow under these regulations, then the Chief Finance Officer shall have delegated powers to give a valid direction as to the appropriate procedure to follow.

1. Responsibilities

1.1 Responsibilities to the Authority

All Members, Delegated Officers and Officers of the Authority are responsible for ensuring that they use the resources and assets entrusted to them in a responsible and lawful manner. They should strive to achieve value for money and avoid legal challenge to the Authority. These responsibilities apply equally to Members and Delegated Officers and officers when representing the Authority on outside bodies. Members must also comply with the Code of Conduct for Members.

1.2 Personal Responsibilities

Any person charged with the use or care of the Authority's resources and assets should understand the Authority's requirements under these Financial Regulations. If anyone is in any doubt as to their obligations, then they should seek advice. Unresolved questions of interpretation should be referred to the person providing internal audit services to the Authority.

All Officers (including Officers of lead authorities providing services to the Authority) must report to their manager or supervisor any illegality, impropriety, breach of procedure or serious deficiency in the provision of service. Officers shall be able to do this without fear of recrimination providing they act in good faith, and, in such circumstances, managers must record and investigate such reports and act where appropriate. Compliance with the Authority's Anti-Fraud- and Corruption Policy (see Part 5.4 of the Constitution) and the Code of Conduct for Officers (see Part 5.2 of the Constitution) is mandatory.

Note: The Authority's Whistleblowing Policy (see Part 5.5 of the Constitution) for confidential reporting of concerns exists to:

- Make Officers feel confident to raise concerns and to question and act upon concerns about practice.
- Give Officers avenues to raise concerns and receive feedback on any action taken.
- Guarantee that an Officer will receive a response to his or her concerns raised and that he or she is aware of the process to follow if not satisfied.
- Reassure an Officer that he or she will be protected from possible reprisals or victimisation.

1.3 The Cabinet

The Cabinet is responsible for:

- The adoption and revision of these Financial Regulations.
- The determination of the policy framework and annual revenue budget and capital programme.
- Providing the Chief Finance Officer and Delegated Officers with sufficient staff, accommodation, and other resources to carry out their duties.

1.4 Overview and Scrutiny Committee

The Overview and Scrutiny Committee has a monitoring and scrutiny role to help ensure that the Authority's corporate budgets and financial management systems are managed efficiently and are ensuring value for money. The Overview and Scrutiny Committee is responsible for considering and responding to proposals from the Cabinet in respect of the budget and those plans/strategies that fall within the Budget and Policy Framework.

1.5 Audit and Standards Committee

The Audit and Standards Committee is a key component of the Authority's governance arrangements and is responsible for overseeing issues relating to financial probity and the adequacy of the Authority's controls. In accordance with its terms of reference, the Audit and Standards Committee receives interim and end of year reports from both internal and external audit, and other information appropriate to its programme of work.

1.6 Chief Finance Officer

1.6.1 The Authority shall appoint an officer, the Chief Finance Officer, who shall, for the purposes of Section 73 of the Local Government Act 1985, be responsible for ensuring the proper administration of the Authority's financial affairs.

1.6.2 The Chief Finance Officer shall issue, and keep under continuous review, such instructions, advice, or procedures relating to financial matters as he or she considers necessary to secure the proper administration of the Authority's financial affairs.

1.6.3 The Chief Finance Officer is responsible for reporting, where appropriate, breaches of Financial Regulations to the Cabinet.

1.6.4 Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer to report to the Cabinet and external auditor where it appears that the Authority or an officer has made, or is about to make, a decision that would involve:

- Unlawful expenditure.
- An unlawful action likely to cause a loss or deficiency.
- An unlawful item of account.
- Proposed expenditure that is more than available resources

Section 114 of the Local Government Finance Act 1988 requires:

- The Chief Finance Officer to nominate a properly qualified member of staff to deputise, should he or she be unable to perform the duties under section 114 personally;
- The Authority to provide the Chief Finance Officer with sufficient staff, accommodation, and other resources, including legal advice where

necessary, to carry out the duties under section 114.

- 1.6.5 The Chief Finance Officer has responsibility for ensuring compliance with the requirements of the Accounts and Audit Regulations 2015 relating to accounting records, control systems and audit.

1.7 Delegated Officers

Delegated Officers are responsible for ensuring that appropriate staff under their control are aware of the existence of the Authority's Financial Regulations and other regulatory documents and that they are observed throughout all areas under their control and shall:

- Provide the Chief Finance Officer with such information and explanations as the Chief Finance Officer feels is necessary to meet his or her obligations under Financial Regulations.
- Ensure that the Chief Finance Officer has sufficient opportunity to comment on all proposals with unbudgeted financial implications before any commitments are incurred.
- Ensure that the Authority members are advised of the financial implications of all significant proposals and that the financial implications have been agreed by the Chief Finance Officer.
- Inform immediately the Chief Finance Officer of failures of financial control resulting in additional expenditure or liability, or loss of income or assets.
- Inform the Chief Finance Officer where amendment to Financial Regulations is considered necessary; and
- Be responsible for ensuring the legality of all actions.

Note: It is the Monitoring Officer's duty to report to the Authority in respect of any proposed action, decision or omission that is contrary to law, or constitutes maladministration or injustice where the Ombudsman has investigated.

1.8 Exceptions to Financial Regulations

1.8.1 Exceptions to these Financial Regulations shall be made only:

- in cases of urgency or where it is in the interests of the Authority to do so; and
- with the prior written approval of the Chief Finance Officer.

1.8.2 The Chief Finance Officer shall keep a record of all such exceptions and submit an annual report to the Authority summarising the exceptions.

1.9 Arrangements for the discharge of responsibility

1.9.1 Delegated Officers and their staff are required to carry out their tasks in accordance with these Financial Regulations. Delegated Officers may arrange for any of their staff to carry out tasks for which they have responsibility as set down by these Financial Regulations provided that the terms of those delegated arrangements are clearly defined and documented. A record of all such arrangements will be prepared by each Delegated Officer and submitted to the Chief Finance Officer on an annual basis.

1.9.2 Notwithstanding such arrangements, the person making the arrangements remains responsible for compliance with these Financial Regulations.

2. Forward Planning and Budget Strategy

The Cabinet decides on the annual budget; this will include the levy on the constituent authorities as approved by the Joint Transport Committee.

2.1 Delegated Officers shall provide information to the Chief Finance Officer to enable him/her to produce and submit to the Authority annually a medium-term financial forecast and a medium-term capital forecast.

2.2 The Chief Finance Officer shall annually advise the Mayor and Cabinet on:

- Financial planning and budget strategy matters.
- Procedures, timetables and estimated resources for planning revenue and capital spending.
- The annual revenue and capital budget; transport levies.

2.3 Delegated Officers, in consultation with the Chief Finance Officer, shall prepare revenue and capital estimates in accordance with such guidelines as set out by the Authority. In doing so, Delegated Officers shall ensure that:

- The estimated expenditure and income, or the cost of any proposal submitted by them, are as accurate as possible and provide provision for all costs involved.
- The revenue and capital estimates are consistent with Authority policy.
- The revenue implications of capital schemes are fully included in revenue estimates.

3. Incurring and Controlling Revenue Spending and Income

The Authority monitors financial performance during the financial year and considers any significant developments affecting its financial position.

3.1 The Chief Finance Officer shall advise the Cabinet, on a quarterly basis, on:

- Progress against the Cabinet approved budget.
- Significant developments affecting the financial position of the Authority.

3.2 The Chief Finance Officer shall:

- Provide guidance on and co-ordinate the budget monitoring process.
- Prescribe the form, basis, supporting information and timetable for the preparation of final accounts.
- Within delegated limits approve supplementary estimates and transfers of estimates.

3.3 Each Delegated Officer shall:

3.3.1 Authorise revenue spending and collect income within the estimates, targets and/or limits approved by the Cabinet provided that:

- The expenditure is lawful.
- Financial Regulations have been complied with.
- Expenditure is within approved revenue budget or capital programme provision.
- Expenditure is in respect of Authority policy.

3.3.2 Monitor progress on revenue spending and the collection of income and promptly provide the Chief Finance Officer with such information as requested. They should report on variances within their own areas to the Chief Finance Officer. They should also take any action necessary (without affecting policy) to avoid exceeding their budget allocation, in accordance with the Financial Regulations.

3.3.3 Review fees and charges annually and implement changes in accordance with officer delegations or alternatively report them for approval to the Cabinet.

3.3.4 Seek, in consultation with the Chief Finance Officer, the approval of the Authority to budgetary changes that would have a significant impact on the nature or level of service provided.

3.3.5 Ensure that transfers between budgets (virement) fulfil the following requirements:

- Transfers apply only to the transfer of funds within the delegated budget of the Delegated Officer.
- The proposal is consistent with Authority policy.
- Any virement over £10,000 is a significant decision and is therefore approved by the Chief Finance Officer.
- The total net delegated budget is still within the delegated cost limit.

3.4 Transfers from reserves to revenue budgets, other than those covered by the provisions of 3.3.5 above, require the prior written approval of the Chief Finance Officer.

- 3.5 Delegated Officers shall, in an emergency (being a situation which demands action of a nature that could not have been anticipated and for which there is no budget line), and with the prior written approval of both the Chief Finance Officer and the Mayor or Chair of the Cabinet, have authority to incur unbudgeted expenditure.

4 Incurring and Controlling Capital Spending and Income

The Cabinet oversees the capital and leasing programme and approves the award of contracts in accordance with the Procedure for the Commitment of Capital Expenditure (FPN 11).

- 4.1 The Chief Finance Officer shall advise the Cabinet quarterly on:

- Progress on implementation of the Cabinet approved capital and leasing programme.
- Additions and amendments to the Cabinet approved capital and leasing programme.
- The procedure for the commitment of the Cabinet approved capital expenditure.

- 4.2 The Chief Finance Officer shall as appropriate:

- Provide guidance and co-ordinate capital monitoring procedures.
- Certify capital proposals as required by the Procedure for the Commitment of Capital Expenditure.

- 4.3 Delegated Officers shall:

- Authorise capital spending in accordance with the Procedure for the Commitment of Capital Expenditure (FPN11).
- Monitor progress on implementation of the capital and leasing programme and provide the Chief Finance Officer with such information as requested.
- Only commit the Authority to match-funding arrangements for which capital programme approval has been obtained.
- Undertake the disposal of land and buildings in accordance with any scheme of officer delegation approved by the Cabinet or otherwise with express approval of the Cabinet.

- 4.4 Capital expenditure – Definition.

For the purposes of this regulation, capital expenditure is deemed to include the procurement, improvement, or enhancement for the Authority's purposes of land, buildings, vehicles and equipment and the provision of grants to external organisations

to enable the purchase of land, buildings, vehicles, and equipment, regardless of how financed. Capital expenditure also includes the procurement of loans and share capital. Expenditure below the de-minimis sum determined by the Chief Finance Officer is not capital expenditure. If there is doubt whether expenditure is capital, the decision of the Chief Finance Officer is final.

5 Risk management

The importance of risk management to the wellbeing of the Authority is outlined in its Risk Management Policy Framework.

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

The Cabinet is responsible for reviewing the effectiveness of risk management and for ensuring that proper insurance exists where appropriate. The Chief Finance Officer will advise the Cabinet on proper insurance cover where appropriate.

The Chief Finance Officer will be responsible for the Authority's risk management policy statement, which may be prepared by a nominated officer. The risk management policy framework will be promoted throughout the Authority.

Delegated Officers are responsible for ensuring that risk management is an integral part of their management processes and activities within their respective areas of responsibility.

- 5.1 Delegated Officers will assign clear roles and responsibilities for managing risk.
- 5.2 Delegated Officers are responsible for ensuring that a register of significant risks is maintained, reported, and monitored.
- 5.3 Delegated Officers will:
 - Produce a strategy for the management of risk in their service.
 - Ensure that risk considerations are embedded into planning and decision-making processes.
 - Identify those activities which have or may give rise to significant loss producing events.
 - Measure the impact of potential loss.
 - Take reasonable physical or financial steps to avoid or reduce the impact of potential losses.
 - Allocate risk management resources to areas of identified priority.

- Maximise risk management opportunities that can impact positively on the Authority's reputation, aims and objectives.
- Ensure managers and Officers are equipped with the necessary skills to manage risk effectively.
- Ensure that strategic partners and service providers are aware of the importance of risk management.
- Ensure that the Chief Finance Officer is promptly provided with any information he requires on risk management issues.
- Report the risk implications of recommended strategies, policies, and service delivery options to Members of the Authority.

6 Accounting

6.1 The Chief Finance Officer shall, with respect to the services provided by the constituent council identified by the Head of Paid Service as the lead authority for these roles:

- Determine accounting systems and procedures and the form of financial records and statements.
- Provide guidance and advice on all accounting matters.
- Monitor accounting performance to ensure an adequate standard for all services.
- Certify financial returns, grant claims and other periodic financial reports required of the Authority.

6.2 Each Delegated Officer shall:

- Implement accounting procedures and adopt the form of financial records and statements as determined by the Chief Finance Officer.
- Obtain the prior written approval of the Chief Finance Officer before introducing or changing significantly the form or method of existing accounting systems and procedures, financial records, or statement (see below).
- Complete and pass to the Chief Finance Officer financial returns and other financial reports requiring certification.
- Keep a proper and effective separation of duties for staff with financial responsibilities.

NOTE: Approval procedure for changes to financial systems: Prior approval is to be requested from the Chief Finance Officer in writing. The request must give details of the proposed change and the anticipated benefit from the change, an estimate of the costs involved and the proposed implementation date. Internal Audit advice should be sought for all proposed changes at as early a stage as possible.

7 Internal Audit

The Authority has responsibility for all matters of financial significance including the review of matters arising from audit, both internal and external. The Audit and Standards Committee is responsible for overseeing issues relating to financial probity. Reference should also be made to the Anti-Fraud and Corruption Policy.

7.1 Internal Audit is required to provide an objective audit service in line with the Public Sector Internal Audit Standard and other professional auditing standards. To this end, Internal Audit will have no executive functions that might compromise its objectivity, and the Chief Internal Auditor of the lead constituent council providing the internal audit service shall have direct access to, and the freedom to report to Members and all senior management including the Chief Finance Officer, the Head of Paid Service and the Monitoring Officer to the Authority.

7.2 The Chief Finance Officer shall:

- Maintain an adequate and effective system of internal audit of the accounting records and control systems of the Authority.
- Advise the Authority of material issues of financial control and report to Audit and Standards Committee on the adequacy of the systems of internal control:
- Where evidence of fraud, misappropriation or theft is discovered, decide after consultation with the relevant Delegated Officers(s) and the Monitoring Officer, whether to refer the matter to the Police.

7.3 The Chief Finance Officer or his or her representatives is authorised to:

- Visit any establishment of the Authority.
- Have immediate access to all records and documents.
- Require the immediate production of cash, stores or any other property owned or held by the Authority.
- Require and receive promptly full and accurate explanations to any points requested.

7.4 Each Delegated Officer shall:

- Ensure that all reasonable assistance and co-operation is given to internal auditors.

- Respond fully without undue delay to any enquiries or recommendations made by the Chief Finance Officer.
- Inform the Chief Finance Officer, as soon as possible, of failures of financial control, including matters that involve, or may involve, financial irregularity.

The Chief Finance Officer and each Delegated Officer jointly shall investigate failures of financial control, including matters that involve, or may involve, financial irregularity.

8 Procurement and Contracts

- 8.1 The Commissioning and Procurement Rules for the Authority for the following exercises shall apply and be followed whenever the Authority wishes to arrange for:
- a) The purchase of goods, materials, and related services (that is, services which are integral to the provision of those goods or materials, such as installation, servicing, maintenance etc).
 - b) The execution of works; or
 - c) The provision of other services (including consultancy).
- 8.2 The Commissioning and Procurement Rules of the Authority are part of this Financial Regulation 8 and failure to comply with them shall amount to a breach of financial regulations.
- 8.3 In addition to the specific provisions of the Commissioning and Procurement Rules, any procurement of goods, materials, works or services shall have regard to and seek to implement the following general principles:
- a) The need to ensure the Authority and those within its area obtain good value for money and are properly protected as consumers of the goods, works or services.
 - b) The need to ensure and demonstrate true and fair competition, without unlawful discrimination.
 - c) The need to ensure the procurement process is transparent and accountable and susceptible to full audit.
 - d) The need to ensure the elimination of any opportunities for fraud or corruption.

9 Financial Controls

- 9.1 As required by Financial Regulation 1.7 the Delegated Officers are, for the areas under their control, responsible for ensuring that the arrangements, guidelines, and procedures for the proper administration of financial affairs are operated in accordance with the appropriate Financial Regulations.
- 9.2 Delegated Officers are required to ensure that the controls as listed in Financial Procedure Notes issued from time to time are present, although these officers may,

except where explicitly stated otherwise, determine the detail of the controls to meet service circumstances.

9.3 The Financial Procedure Notes issued under this regulation by the Chief Finance Officer are:

- FPN1 Orders for work, goods, and services
- FPN2 Income
- FPN3 Payment for works, goods and services.
- FPN4 Security and control of assets
- FPN5 Insurance
- FPN6 Staffing and payroll.
- FPN7 Reimbursement of expenses and payment of allowances
- FPN8 Banking arrangements and cheques
- FPN 9 Investments and borrowing.
- FPN10 Information technology and data protection
- FPN11 Commitment of Capital Expenditure
- FPN12 External Arrangements

9.4 Further Financial Procedure notes, or amendments, may be made from time to time by the Chief Finance Officer.

9.5 Further advice on all areas of financial control is available from the Chief Finance Officer who may issue detailed guidance notes on specific controls, as necessary. These will be referred to as Financial Best Practice Notes.

Financial Procedure Note 1 – Orders for Work, Goods and Services

a) Objective

To ensure that work, goods, and services are only ordered for the purposes of the Authority's business and that the resulting expenditure is within budget and complies with the statutory duty of achieving best value in part through economy and efficiency.

b) Application

This Financial Procedure applies in relation to the Direct Services of the Authority and is mandatory for all officers.

c) General

Every officer and Member of the Authority has a responsibility to declare any links, relationships or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Authority, in accordance with the requirements of section 117 of the Local Government Act 1972 and the Authority's own code of conduct.

Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of Authority contracts. Staff involved in ordering or otherwise committing expenditure must ensure that there is budgetary provision before an order is placed, and that standing orders with respect to contracts are complied with.

d) Control Checklist

To achieve the above objective, systems should be present to ensure that:

- There is adequate budget provision before committing expenditure.
- Any necessary Authority approvals have been obtained.
- Purchases are in accordance with the Financial Regulation 8.
- That all order documentation used meets the requirements of Financial Regulation 8.

Note: Official Authority orders must:

- Be headed 'NECA' on behalf of the North East Mayoral Combined Authority.
- State 'Official Order.'
- Be numbered.
- Include the name and address of the ordering section, and delivery address if different.

- Show the cost code to be charged.
- Be signed by, and state post of an authorised officer; in accordance with the Financial system in use and delegation embedded in that system.
- Include the information required in Financial Regulation 8, including the Procurement Procedure Rules.

Orders must be approved by staff with proper authorisation (in line with the scheme of delegations at Part 2.7 of this Constitution).

e) Comments

Staff authorised to order work, goods and services must ensure that they are aware of any necessary authorisations required and of the Authority's Purchasing Policy.

The Purchase Order System adopted by the Authority must be used whenever possible as it facilitates compliance with the above requirements and collects data to support development of the Purchasing Policy.

Financial Procedure Note 2 – Income

a) Objective

To ensure that all income due to the Authority is promptly collected, banked, and properly accounted for. It is preferable to obtain income in advance of supplying goods or services as this improves the Authority's cashflow and avoids the time and cost of administering debts.

b) Application

This Financial Procedure applies in relation to the Direct Services of the Authority and is mandatory for all officers.

c) Control Checklist

To achieve the above objective, systems should be present to ensure that:

- Budgeted income is fully and promptly collected.
- The Chief Finance Officer is promptly informed of all new sources of income, the sums anticipated and collection arrangements.
- The advice of the Chief Finance Officer is sought prior to the signing of agreements which provide for variable income.
- The basis and level of fees and charges are regularly reviewed.
- Income is collected in advance of service, or where not possible, by official invoice.
- Money received is acknowledged by the issue of an official receipt, ticket, or voucher. (See (d) below.).
- The transfer of official money between staff is evidenced.
- Income collected is banked promptly (if not via bacs transfer) and held securely prior to banking.
- Money held awaiting banking is insured against theft;
- Money banked is credited to the correct financial account and compared to budget estimate.
- Arrangements for payment by instalment are authorised in advance by the Chief Finance Officer.
- Prior authorisation is obtained to the write-off of uncollectible income by the Chief Finance Officer.
- The Chief Finance Officer must approve claims requiring certification in the name of

the Chief Financial Officer.

d) Special requirements

Personal cheques must not be cashed out of money held on behalf of the Authority.

Financial Procedure Note 3 – Payment for Works, Goods and Services

1. Objective

To ensure that payments are made only for works, goods or services received by the Authority and has been certified as such.

2. Application

This Financial Procedure applies in relation to the Direct Services of the Authority and is mandatory for all officers.

3. Control Checklist

To achieve the above objective systems should be present to ensure that:

1. Pre-payment checks are undertaken to ensure that:

- The goods have been received and examined, meet the required specification and work done or services rendered have been satisfactorily carried out.
- The invoice is in accordance with the contract or order, is arithmetically correct, and has due discounts deducted.
- The payment has not previously been made.
- The payment is authorised.

2. The method of payment is appropriate.

- By use of the corporate creditors system for payment by BACS).
- By some other means as agreed with the Chief Finance Officer.

3. Payment is timely.

- To meet supplier/contractor terms of trade and legislative requirements.
- Justification is provided if urgent payment is required.

4. Transactions are properly accounted for, including:

- proper use of financial codes.
- compliance with HM Revenue and Customs regulations.
- The maintenance of a Register of Contracts by the Chief Finance Officer.

d) **Special Requirements - Advance Payments**

No commitments shall be entered into for goods, work, or services for which the supplier or contractor requires payment in advance until the Delegated Officer has confirmed the financial standing of the payee with the Chief Finance Officer.

Financial Procedure Note 4 – Security and Control of Assets

a) Objective

To ensure the proper use and safeguarding of assets owned by the Authority or for which the Authority has responsibility.

b) Application

This Financial Procedure applies in relation to the Direct Services of the Authority and is mandatory for all officers.

c) Control Checklist

To achieve the above objective systems should be present to ensure that:

- Proper security is maintained at all times.
- Assets are recorded and accounted for.
- The use of assets is restricted to authorised Authority business.
- Surplus assets, except land and buildings, are disposed of in accordance with procedures agreed with the Purchasing Manager of the constituent council identified by the Head of Paid Service as being responsible.

In addition, the following controls apply to land and buildings:

- The Head of Property Services of the constituent council identified by the Head of Paid Service as being responsible for such land and buildings has overall responsibility for advising on land issues.
- The disposal of land and buildings will be carried out under any scheme of delegations or protocol agreed by the Cabinet or otherwise with the express approval of the Cabinet.
- A detailed record of all land and property owned by the Authority shall be maintained by the Head of Property Services of the constituent council identified by the Head of Paid Service as being responsible for such land and buildings.
- The Monitoring Officer shall have custody of all title deeds and be responsible for their security.
- Entry should not be allowed into property of the Authority without the signing of formal documentation. (If a situation should arise where early entry in connection with a major transaction is required, the Head of Property Services of the constituent council identified by the Head of Paid Service as being responsible for such land and buildings will have delegated authority to agree this as appropriate.

d) Comment

This financial procedure note applies to all assets, including stocks, stores equipment and vehicles (with either an individual value of £500 or more or a collective value of £2,000 or more) and all cash, land, and buildings, which are owned by, or are in the possession of the Authority and for which the Authority is responsible. The form and content of the record is for local decision following consultation with the Chief Finance Officer but must be sufficient to allow verification and to support Balance Sheet entries.

Financial Procedure Note 5 – Insurance

a) Objective

To ensure that the Authority manages all potential insurable risks and liabilities with the authority for arranging insurance cover limited to the Chief Finance Officer.

b) Application

This Financial Procedure applies in relation to the Direct Services of the Authority and is mandatory for all officers.

c) Control Checklist

To achieve the above objective, systems should be present to ensure that:

- New risks and any alterations to existing risks are reported to the Chief Finance Officer immediately.
- Authority risks are reviewed annually in accordance with the timetable issued by the Chief Finance Officer.
- Claims are reported in accordance with the guidelines issued by the constituent council identified by the Head of Paid Service as being responsible for insurance and supporting information is provided within required timescales.
- Policy requirements and warranties, notified by the constituent council identified by the Head of Paid Service as being responsible for insurance, are complied with at all times.
- Insurers' loss control requirements are responded to within the relevant timescales.

d) Comment

Each Delegated Officer is responsible for identifying, assessing, and reporting risks to the Chief Finance Officer.

The Chief Finance Officer is responsible for arranging all insurance cover and for ensuring the annual review of insurance cover.

Financial Procedure Note 6 – Staffing and Payroll

a) Objective

To ensure that staff are appointed in accordance with the Authority's Code of Practice on Recruitment and Selection, are paid in accordance with their Contract of Employment and to ensure leavers are removed from the payroll.

b) Application

This Financial Procedure applies in relation to the Direct Services of the Authority and is mandatory for all officers.

c) Control Checklist

To achieve the above objective, systems should be present to ensure that:

- The Policy on Recruitment and Selection is observed in the appointment of staff.
- Amendments to the payroll – including appointments, resignations, and changes to Contracts of Employment - are notified to the Head of Service of the relevant constituent council with which the lead SLA for payroll lies in accordance with payroll deadlines and in the form specified.
- Details of salary and wage amounts to be paid are provided in a form and to a timetable determined by the Chief Finance Officer.
- Uncollected payments are promptly returned to the Authority that made the payment.
- Regular checks of staff paid and charged to the financial accounts is undertaken.

Financial Procedure Note 7 – Reimbursement of Expenses and Payment of Allowances

a) Objective

To ensure that the reimbursement of allowances and expenses to staff and members is in accordance with the appropriate agreements and legislation.

b) Application

This Financial Procedure applies in relation to the Direct Services of the Authority and is mandatory for all officers.

c) Control Checklist

To achieve the above objective systems should be present to ensure that:

- Claims are submitted within one calendar month of the expense being incurred and include sufficient information to allow verification.
- Allowances and expenses are as approved for payment to Authority staff.
- Payment is made in accordance with procedures determined by the Chief Finance Officer.

Members

- Claims are submitted within one calendar month of the expense being incurred and include sufficient information to allow verification.
- Allowances for independent members and expenses are as approved for payment to Authority members.
- Payment is made in accordance with procedures determined by the Chief Finance Officer.

d) Comment

Care must be taken to ensure that all payments to individuals, including additional payments to Officers, meet the requirements of the Inland Revenue.

Expenses claims should be supported by receipts whenever possible.

Financial Procedure Note 8 – Banking Arrangement and Cheques

a) Objective

To ensure sound banking and payment arrangements, by limiting responsibility to the Chief Finance Officer.

b) Application

This Financial Procedure applies in relation to the Direct Services of the Authority and is mandatory for all officers.

c) Control Checklist

To achieve the above objective, systems should be present to ensure that:

- No bank account, or similar, is to be opened except with the authority of the Chief Finance Officer.
- The maintenance of Authority bank accounts is in accordance with arrangements determined by the Chief Finance Officer.
- Cheques shall be ordered only on the authority of the Chief Finance Officer and controlled securely prior to use.
- The approval of the Chief Finance Officer is obtained to any proposal to enter a credit agreement.

Financial Procedure Note 9 – Investments and Borrowing

a) Objective

To limit the authority for managing the Authority's Investments and Borrowing to the Chief Finance Officer and to ensure those activities in this area are properly regulated.

b) Application

This Financial Procedure applies in relation to the Direct Services of the Authority and is mandatory for all officers.

c) Control Checklist

To achieve the above objective, systems should be present to ensure that:

- No investment or borrowing transaction is undertaken except with the prior written authority of the Chief Finance Officer.
- Authority bank accounts do not become overdrawn.
- The Chief Finance Officer shall ensure that:
 1. The Authority will create and maintain, as the cornerstones for effective treasury management:
 - a) a treasury management policy statement, stating the policies, objectives, and approach to risk management of its treasury management activities.
 - b) suitable treasury management practices (TMPs), setting out the way the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
 2. The content of the policy and the TMPs will follow the recommendations contained in Section 6 and 7 of the Prudential Code, subject only to amendment where necessary to reflect the circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code's key principles.
 3. The Cabinet will receive reports on treasury management policies, practices, and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
 4. The Authority delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Audit and Standards Committee, and for the execution and administration of treasury management decisions to the Chief Finance Officer, who will act in accordance with the Authority's policy statement and TMPs and if that officer is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

5. The Authority is responsible for ensuring effective scrutiny of the treasury management strategy and policies.
- All investments and borrowing are made by the Chief Finance Officer and are in the name of the North East Mayoral Combined Authority
 - All securities are held by the Chief Finance Officer.
 - The Chief Finance Officer is the Authority's Registrar of Stocks, Bonds and Mortgages.
 - Investments held at the end of each financial year are reported to Cabinet by the Chief Finance Officer as soon as possible after 31 March.
 - All Treasury Management activities are conducted in line with the relevant CIPFA Code of Practice for Treasury Management in Local Authorities; and
 - There is an adequate division of duties between arranging and settling of transactions.

Any exceptions to the above can only be authorised by the Authority.

Financial Procedure Note 10 - Information Technology and Data Protection

a) Objective

To ensure the orderly and secure development of information technology and the proper control of information held.

b) Application

This Financial Procedure applies in relation to the Direct Services of the Authority and is mandatory for all officers.

c) Control

Checklist to achieve the above objective, systems should be present to ensure that:

- Investment in IT complies with the Authority's IT and Information Security strategies and policies.
- All IT purchases:
 - i) Comply with the Authority's corporate standards and guidelines (including the IT procurement guidelines) unless there are sound reasons to do otherwise.
 - ii) Have necessary capital approvals in place.
 - iii) Are included on a Authority-wide register of IT assets.
- The use of IT and the control of information held are subject to the IT security policy of the constituent council designated by the Head of Paid Service as being responsible for IT.

Financial Procedure Note 11 – Commitment of Capital Expenditure

- a) The Authority has an Investment Programme that will include both revenue and capital expenditure. The resulting programme of Capital Expenditure is approved by the Cabinet and is updated regularly to reflect changes in the cost and phasing of schemes and the addition of new schemes in accordance with the Single Assurance Framework.
- b) Inclusion of a capital scheme in the Investment Programme gives the authority to begin procurement and contract procedures subject to the limitations below.
- c) For schemes included in the Programme for commencement in the first financial year (i.e., current financial year) Delegated Officers have the authority to progress a scheme up to and including contract signature subject to:
 - The Corporate Procurement Strategy of the Authority or (if no such Strategy has been adopted) the constituent council identified by the Head of Paid Service as being responsible for procurement.
 - Full compliance with the provisions of Financial Regulation 8 on tenders and quotations.
 - Tender costs not exceeding the Programme provision by more than 5% or £50,000, whichever is the lower, provided the source of funding for the additional cost has been identified.
 - Completion of a tender summary report in the form prescribed by the Chief Finance Officer.
 - Certification by the Chief Finance Officer of the tender summary report.

Schemes not meeting these conditions, or where:

- it is proposed to accept other than the lowest tender (where price is the determining criteria), or
- the Cabinet has directed its approval is required.

must be reported to the Cabinet for approval to proceed to contract Signature.

- d) Financial Regulation 8 covers contract signature requirements.
- e) For schemes included in the Programme for commencement in any subsequent financial year, Delegated Officers have authority to prepare plans and conduct other preliminary work during the first financial year up to a maximum of £50,000.
- f) Proposals to incur preliminary expenditure or commitments above £50,000 must be approved by the Chief Finance Officer and must be recorded by the Chief Finance Officer as a delegated decision.

Note: This authority for preliminary expenditure only applies to schemes in the programme. Confirmation of scheme approval must be sought at the earliest opportunity if significant changes, either in objective, estimated cost, or phasing, are proposed.

- g)** Once commenced, Delegated Officers have approval to incur:
- Additional expenditure arising from the operation of a 'fluctuation of price' clause.
 - Increased costs not exceeding 5% of the contract value or £50,000 whichever is the lower.

Subject to the increased amount being reported for inclusion in the Capital Monitoring Progress Reports to the Cabinet (where deemed significant by the Chief Finance Officer) and inclusion in the Capital Programme at the earliest opportunity.

Financial Procedure Rules 12: External Arrangements

PARTNERSHIPS

Partnerships are likely to play a key role in delivering the Authority's vision and commitments. The Authority does not directly deliver services, but their distinctive leadership role is to bring together the contributions of the various stakeholders. They therefore need to deliver a shared vision.

The Authority will mobilise investment, bid for funds, champion the needs of the area, and harness the energies of local people and community organisations, alongside other public sector agencies and the Business Community. The Authority will be measured by what they achieve in partnership with others.

The main reasons for entering into a partnership are:

- (a) the desire to find new ways to share risk
- (b) the ability to access new resources
- (c) to provide new and better ways of delivering services
- (d) to forge new relationships
- (e) to provide value for money to the taxpayer.

A partner is defined as either:

- (a) an organisation (private or public) undertaking, part funding or participating as a beneficiary in a project, or
- (b) a body whose nature or status give it a right or obligation to support the project.

Partners participate in projects by:

- (a) acting as a project deliverer or sponsor, solely or in concert with others
- (b) acting as a project funder or part funder
- (c) being the beneficiary group of the activity undertaken in a project.
- (d) to contributing their expertise and knowledge to support the Authority to delivery the Cabinet's Vision and Statements for the benefit of the region

Partners have common responsibilities:

- (a) to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation
- (b) to always act in good faith and in the best interests of the partnership's aims and objectives

- (c) be open about any conflict of interests that might arise
- (d) to encourage joint working and promote the sharing of information, resources, and skills between public, private and community sectors
- (e) to hold confidentially any information received because of partnership activities or duties that is of a confidential or commercially sensitive nature
- (f) to act wherever possible as ambassadors for the project
- (g) to ensure that partnership arrangements are not ultra vires.

The key controls for Authority partners are:

- (a) if appropriate, to be aware of their responsibilities under the Authority's Financial Regulations and the code of practice on tenders and contracts
- (b) to ensure that risk management processes are in place to identify and assess all known risks
- (c) to ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise
- (d) to agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences
- (e) to communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.

Responsibilities of the Chief Finance Officer

- a) To advise on effective controls that will ensure that resources are not wasted.
- (b) To advise on the key elements of funding a project. They include:
 - a scheme appraisal for financial viability in both the current and future years
 - risk appraisal and management
 - resourcing, including taxation issues
 - audit, security, and control requirements
 - carry-forward arrangements.
 - to ensure that the accounting arrangements are satisfactory.

Responsibilities of Chief Officers

- a) To maintain a register of all contracts entered with external bodies in accordance with procedures specified by the Chief Finance Officer.
- b) To ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared for the Chief Finance Officer.
- c) To ensure that all agreements and arrangements are properly documented, legally binding, and that rights of access to information, records and personnel are secured for internal audit. Advice should be sought in advance from the Monitoring Officer and the Chief Finance Officer regarding the form of partnership agreement and the correct Authority signatories to / procedures for such an agreement.

- d) To ensure the legality of partnership arrangements before entering them.
- e) To ensure that where the entering into a partnership requires a financial commitment from the Authority, either immediate or potential, for which budget provision is not available, or where the acceptance of external funding would lead to a financial commitment beyond the current year, the Chief Officer in conjunction with the Chief Finance Officer shall provide a written report to Cabinet giving a full appraisal of the financial implications for the Authority of the scheme both in the current year and beyond in accordance with the Single Assurance Framework . The approval of the Cabinet must be secured before the Chief Officer commits the Authority to any partnership agreement in these circumstances, after taking advice from the head of legal services.
- f) To be responsible and accountable for financial monitoring and evaluation of performance of each partnership entered by the Chief Officer's applicant service.

EXTERNAL FUNDING

External funding is the main income for the Authority, and all funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Authority.

Key controls for external funding are:

- (a) to ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.
- (b) to ensure that funds are acquired only to meet the priorities approved in the policy framework by Cabinet and in line with the Investment framework.
- (c) to ensure that any match-funding requirements are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements.

Responsibilities of the Chief Finance Officer

- a) To ensure that all funding notified by external bodies is received and properly recorded in the Authority's accounts.
- b) To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.
- c) To ensure that audit requirements are met. Responsibilities of Chief Officers

Responsibilities of Chief Officers

- a) To ensure that all claims for funds are made by the due date and signed by the appropriate signatory.
- b) To ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded.

- c) To nominate a named responsible senior officer to be accountable for the performance and financial monitoring of each project in accordance with the Assurance Framework.
- d) To ensure that written approval is obtained from the funder which clearly shows the approved allocation, the purpose of the grant and the financial period to which it relates.
- e) To ensure that project named responsible officers check, prior to submission of a grant claim, that all expenditure declared is eligible in accordance with the relevant funder's criteria. Should there be any uncertainty as to the purpose of such funding,
- f) To ensure that any guidance issued by the Chief Finance Officer on receipt of funds from a third party (i.e., matched funding) in grant submission is adhered to.
- g) To ensure that grant claim working papers are maintained in a form agreed by the Chief Finance Officer.
- h) To ensure that the way external funding is managed is in accordance with Authority policy and instructions, standing orders with respect to contracts, and Financial Regulations in addition to the funder's own requirements.
- i) To ensure that all contracts are properly documented:
- j) To ensure that where the use of external funding for projects requires a financial commitment from the Authority for which budget provision is not available, or where the acceptance of external funding would lead to a financial commitment beyond the current year, the Chief Officer in conjunction with the Chief Finance Officer shall provide a written report to Cabinet giving a full appraisal of the financial implications for the Authority of the scheme both in the current year and beyond. This will be in accordance with the Single Assurance Framework. The approval of the Cabinet must be secured before the Chief Officer commits the Authority to any agreement. Where external funding is secured for a limited time period, any operational arrangements put in place must not assume the fall-out of grant will be funded through NECA core funding.
- k) To ensure that where additional financial support is to be sought from other agencies, this is subject to the proper decision-making processes of the Authority, as set out in the budget and policy framework, to ensure that there is a clear understanding of the action to be taken and clear lines of responsibility and accountability.

Process for bidding for external funds – depending on project value		
Stage	External funding for new projects up to £1m Gross Expenditure	External Funding for Projects over £1m Gross Expenditure
ONE – Submission of application/expression of interest	Approval by Chief Executive/Director of Service, a senior Client Finance Officer, and relevant Cabinet Member assuming no legal,	Approval by Chief Executive, Director of Service, a senior Client Finance Officer, and relevant Cabinet Member assuming no legal,

	environmental, or financial implications	environmental, or financial implications. Any proposal with financial or other implications to be submitted to Cabinet for approval to submit.
TWO – Acceptance of offer of funding	Approval by relevant Chief Officer and Chief Finance Officer	Approval by Chief Finance Officer and Cabinet
Note Grant funding accepted be reported to Cabinet as part of the quarterly financial management report to Cabinet		

Part 4.1 - Commissioning and Procurement Procedure Rules

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Chapter 1 – Introduction, Scope of Rules, and Preliminary Requirements

1A Introduction

- 1.1 The procurement of goods and related services, works and other services must satisfy many different requirements: -
- 1.1.1 The need to demonstrate true and fair competition without unlawful discrimination.
 - 1.1.2 Best value - competition is seen as tending to promote value for money and to discourage price fixing and monopoly supply.
 - 1.1.3 'Consumer protection' - the Authority and its citizens are the consumers whose interests must be protected often over very many years. The form of the eventual contract is crucial, as is the process of selecting who may tender.
 - 1.1.4 Legislation - a wide variety of UK and European Union statutes, directives and regulations apply in particular circumstances.
 - 1.1.5 The elimination of opportunities for fraud and corruption - so the process must be visible and tightly controlled; and
 - 1.1.7 the Authority's Financial Regulations of which these *Rules* are part, including in particular Financial Regulation 4 which deals with the Authority's Procedure for the Commitment of Capital Expenditure.
- 1.2 The result is that the Authority must procure goods, works and services using a very strict set of rules, contained in these *Rules*, which define what can be done, how and by whom. It will not always be possible for the Authority to act in the same way that a private individual or company can because it is subject to specific legal requirements, and it is spending public money.
- 1.3 Terms in italics used in these *Rules* are defined at Chapter 12A. Appendix 1 gives guidance by way of a flowchart on undertaking a commissioning and procurement exercise in accordance with these *Rules*. Appendix 2 gives a general overview of relevant procurement routes by reference to financial thresholds, as well as reference to guidance on documentation and audit requirements.

1B Scope of Rules

- 1.4 These *Rules* apply to **all** proposed *Contracts* for the purchase of: -
- 1.4.1 **Goods and related Services** (that is, services which are integral to the provision of those goods or materials, such as installation, servicing, maintenance etc.).
 - 1.4.2 The execution of **Works**; and
 - 1.4.3 The provision of other **Services** (including consultancy and other external professional services),

EXCEPT ONLY FOR any proposed *Contract* falling within paragraphs (a) or (b) below:

(a) Contracts less than £25,000 where no existing procurement arrangements are in place

For any proposed *Contract* with an estimated value of less than £25,000, *Officers* MUST check to see if there are any existing Authority contracts in place. If so, then the existing *Contract* MUST be used. If not, then follow the guidance below. An *Order* can be placed provided the following conditions are met:

- i) The *Officer* is satisfied that they have obtained value for money, which will usually be achieved by obtaining at least three competitive *Quotations* (either oral or written) from firms registered with *Constructionline* unless the *Officer* considers it is inappropriate in the circumstances to do so; and
- ii) Any oral *Quotation* which is to be selected must first be confirmed in writing by the person providing it; and
- iii) A written record is kept of all *Quotations* received and (if applicable) any reasons why it was considered appropriate to seek less than three *Quotations*; and
- iv) Rules for procuring and paying for services in the financial system are adhered to, (see separate handbook) *P2P financial system financial system*; and
- v) Chapter 1 of these *Rules* is also complied with.

(b) Certain Contracts with Statutory Undertakers

For any proposed *Contract* with a statutory undertaker where the Authority is obliged by statute or other legal provision to use only that statutory undertaker then these *Rules*, except for Chapters 8 and 9, shall not apply PROVIDED THAT the *Officer* shall seek to negotiate such terms and conditions as are in the best interests of the Authority so far as they are reasonably able, and has any discretion, to do so having regard to the legal provision and the policies of the statutory undertaker.

1.5 Any part of these *Rules* can only be waived in the circumstances set out under Financial Regulation parts 3: Incurring and Controlling Revenue Spending and Income, and 8: Procurement and Contracts, i.e. with the prior written agreement of the *Chief Finance Officer* in cases of urgency or where they consider it is in the interests of the Authority to do so. Any request to the *Chief Finance Officer* to waive these *Rules* must be accompanied by the written comments of the *Relevant Chief Officer*.

1.6 For the avoidance of doubt, these *Rules* also apply, and must be followed:

1.6.1 Where it is proposed that the execution of works, or provision of services should be undertaken by an in-house provider (i.e., employees of the Authority rather than an external firm) but only in those cases where the works or services are required to be subject to competition by direction of the Authority or any legal requirement; or

1.6.2 Where it is proposed to employ a sub-contractor for the supply of goods, the execution of works or the provision of services which the Authority is itself providing as the principal provider.

- 1.7 A full written record (which may include e-mail messages) must be kept of all actions taken in respect of procurement and contracts including any consultation required by these Rules. Officers are directed to PPR 6.1 (the obligation that there must be a proper decision made under Part 3 of the Authority's Constitution before entering into a Contract).

Appointment of Agency Staff, Consultants, Professional Advisory and Training Services

- 1.8 The appointment of Agency Staff, Consultants, Professional Advisory and Training Services is subject to the full requirements of these Rules as for any other Contract, but Officers must additionally comply with the requirements set out within Guidance Appendix 3.

Compliance with these Rules by Third Parties

- 1.9 Any person engaged by the Authority to award or supervise a Contract on its behalf must: -
- 1.9.1 Comply with these Rules as if he or she were an employee of the Authority; and
 - 1.9.2 Provide to nominated Authority employees all information and records requested in relation to the award and supervision of the Contract.
- 1.10 Any such person's contract of engagement must include terms binding them in this regard.

1C Reference to the Procure to Pay process and Relevant Chief Officer

- 1.11 (a) Prior to commencing a commissioning and procurement process (of whatever value), the Officer must determine with the Procurement Service whether a suitable Contract or Framework Agreement exists. If so, the Officer must use that Contract or Framework Agreement and proceed with the procurement in line with the terms of the Contract or Agreement. In that event, the procurement processes set out in Chapters 2 and 3 of these Rules will not apply.
- 1.11 (b) If no suitable Contract or Framework Agreement is revealed the Officer will consult with the external Procurement Commissioners to ascertain whether any other suitable Contract or Framework Agreement exists elsewhere. To do this, email the Procurement Gateway mailbox to seek advice. Officers will act on the advice of the Commissioners supplemented as necessary by advice from the Legal Services Procurement Team, on whether the Contract or Framework Agreement should be used and, if so, how. Again, if such a Contract or Agreement is used, Chapters 2 and 3 of these Rules will not apply.
- 1.12 If a suitable Contract or Framework Agreement does not exist and the estimated value of the Contract is £25,000 or more, the Officer must submit a Project Request Form (Guidance Appendix 8) in electronic form to the external Procurement Commissioners via the Procurement Gateway mailbox, who will provide advice as to the most appropriate means of proceeding with the commissioning and procurement process. Officers must follow the advice of the Commissioners and must not proceed with the commissioning and procurement process until they are in receipt of a reply to their Project Request Form. The

Commissioners will assign the project request to an appropriate member of staff to support the Officer through the commissioning and procurement process. Consideration will be given by the Commissioners at this point as to whether any other suitable Contract or Framework Agreement exists.

1D Estimating Contract Values

- 1.13 The value of the proposed Project/Contract must be estimated before undertaking a commissioning and procurement exercise as this will determine which rules apply. The value of a Contract is the estimated consideration to be paid over its full term and not simply the estimated annual expenditure. This will generally be financial expenditure but may include other elements such as the value of land being disposed of.
- 1.14 For the purposes of these Rules, amounts quoted are gross values (i.e., total estimated cost to the Authority before deduction of grants and contributions), for the full period of a Contract and all exclude VAT and other taxes.
- 1.15 Contracts of a similar nature must not be artificially split into different parts to avoid the application of the £25,000 (or any other) minimum threshold of these Rules or the applicable UK Threshold. At the same time, Contracts of a recurring or similar nature must be joined together into one Contract and valued accordingly. If there is any doubt as to whether Contracts must be aggregated, advice from the Legal Services Procurement Team must be sought and followed.
- 1.16 Before undertaking a commissioning and procurement exercise, the Officer must consider whether a subsequent Contract (such as, for instance, future phases in a works programme where only the initial phase is the subject of the immediate procurement) may be awarded to the successful firm by negotiation under Chapter 3E of these Rules, and without further competition, in the event of the successful firm completing the initial phase satisfactorily. If this is the case:
- (a) The initial *Contract* must be valued by taking into account the estimated value of any such future phase or phases; and
 - (b) It must be made clear in the public notice or advertisement under PPR 2.1.6 or 2.3 (if one is issued) and the accompanying documentation under PPR 3.15 or 3.19 that any such subsequent *Contract* may be awarded to the successful firm by negotiation.

In any event, any award of any such subsequent *Contract* can **only** be made if the conditions and procedures set out in Chapter 3E of these Rules are met and followed. An *Officer* cannot award a *Contract* to a firm relying solely on the fact that the firm was previously awarded a similar *Contract* following a competitive process.

1E Grant Funding

- 1.17 Where a *Contract* is to be awarded which is part or wholly funded by either internal or external grant funding, it is possible that further conditions may have been placed on the manner of expenditure of such monies (for example by the grant paying body). In this event, *Officers must* ensure that they are aware of all such conditions and comply with them as well as the requirements of these *Rules*.

1F Monitoring

- 1.18 Where any Officer of the Authority becomes aware of any breach of these Rules, they must notify as soon as reasonably practicable his or her line manager or supervisor who shall record and investigate that referral and take appropriate action in relation to it and notify the Monitoring Officer and the Chief Internal Auditor of the outcome. Where any Officer considers that a serious or persistent breach has occurred, this must be reported immediately to the Monitoring Officer and the Chief Internal Auditor.
- 1.19 Where any Member becomes aware of any breach of these Rules, they must report this to the Monitoring Officer and the Chief Internal Auditor.
- 1.20 The Chief Internal Auditor and the Monitoring Officer shall report annually to the Audit Committee upon the operation of these rules generally and, in particular, whether they are being adhered to.
- 1.21 Failure by any Officer of the Authority to observe these Rules, which are part of the Authority's financial regulations, may leave the Officer open to action under the Authority's disciplinary procedures. Any Officer, when planning a commissioning and procurement exercise, must take into account the need to comply with these Rules and the timescales which compliance with them may involve.

1G Record Keeping

- 1.22 Any written records relating to a commissioning and procurement exercise, whether kept under these Rules or otherwise, should be retained for a period of at least six years from the expiry of the Contract. Such records may, so far as they relate to unsuccessful quotations or tenders, may be microfilmed or electronically scanned or stored by some other suitable method after 12 months from the award of the contract, provided there is no dispute about the award.
Any external funder, may impose different requirements in this respect and this should be checked if any such funding is being provided.

1H External Bodies

- 1.23 Any External Body shall be required to comply with these Rules (or alternatively, any other written procurement rules adopted by that body which have been approved by the Chief Finance Officer whenever the External Body undertakes a commissioning and procurement exercise for the purchase of goods, works or services in any of the following circumstances:
- (a) Where the External Body is undertaking the commissioning and procurement exercise on behalf of the Authority as its agent; or
 - (b) Where the commissioning and procurement exercise is being undertaken by the External Body on its own behalf, or for some third party, but is being funded by financial assistance from the Authority and it is a condition of that assistance that this Rule shall apply; or
 - (c) Where the Authority is the "accountable body" for the External Body; or

- (d) Where the External Body is a company under the control of the Authority within the meaning of the section 68 Local Government and Housing Act 1989.

- 1.24 Provided only that where the External Body is either another local authority or the North East Procurement Organisation (NEPO) undertaking the commissioning and procurement exercise as the agreed 'lead authority' on behalf of the Authority and any other parties, the financial regulations and procurement rules of that other local authority or the regional procurement protocols of the regional procurement Shared Service Agreement may be relied on although the Officer shall nevertheless seek to be assured that the commissioning and procurement exercise is carried out in accordance with the UK Public Procurement Rules, if they apply.

1I Employee Transfers

- 1.25 Where any proposed contract potentially affects any employee of the Authority by virtue of a possible transfer of the services provided by that employee, the Officer must ensure that the Transfer of Undertaking (Protection of Employment) (TUPE) issues are considered and obtain advice from the Legal Services before proceeding with the commissioning and procurement exercise.

1J Gateway

- 1.26 For the avoidance of doubt, the four Gateway stages as defined in Chapter 12A of these Rules must be followed in any commissioning and procurement exercise to which the Rules apply, unless it is specifically exempted from the requirements of any of those stages.

1K Strategic Planning and Commissioning for Social Value

- 1.27 In developing an understanding of each market area, we must consider a number of key factors, such as any policy context or legislative frameworks, needs analysis and profiling over time, capacity and assets, finances and funding, stakeholder views, market contexts and critically the outcomes and ambitions we are seeking to achieve. Securing Social Value is at the heart of this activity and helps to maximise the collective benefit to our communities and residents. Officers must consider Social Value at the outset of the commissioning and procurement exercise when designing services, incorporate Social Value requirements within the procurement process and monitor outcomes as part of the contract management phase.
- 1.28 Every commissioning exercise is unique, and we develop each process as we gather feedback from stakeholders. In this section we have described the phases and products that stakeholders can expect to see, in different combinations, in commissioning exercises that we carry out. The balance of activity in each phase varies depending on many factors, including the scale and scope of the expected changes, the complexity of the stakeholder group and available time. We will use the terminology in this section consistently, so that stakeholders understand what they can expect from our communications and events in each phase.
- 1.29 Joint commissioning: - is where we seek to work with a range of city partners, including other public sector commissioning organisations. By working together with other commissioners, we can identify opportunities for social and financial value and improved user experience. Joint commissioning does not necessarily equate to joint procurement; aligning procurement is only one of many ways that we can jointly commission, including:

- (a) developing arrangements for packages of service to individual people to be jointly designed, drawing from a range of macro commissioning arrangements.
- (b) aligning commissioning plans for the same or complementary requirements (for example, services within a single 'service system')
- (c) pooling funding for a particular requirement or service user group, from which either joint procurements or single organisation procurements may draw; and
- (d) agreeing a shared specification and running a single procurement process which one partner organisation oversees.

These steps may be used in various combinations as appropriate to the requirements.

- 1.30 There are two primary routes through which we initiate commissioning exercises: due to the ending of an existing contractual arrangement in the context of a continued need; and due to identification of a new requirement. Officers embarking on a commissioning phase must complete a Project Request Form (PRF) and send it to the Procurement Gateway mailbox to be allocated a Commissioning and Procurement Officer to support you through the commissioning and procurement process.

Chapter 2 - Selection of Firms and Risk Assessments

2A Selection of Firms to Participate in the Procurement Process

- 2.1 In relation to procurements **below** the applicable *UK Threshold*, i.e., of: -
- 2.1.1 Supplies and Services a total estimated value **including VAT** less than **£214,904**; or
 - 2.1.2 Works with a total estimated value **including VAT** of less than **£5,372,609.**, or
 - 2.1.3 **Light Touch Regime Service** with a total estimated **including VAT** of less than **£663,540**; or
 - 2.1.4 **Concessions, Works and Service** with a total estimated value **including VAT** of less than **£5,372,609**
- Firms may be selected to participate in the procurement process using one of the following methods: -
- 2.1.5 From a list of firms held by an approved *Central Purchasing Body* under an established *Framework Agreement*; or
 - 2.1.6 By public notice or advertisement (for instance, in a relevant trade journal or on the North East Purchasing Organisation website); or
 - 2.1.7 By any other means considered by the *Officer* to be in the best interests of the Authority, **provided that** this option shall only be used where it is not reasonably desirable in the interest of efficiency for any of the methods set out from PPR 2.1.5 to 2.1.6 to be used and the *Relevant Chief Officer* agrees in writing that this is the case.
- 2.2 In any event, a firm should not be selected to participate without the *Officer* first being reasonably satisfied that the firm is interested in doing the work and will submit a *Quotation* or *Tender UK* if asked for one and that the firm in general terms is capable of supplying the goods, executing the works or providing the services (as the case may be).
- 2.3 In relation to procurements **above** the applicable *UK Threshold*, i.e., of: -
- 2.3.1 **Goods, materials, and services**, with a total estimated value **inclusive of VAT** of **£214,904** or more; or
 - 2.3.2 **Works** with a total estimated value **inclusive of VAT** of **£5,372,609** or more; or
 - 2.3.3 **Concession, Works, and Services** with a total estimated value **Inclusive of VAT** of **£5,372,609 or more**, or
 - 2.3.4 **Light Touch Regime Service** with a total estimate value **inclusive of VAT** of **£663,540.**

The *UK Procurement Rules* will apply, and it will be necessary to publish a notice in the UK Contracts Finder Service.

- 2.4 Every *notice* must be approved by the *partner Procurement Team in NCC*. The *Commissioning and Procurement SLA Provider* will arrange for the *Notice* to be published on behalf of the *Officer*.

Note: A UK Contract Notice issued under the Open Procedure will satisfy the requirement under PPR 3.17 to seek at least 5 tenders

- 2.5 The partner *NCC Procurement Team* must be consulted for advice on whether the stated *UK Government Thresholds in 2.3 are still correct*.

2B Risk Assessments

- 2.6 For all *Contracts* of £214,904 or more, a written risk assessment of the selected firms must be carried out unless: -

2.6.1 The *Contract* is procured through a *Framework Agreement* established by a *Central Purchasing Body*; or

2.6.2 The *Relevant Chief Officer* has agreed to waive the need for a risk assessment, either in full or in part, under PPR 2.9 below; or

If a risk assessment is not carried out for contracts over £214,904 and the reasons set out in PPR 2.6.1 to 2.6.2 above, the *Contract* shall not be awarded unless

(a) At the date upon which the *Contract* is about to be awarded a satisfactory assessment of the financial standing of the successful firm has been done in the previous 12 months specifically by the *Chief Finance Officer*; and

(b) The *Officer* is satisfied, after consulting with the Authority's *Financial Risk and Insurance Manager* that the firm has in place adequate insurance arrangements for that *Contract*.

- 2.7 The risk assessment may be carried out as part of the commissioning and procurement process but must be completed prior to entering into a *Contract*.

- 2.8 This risk assessment must ensure that the Authority's minimum standards in relation to technical competence, health and safety, insurance arrangements, equality compliance, sustainability practice and financial standing are met. If, in any case, one or more of the minimum standards is not met, the firm may still be considered if the *Relevant Chief Officer* is satisfied (and confirms in writing) that this is in the best interests of the Authority and lawful¹ and that appropriate mitigation measures will be put in place. If a firm is to be excluded based on their risk assessment evaluation,

¹ In some circumstances, a firm cannot be awarded a contract under UK Rules. For example, where a firm has been convicted of money laundering.

advice from the *Legal Services Procurement Team* must be sought and followed to determine whether it is lawful to do so.¹

Advice on any recommended policies or corporate criteria against which risk assessments should be carried out can be sought from the *Relevant Chief Officer*.

- 2.9 A *Delegated Officer* may document in writing that it is not reasonably necessary, having regard to the best interests of the Authority, to carry out a risk assessment in respect of one or more of the standards referred to in PPR 2.8 above, either because of the nature or subject matter of the proposed contract or because of the urgent need to award the contract or because of any other exceptional circumstances. Any such authorisation must be fully recorded in writing setting out which standards it has been agreed need not be assessed and the reasons why it is considered such assessment is not reasonably required. Authorisation to waive a risk assessment must be sought from the *Relevant Chief Officer*.
- 2.10 Where a *Notice* has been published in accordance with PPR 2.3 above, the risk assessment will rely upon a completed *Selection Questionnaire* ("SQ"). The form and content of the SQ will depend upon the procurement route and before issuing a SQ advice from the *Legal Services Procurement Team* must be sought by the *Procuring Officer* and followed as to which procedure and form of SQ is to be adopted.
- 2.11 Where a *Notice* has not been published in accordance with PPR 2.1 above, risk assessment will not be carried out. Advice can be provided by *Legal Services* on how to build risk into the specification.
- 2.12 *Contracts* where risk assessments would not otherwise be required because it is less than £214,904 in value or it falls within one of the exemptions set out in PPR 2.6, a risk assessment on one or more of the matters referred to in PPR 2.8 *Officers* should seek advice from *Legal Services*.
- 2.13 Every *Contract* awarded by the Authority shall include a term that if the Contractor employs any sub-contractor in the performance of the *Contract* the Contractor will ensure that the sub-contractor is required under the subcontract to meet the same obligations and standards in relation to health and safety, equal opportunities and environmental matters as is the Contractor under the *Contract*.

¹ It is lawful to exclude a firm only on certain grounds where UK Rules apply.

Chapter 3 - Selection and Description of Procurement Routes 3A Selection of Procurement Route

- 3.1 A procurement exercise may be carried out by:
- 3.1.1 Inviting *Quotations* or *Quick Quotes* (see Chapter 3B); or
 - 3.1.2 Inviting *Tenders* (see Chapter 3C); or
 - 3.1.3 Inviting *UK Large Tenders* (see Chapter 3D); or
 - 3.1.4 In exceptional circumstances, by way of negotiating a *Contract* with a particular firm (see Chapter 3E),
- 3.2 The following rules (PPR 3.3 to 3.8) determine which of these routes should be used.
- 3.3 Where the estimated value of a *Contract* is less than £25,000, it is not subject to these *Rules* except only for Chapter 1, PPR 2.12, 6.9, 8.5 and 8.6 and therefore can be let by a *Delegated Officer* placing an *Order* provided they are satisfied that this represents good value for money. *Contracts* must not be broken down to take advantage of this threshold. *Officers* must ensure there is no existing *Contract* or *Framework Agreement* prior to placing an *Order*.
- 3.4 Where the total estimated value of the *Contract* is between £25,000 and £100,000, the *Quotation* or *Quick Quote* Procurement Route must be used. *Quotations* will be based on a price and quality assessment whereas *Quick Quotes* will be based on price only.
- 3.5 Where the total estimated value of the *Contract* is between £100,000 and £214,904 (for Goods and Services), £663,540 (for Social and Other Specific Services) or (for Works £5,372,609), the *Tender* Procurement Route must be used.
- 3.6 Where the total estimated value of a contract is more than the UK Government Thresholds (£214,904 for Goods and Services, £663,540 for Light Touch Regime Services and £5,372,609 for Works), then the *UK Public Contracts Regulations* will apply. Advice from *Commissioning and Procurement* or *Legal Services* must be sought and followed as to what type of process and procedures must be used for the *UK Tender* Procurement Route.
- 3.7 In exceptional circumstances, it is possible to negotiate with one particular firm only so long as the rules set out from PPR 3.21 to 3.27 are followed and it has been approved by the external Procurement *Commissioners*, *Relevant Chief Officer*, and the *external Legal Services*.
- 3.8 Appendix 2 of these *Rules* gives summary guidance on selecting a procurement route.

3B Quotation or Quick Quote Procurement Route (£25,000 to £100,000)

- 3.9 **A minimum of three Quotations or Quick Quotes must be sought. Gateway 1 submit electronically a Project Request Form (Guidance Appendix 8) to the Procurement Gateway mailbox to register that you are about to undertake a commissioning and procurement exercise.** This is the Authority's requirement but any external funder, if there is one, may have more onerous requirements for *Contracts* within this value range. The European Regional Development Fund in particular may impose different criteria, and this must always be checked if any proposed *Contract* relies on such funding.

- 3.10 *Quotations* and *Quick Quotes* must be sought through the *Electronic Tendering System* and must be returned and opened through this system at the relevant deadline.

***Procurement* will check and dispatch all documentation.**

- 3.11 Requests for *Quotations* and *Quick Quotes* must include: -

- 3.11.1 A copy of the Authority's standard *Terms and Conditions* (a copy of which can be obtained from the *Commissioning and Procurement Team*) or, if it is felt by the *Officer* that such *Terms and Conditions* may be inappropriate in the circumstances, such other contractual documentation as the *Commissioning and Procurement SLA Provider* may recommend or agree.
- 3.11.2 A statement that the Authority will expect to contract on its own *Terms and Conditions* and not those of the firm and that any variation to this will require the approval of the *Commissioning and Procurement Team*.
- 3.11.3 A description of the Goods, Works, or Services to be procured.
- 3.11.4 Details of how the Goods, Works or Services should be priced.
- 3.11.5 A statement as to whether the *Quotation* or *Quick Quote* will be evaluated on price alone or on other criteria and, if the latter applies, a statement as to what those criteria are.
- 3.11.6 For *Quotations* that are advertised a contract notice must be published on *Contracts Register*.
- 3.11.7 A statement that the *Quotation* or *Quick Quote* will only be considered if it is: -
 - 3.11.7.1 Submitted through the *Electronic Tendering System* and returned by the deadline given.
 - 3.11.7.2 Including a completed declaration within the *Quotation* or *Quick Quote* documentation by an appropriate officer of the firm.

- 3.11.8 A reasonable deadline for the receipt of a *Quotation* should be identified but a quick deadline for a *Quick Quote*; and
- 3.11.9 Details of any other specific conditions which will apply to the procurement.
- 3.12 *Procuring Officers* must keep a record of the evaluation criteria and the scores each firm receives in relation to such criteria. *Procuring Officers* must additionally keep a detailed record of the reasons for selecting the successful firm; and
- 3.13 For *Quotations* and *Quick Quotes* a contract award notice must be published on *Contracts Register*.
- 3C Tender Procurement Route (£100,000 to UK Thresholds)
(£214,904 Goods and Services, £663,540 Light Touch Regime Services or £5,372,609 for Works, all values inclusive of VAT)**
- 3.14 **A minimum of five Tenders must be sought. Gateway 1 submit electronically a Project Request Form (Guidance Appendix 8) to the Procurement Gateway mailbox to register that you are about to undertake a commissioning and procurement exercise.** This is the Authority's requirement but any external funder, if there is one, may have more onerous requirements for *Contracts* within this value range. The *European Regional Development Fund* may impose different criteria, and this must always be checked if any proposed *Contract* relies on such funding.
- 3.15 *Tenders* must be invited by way of an *Invitation to Tender* ("ITT") and sought through the *Electronic Tendering System*. *Tenders* must be returned and opened through this system by (and at) the relevant deadline. *ITT* is a detailed procurement-specific document. Advice on this document can be sought from the *Commissioning and Procurement Team*.

Procurement will check and dispatch all documentation.

- 3.16 As a minimum, an *Invitation to Tender* must include: -
 - 3.16.1 A *Selection Questionnaire* for the Light Touch Regime Services and Works procurement routes only unless any of the four situations set out in PPR 2.6 apply.
 - 3.16.2 Full details of the *Tender* process, including the deadline for receipt of *Tenders* and the address for *Tenders* to be returned.
 - 3.16.3 A specification for the Goods, Works, or Services to be procured for the firm to bid against.
 - 3.16.4 A statement as to whether the *Tender* will be evaluated on price alone or on other criteria and, if the latter applies, a statement as to what those criteria are.
 - 3.16.5 Details regarding the information which must be provided by the firm in its *Tender*, including details on pricing and any other information which is needed to evaluate the *Tender* in accordance with the *Tender* evaluation

criteria (for example, if evaluation is to be based on the firm's experience of delivering services of a particular type, it is important to specify that the firm gives detailed information about their experience in that area);

- 3.16.6 A contract notice must be published on *Contracts Register*.
- 3.16.7 Contractual *Terms and Conditions* prepared or approved by the *Procurement Team*.
- 3.16.8 A statement that a *Tender* will only be considered if it is: -
 - 3.16.8.1 Submitted through the *Electronic Tendering System* and returned by the deadline given.
 - 3.16.8.2 Including a completed declaration within the *Tender* documentation by an appropriate officer of the firm; and
- 3.16.9 A reasonable deadline for the receipt of the *Tender*.
- 3.16.10 Details of any other specific conditions that will apply to the procurement.
- 3.16.11 A requirement by the tenderer to truthfully declare that no part of the *Tender* content has been declared to any other party (except where such a disclosure is made in confidence for a purpose necessary to prepare the *Tender*); and
- 3.16.12 Notification that *Tenders* are submitted to the Authority on the basis they are compiled at the tenderer's expense.
- 3.17 *Procuring Officers* must carry out a scoring exercise which assesses the firm's *Tender* against the evaluation criteria. *Procuring Officers* must also keep a detailed record of the reasons for selecting the successful firm.
- 3.18 A contract award notice must be published on *Contracts Register*.

3D UK Tender Procurement Route Over the UK Thresholds (£214,904 Goods and Services, £663,540 Light Touch Regime Services or £5,372,609 for Works)

- 3.19 Where the total estimated value of a contract is more than the UK Thresholds (£214,904 for Goods and Services, £663,540 for Social and Other Specific Services and £5,372,609 for Works), then the *UK Public Contracts Regulations* apply. Advice from the *Commissioning and Procurement Team* must be sought before commencing the *UK Tender Procurement Route*. The *Commissioning and Procurement SLA Provider* will work in conjunction with the *Legal Services* throughout the *UK Tender* procurement route.
- 3.20 **A minimum of five UK Tenders must be sought. Gateway 1 submit electronically a Project Request Form (Guidance Appendix 8) to the Procurement Gateway mailbox to register that you are about to undertake a commissioning and procurement exercise.** This is the Authority's requirement

but any external funder, if there is one, may have more onerous requirements for *Contracts* within this value range. The *European Regional Development Fund* may impose different criteria, and this must always be checked if any proposed *Contract* relies on such funding.

- 3.21 *UK Tenders* must be invited by way of an *Invitation to Tender ("ITT")* and sought through the *Electronic Tendering System*. It will be necessary to publish a notice in the Official Journal of the European Union ("*OJEU*") and *Contracts Register*. Only firms who express interest in the *OJUK Notice* in the manner stipulated in that *OJUK Notice* may be invited to tender. *UK Tenders* must be returned and opened through this system at the relevant deadline. *ITT* is a detailed procurement-specific document. Advice on this document can be sought by the SLA NCC *Commissioning and Procurement Team*.

***Procurement* will check and dispatch all documentation.**

3.22 As a minimum, an Invitation to Tender must include: -

- 3.22.1 A *Selection Questionnaire* unless any of the four situations set out in PPR 2.6 apply.
- 3.22.2 Full details of the *UK Tender* process, including the deadline for receipt of *UK Tenders* and the address for *UK Tenders* to be returned.
- 3.22.3 A specification for the Goods, Works, or Services to be procured for the firm to bid against.
- 3.22.4 A statement as to what criteria the *UK Tender* will be evaluated on and a statement as to what those criteria are.
- 3.22.5 Details regarding the information which must be provided by the firm in its *UK Tender*, including details on pricing and any other information which is needed to evaluate the *UK Tender* in accordance with the *UK Tender* evaluation criteria (for example, if evaluation is to be based on the firm's experience of delivering services of a particular type, it is important to specify that the firm gives detailed information about their experience in that area);
- 3.22.6 A contract notice must be published on *Contracts Register*.
- 3.22.7 Contractual *Terms and Conditions* prepared or approved by the *Commissioning and Procurement Team*.
- 3.22.8 A statement that a *Tender* will only be considered if it is: -
 - 3.22.8.1 Submitted through the Electronic Tendering System and returned by the deadline given.
 - 3.22.8.2 Including a completed declaration within the *UK Tender* documentation by an appropriate officer of the firm; and

3.22.9 A deadline for the receipt of the *UK Tender* in line with the UK Public Contracts Regulations timescales.

3.22.10 Details of any other specific conditions that will apply to the procurement.

3.22.11 A requirement by the tenderer to truthfully declare that no part of the *UK Tender* content has been declared to any other party (except where such a disclosure is made in confidence for a purpose necessary to prepare the *UK Tender*); and

3.22.12 Notification that *UK Tenders* are submitted to the Authority on the basis they are compiled at the tenderer's expense.

3.23 *Procuring Officers* must carry out a scoring exercise which assesses the firm's *Tender* against the evaluation criteria. *Procuring Officers* must also keep a detailed record of the reasons for selecting the successful firm.

3.24 A contract award notice must be published in the Official Journal of the European Union ("OJEU") and *Contracts Register* informing of the resulting award.

3E Negotiation Procurement Route

3.25 A procurement exercise may be carried out by way of negotiating a *Contract* with a particular firm only in certain circumstances as set out below.

Gateway 1 submit electronically a Project Request Form (Guidance Appendix 8) to the Procurement Gateway mailbox to register that you are about to undertake a negotiated procurement.

3.26 A *Contract* may be negotiated without seeking the *Quotations*, *Quick Quotes*, *Tenders* or *UK Tenders* only where: -

3.26.1 The requisitioning *Delegated Officer* authorises in writing that such negotiation is in the best interest of the Authority. For this purpose, the standard *Authorisation to Negotiate Form* must be used and is attached at Guidance Appendix 4. In cases of urgency, and only where it is impractical to give prior authorisation, the *Delegated Officer* may authorise the negotiation retrospectively if the *Relevant Chief Officer* and the *Monitoring Officer* have given their approval and full details of the circumstances involved have been documented; **AND**

3.26.2 Such negotiation is permitted under the *UK Public Procurement Rules* (which will apply if the estimated *Contract* value is above the *UK Threshold*).

3.27 For all *Contracts* with a total estimated value of £100,000 or more, the written approval of the *Chief Finance Officer* must be obtained before negotiations may commence.

In addition, for any such *Contract* with an estimated value of £100,000 or more, a written summary of the reasons for the proposed negotiation and the likely financial

implications of negotiating the *Contract* must be given to the relevant *Cabinet Member* to endorse the approval to negotiate.

- 3.28 If a *Contract* has been negotiated using this route, the *Delegated Officer* shall only award the *Contract* if satisfied that the negotiated price and such other *terms and conditions* which may have been negotiated represent best value for money and will be in the best interests of the Authority. A full written record must be kept by the *Commissioning and Procurement SLA Provider* of the negotiation process including details of any meetings or other discussions with the firm and their outcome.
- 3.29 The *Commissioner relevant for the sub-category (Guidance Appendix 10)* must:
- (a) Be sent the original *Authorisation to Negotiate Form* (Guidance Appendix 4) by the *Delegated Officer* immediately after it has been signed to obtain the authorisation of the *Relevant Chief Officer* and the *Monitoring Officer*
 - (b) Receive documentation relating to the negotiation process including details of any meetings or other discussions with the firm and their outcome, and
 - (c) Be sent a *Completion Statement* attached at Appendix 6 as part of the **Relevant gateway** process, containing the details of any resultant *Contract* once it is awarded. The form must be sent within ten working days of the *Contract* being awarded to the *Commissioner* who will make arrangements for the details to be input to the *Authority's Contract Register*. The *Authority's Contract Register* is available on the *Electronic Tendering System*.

Given these requirements, there is no need to record the authorisation to negotiate on the Delegated Decision system although any subsequent decision to award a *Contract* as a result of the negotiation will still need to be so recorded in the usual way.

- 3.30 The *Commissioners* will report to Directorate Management Teams annually on behalf of the *Relevant Chief Officer* and the *Monitoring Officer* each *Contract* with a total estimated value of £25,000 or more that has been let without formal competition. Every such report shall highlight any case where a retrospective authorisation has been given under PPR 3.27.1.
- 3.31 The requirement to carry out a risk assessment in PPR 2.6 to 2.13 applies under this procurement route only for contacts over the UK Threshold.

Chapter 4 Receipt and Opening of *Quotations, Quick Quotes, Tenders and UK Tenders*

4A Receipt and Opening

- 4.1 *Quotations, Quick Quotes, Tenders and UK Tenders* that have been received via the *Electronic Tendering System* must: -
 - 4.1.1 Record the date and time of submissions (which will be done automatically by the *System*).
 - 4.1.2 Be sealed securely until the deadline date and time has passed.
 - 4.1.3 Be opened within a reasonable period after the closing date and time for return of the *Quotations, Quick Quotes, Tenders and UK Tenders*; and
 - 4.1.4 Be recorded at the time of opening on a “Summary of *Quotations, Quick Quotes, Tenders, UK Tenders* Received Form” attached at Guidance Appendix 5 if the *Electronic Tendering System* has not been used.
- 4.2 In the exceptional event that the *Electronic Tendering System* is not in operation, advice and written approval must be sought from the *Commissioner: Collaboration* prior to them being opened. *Quotations, Quick Quotes, Tenders and UK Tenders* that have been received must be: -
 - 4.2.1 Date and time stamped or otherwise marked on the envelope on receipt.
 - 4.2.2 Retained in a secure place until opened.
 - 4.2.3 Opened within a reasonable period after the closing date and time for return of the *Quotation, Quick Quotes, Tender or UK Tender*, and
 - 4.2.4 Recorded at the time of opening on a “Summary of *Quotations, Quick Quotes, Tenders, UK Tenders* Received Form” attached at Guidance Appendix 5.
- 4.3 *UK Tenders* with an estimated value of £214,904 or more for Goods and Services, £663,540 or more for Light Touch Regime Services or £5,372,609 or more for Works must be opened **only** by two officers, one of whom must be nominated by *Legal Services* if the *Electronic Tendering System* is not used. You must sign each *UK Tender* and supporting documents along with the “Summary of *Quotations, Quick Quotes, Tenders, UK Tenders* Received Form” (Guidance Appendix 5). If the *Electronic Tendering System* is used, *Legal Services* must open the seal if the contract value is over the UK Thresholds.
- 4.4 *Tenders* with an estimated value above £100,000 and below £214,904 for Goods and Services or £100,000 and below £663,540 for Light Touch Regime Services or £100,000 and below £5,372,609 for Works must be opened **only** by a minimum of two officers appointed by the *Relevant Chief Officer* who must both sign and

complete the “Summary of *Quotations, Quick Quotes, Tenders, UK Tenders* Received Form” (Guidance Appendix 5). If the *Electronic Tendering System* is used, *Commissioning and Procurement* must open the seal if the contract value is over £100,000 and below the UK Thresholds.

4B Late *Quotations, Quick Quotes, Tenders* and *UK Tenders*

- 4.5 *Quotations, Quick Quotes, Tenders or UK Tenders* received after the deadline for their return may only be considered in exceptional circumstances and with the prior written consent of *Commissioning and Procurement SLA Provider* and *Legal Services*. The circumstances involved must be documented on the “Summary of *Quotations, Quick Quotes, Tenders, UK Tenders* Received Form” (Guidance Appendix 5).
- 4.6 *Quotations, Quick Quotes, Tenders or UK Tenders* which are not considered because they are late may be opened but only to ascertain the name of the firm submitting the *Quotation, Quick Quotes, Tender or UK Tender*. You must write promptly to the firm in question with a written explanation of why they have not been considered. No details of the *Quotation, Quick Quotes, Tender or UK Tender* are to be disclosed by any *Officer* to anyone within or outside of the Authority.

4C Errors in *Quotations, Quick Quotes, Tenders* and *UK Tenders*

- 4.7 Where examination of *Quotations, Quick Quotes, Tenders or UK Tenders* received reveals errors or discrepancies which would affect the *Quotation, Quick Quotes, Tender or UK Tender* figure(s) in an otherwise successful *Quotation, Quick Quotes, Tender or UK Tender*, the firm is to be given details of such errors (in writing) and afforded the opportunity of confirming through clarification the *Quotation, Quick Quotes, Tender or UK Tender* as it stands or withdrawing it.

Chapter 5 Evaluation of *Quotations, Quick Quotes, Tenders* and *UK Tenders*

5A Evaluation

Price Only

- 5.1 If the procurement process stipulated the *Contract was to be* awarded using the criterion of price only (not permissible for *UK Thresholds* but compulsory for *Quick Quotes*), a *Contract* must be offered to the firm who submitted the *Quotation, Quick Quotes or Tender* stipulating the lowest price, **except** where that firm has failed to meet the Authority's minimum standards in the written risk assessment (if applicable) carried out in accordance with PPR 2.6 to 2.13 (Chapter 2B – Risk Assessment) above **or** where the *Delegated Officer* is not satisfied that the price represents best value for money.

Other Criteria

- 5.2 If the procurement process stipulated the *Contract* was to be awarded on criteria other than just price (not permissible for *Quick Quotes* but compulsory for *UK Tenders*), a formal recorded evaluation process must be carried out by a properly constituted evaluation team following the receipt of *Quotations, Tenders* or *UK Tenders*. This team will undertake a process of weighting each of the evaluation criteria stipulated in the documentation prior to inviting *Quotations, Tenders* or *UK Tenders*. Where the *UK Public Procurement Rules* apply, the weightings for the criteria must be specified in the *Invitation to Tender*.
- 5.3 If the procurement proceeds to *Contract* award, the *Contract* must be awarded to the firm which achieves the best result in the evaluation process (if it is to be awarded at all).
- 5.4 If on evaluating a *Quotation, Tender* or *UK Tender*, it becomes clear that the firm submitting has specified that their own *terms and conditions* are to apply to the provision of goods, works or services, the matter must be referred to the *Legal Services* before accepting the *Quotation, Tender* or *UK Tender* or continuing further with the procurement.
- 5.5 Advice and guidance on how to undertake an evaluation of *Quotations, Tenders* or *UK Tenders* is available from *Commissioners*.

5B Post-*Quotation, Quick Quotes, Tender, UK Tender* Negotiations

- 5.6 Following receipt and opening of *Quotations, Quick Quotes, Tenders* or *UK Tenders*, any subsequent negotiation of minor terms other than on price must be authorised by *Commissioning and Procurement* in writing and any subsequent negotiation of significant terms other than on price may only be negotiated in exceptional circumstances and with the agreement of *Legal Services* who will confirm whether a term is minor or significant, *Officers* must seek and follow the advice of the *Legal Services*.
- 5.7 Any post-*Quotation, Quick Quote, Tender* and *UK Tender* negotiation on price may only be authorised by a *Delegated Officer* where:

- 5.7.1 The lowest *Quotation, Quick Quote, Tender* received exceeds the estimated value of the *Contract* and the available budgeted resources; and
- 5.7.2 If the *UK Public Contracts Regulations* apply (*UK Tenders*), that they permit any negotiation. The *Legal Services* will advise on this.
- 5.8 If there is post-*Written Quotation (including 'Quick Quotes')/Tender* negotiation on price and the *UK Public Procurement Rules* do not apply:
 - 5.8.1 All firms submitting a price within 5% of the lowest *Written Quotation (including 'Quick Quotes')/Tender* should be invited to take part.
 - 5.8.2 Invitations to take part must be in writing and require written acceptance; and
 - 5.8.3 A detailed written record must be kept of all negotiations and the negotiated sum.
- 5.9 Officers are reminded of the requirements of PPR 3.12 and 3.16.

5C Post-*Quotation, Quick Quote, Tender, UK Tender* Clarification

- 5.10 Providing clarification of a request for a *Quotation, Quick Quote*, or an Invitation to *Tender, UK Tender*, or seeking clarification of a *Quotation, Quick Quote or Tender, UK Tender*, either in writing or by way of a meeting, is permitted. However, discussions with firms after submission of *Quotations, Quick Quotes, Tenders or UK Tenders* before the award of a *Contract* with a view to obtaining adjustments in price, delivery, or content (i.e., post-tender negotiations) must be the exception rather than the rule as provided for in Chapter 5B above. The *UK Public Contracts Regulations* impose particular restrictions upon post-tender negotiations, and it is therefore important to obtain legal advice where these apply.

Chapter 6 Acceptance of Quotations, Quick Quote, Tenders and UK Tenders

6A Acceptance of Quotations, Quick Quotes, Tenders and UK Tenders

- 6.1 Before a *Contract* is entered into, there must be a proper decision made under Part 2 of the Authority's Constitution by a *Delegated Officer* or the *Cabinet* authorising the Authority to enter the *Contract*. The *Delegated Officer* or their representative must inform the *Procuring Officer* in writing of their decision to award contracts between £25,000 and £250,000. A *Delegated Officer* in consultation with the relevant Portfolio Member must inform the *Procuring Officer* in writing of their decision to award a contract of up to £250,000 and establish if the decision is key or not. The decision must be formally record on the Delegated Decision System for all contract awards over £250,000.
- 6.2 *Delegated Officers* may accept *Tenders/UK Tenders*; subject to compliance with the Procedure for the Commitment of Capital Expenditure (see Financial Regulation 4). *Tenders/UK Tenders* not complying with that Procedure must be reported to the *Chief Finance Officer* for approval.
Note: Paragraph 4 of that Procedure provides that where it is proposed to accept other than the lowest tender (where price is the determining criteria), this must be reported to *Relevant Chief Officer* for authority to proceed.
- 6.3 *Contracts* under £214,904 in value must be awarded either by placing an *Order* in accordance with PPR 8.5 to 8.6 below or by signing a *Formal Contract* as under PPR 8.7 below. An *Order* must be issued quoting the contract reference number in the Header Box, as set out at PPR 9.2. A *Contract* (if not sealed) must be signed by the individuals set out at PPR 9.3.
- 6.4 *Contracts* of £214,904 or more in value must be awarded by the signing of the *Contract* in accordance with PPR 8.7 and 9.3 unless it is sealed.
- 6.5 Any correspondence sent to the successful firm prior to issuing an *Order* or completing a *Formal Contract* must be headed 'Subject to Contract.'
- 6.6 If the *UK Public Contracts Regulations* apply (i.e., if the *Contract* value is above the *UK Threshold*), there are special requirements before a *Contract* can be entered into. Generally, these involve issuing a notice of award to all firms advising which *UK Tender* the Authority proposes to accept and then allowing ten days before entering that *Contract* to allow any aggrieved firm to challenge the process. If an unsuccessful firm requests a written debrief, this must be provided. *Legal Services* should be consulted about these requirements. For *Tenders* below the UK Thresholds a voluntary 10day standstill period will be applied. There will be no requirement for a 10day standstill period for *Quotations* and *Quick Quotes*.
- 6.7 **Relevant gateway** process requires that once a *Contract* with an estimated value of £25,000 or more has been awarded, a *Completion Statement* attached at Guidance Appendix 6 must be completed detailing the successful firm, the start and end date, *Contract Management Roles*, the *Contract* value and forwarded within ten working days of the *Contract* being awarded to the *Procurement Gateway* where the *Commissioner* will make arrangements for the details to be

input to the *Authority's Contract Register*. The *Authority's Contract Register* is available on the Electronic Tendering Portal

- 6.8 Every payment under a *Contract* must be made through the *P2P financial system* unless it is listed on the *POP* exception list detailed in *Guidance Appendix 9* or the *Relevant Chief Officer* has granted a written exemption from the payment being made in that way and she is satisfied that this is justified because of the exceptional circumstances in any particular case. This power will not be used to grant general exemptions from this requirement.
- 6.9 *Officers* will ensure that adequate post-*Contract* monitoring is undertaken (See also Chapter 9E).

Chapter 7 – Exceptional Procedures

7A Exceptional Circumstances relating to the Purchase of Goods, Works, or Services

- 7.1 In cases where there is an opportunity to purchase goods, materials or related services at an exceptionally favourable price or delivery terms, and the Authority is likely to lose the advantage of cost or delivery if purchase is delayed by complying with these requirements, the *Relevant Chief Officer* may proceed with the purchase without complying with the requirements of these *Rules*, subject to the prior written consent of the *Chief Finance Officer* and compliance with the *UK Public Contracts Regulations*.

7B Contracts where Payment is made in Advance.

- 7.2 No *Contract* or commitment shall be entered into for goods, materials, works or services for which the firm requires payment in advance until all the following have been undertaken:
- 7.2.1 The *Delegated Officer* has undertaken a documented appraisal of the risks and is satisfied that such payment is reasonable and is in the best interest of the Authority; and
- 7.2.2 The *Monitoring Officer* has put in place the appropriate contractual arrangements to ensure that the risk to the Authority is minimized in the event of the firm failing to deliver the required products under the *Contract* for whatever reason and has confirmed in writing to the requisitioning *Delegated Officer* that this has been done.
- 7.3 PPR 7.2 does not apply where there is a statutory requirement for the Authority to make payments in advance.

7C Letters of Intent

- 7.4 *Letters of Intent* shall only be used in the **most exceptional** circumstances. A '*Letter of Intent*' is a letter or other similar documentation which permits a firm to commence performance of a *Contract* in UK of any other binding and *Formal Contract* documentation being in place.
- 7.5 If the value of any *Letter of Intent* is less than £150,000, any *Letter of Intent* must be agreed in advance of issue by the *Legal Services*.
- 7.6 Any *Letter of Intent* in relation to a proposed *Contract* with a value of £150,000 or more must:
- 7.6.1 Be signed by the relevant *Delegated Officer*; and
- 7.6.2 Be agreed in advance of issue by the *Chief Finance Officer* and the *Monitoring Officer* after consultation with the relevant portfolio holder.

Note: A *Letter of Intent* shall not in any event be issued without a proper decision having first been made to award the *Contract* under PPR 6.1. In the case of a *Contract* appointing *External Professional Services* such a decision must also be made in accordance with Guidance Appendix 3 of these *Rules*.

7D Private Finance Initiative (PFI) Schemes

- 7.7 Where a *Contract* is designated as a *PFI Scheme* by the *Chief Finance Officer*, the award of a *Contract* shall be made according to the procedures laid down by Central Government and the *UK Public Contracts Regulations*.
- 7.8 In the event that these *Rules* conflict with any external procedures referred to in PPR 7.7, those external procedures shall take precedence.
- 7.9 On all occasions when awarding a *Contract* designated as a *PFI Scheme*, *Officers* must seek and follow advice from the *Legal Services* and the *Chief Finance Officer*.

7E Bonds and Parent Company Guarantees

- 7.10 Consideration should always be given to the possible need for a *Bond* or a *Parent Company Guarantee* where the circumstances of the case suggest this may be appropriate to better protect the Authority's interests. The advice of the *Chief Finance Officer* should be sought about this in appropriate cases. A *Bond* may for instance be appropriate for very high value *Contracts* for works, or where advance payments are proposed under PPR 7.2 and there is any concern about the financial stability of the successful firm. A *Parent Company Guarantee* may be appropriate where the successful firm is a subsidiary of a parent company and the risk assessment has included an evaluation of that parent company, or where it is a high value *Contract* and there is any doubt about the financial stability of the subsidiary.

Chapter 8 - Contractual Requirements

8A Minimum Contractual Requirements

- 8.1 Every *Contract* or agreement (whether for the purchase of goods, materials and related services, the execution of works, or the provision of other services) shall be in writing as specified in PPR 8.2. Verbal agreements are not permitted.
- 8.2 Every contract or agreement shall be in the form of either: -
- 8.2.1 An Official *Order* which includes the Authority's standard *Terms and Conditions*; or
- 8.2.2 Such other *Formal Contract* which should be drafted and approved by the *Commissioning and Procurement SLA Provider* in conjunction with the *Legal Services*.
- 8.3 When the *Contract* value is less than £214,904 , *Officers* may use an Official *Order* including the Authority's standard *Terms and Conditions* but **if an *Officer* has any doubt about the use of an Official *Order* adequately protecting the Authority's interests having regard to the nature or subject matter of the contract, he/she must seek the advice of the *Commissioning and Procurement Team*.** Where the *Contract* value is £214,904 or more, *Procuring Officers* must seek and follow advice from the *Legal Services* as to whether a *Formal Contract* (instead of an *Official Order*) must be used and, if so, which form of *Formal Contract*. For the avoidance of doubt, an *Official Order* with *Terms and Conditions* may only be used for a contract of £214,904 or more with the express approval of the *Legal Services*.
- 8.4 Before the successful firm commences work or other performance of the *Contract*, *Officers* must ensure that either an *Official Order* with *Terms and Conditions* attached is issued or a specifically drafted *Formal Contract* is signed by both parties.

8B Official Orders

- 8.5 *Orders* must be placed through the *P2P financial system* (except those detailed on the *POP* exception list as shown in Guidance Appendix 9) which is the Authority's official ordering and payment system unless it is technically not possible to do so for any exceptional reason. If it is proposed not to place an *Order* through the *P2P financial system* because of any general exemption from doing so issued by the *Relevant Chief Officer* or for any other reason, the *Officer* must consult with the *Commissioner: Collaboration* to ascertain the most appropriate method of placing the *Order*.
- 8.6 An official *Order* must be in a type of form, containing the types of information and other details, as has been approved by the *Relevant Chief Officer*.

8C Form of Formal Contract

- 8.7 Any *Formal Contract* must be in a form which has been agreed by *Legal Services*.

Chapter 9 - Execution of Contracts and Contract Variations / Extensions

9A Sealing

- 9.1 The Common Seal of the Authority must always be affixed to the following:
- 9.1.1 *Contracts* made without consideration, e.g., a gift.
 - 9.1.2 Any other *Contract* which by law must be under seal, e.g., a conveyance of land or interest in land; and
 - 9.1.3 Any other *Contract* which in the view of the *Monitoring Officer* ought to be sealed, e.g., where he or she considers it would be prudent to have a statutory limitation period of 12 years for suing for breach of *Contract* rather than 6 years for *Contracts* not under seal.

All documents to which the Common Seal is affixed must also be signed by the persons specified in the Authority's Standing Order 30 as set out in Part 4A of the Constitution.

9B Signing

- 9.2 Subject to PPR 9.1 above and provided that the necessary approvals have been obtained all **Orders** shall be requisitioned and authorised by a *Delegated Officer* or an officer authorised by him/her.
- 9.3 **Contracts** below £214,904 (not under seal) shall be signed personally by one of the following officers and held by the *Commissioning and Procurement Team*: -

CATEGORY A	CATEGORY B	CATEGORY C
All Contracts	All Contracts except Contracts for leasing, insurance, banking, and other financial services	Contracts for leasing, insurance, banking, and other financial services
Monitoring Officer	Chief Executive of the Authority for Authority and Chief Officer	Chief Finance Officer
Monitoring Officer	Any Chief Officer of the Authority for Authority	Relevant Chief Officer

Other officer nominated for the purpose by the Monitoring Officer	Any <i>Deputy Chief Officer of the Authority for Authority</i>	
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- 9.4 **Contracts** of £214,904 or more (not under seal) shall be signed personally by two officers and held by the *Commissioning and Procurement Team*: -

9.4.1 In the case of *Contracts* for leasing, insurance, banking, and other financial services by one of the category A officers and one of the category C officers; or

9.4.2 In the case of all other *Contracts* by one of the category A officers and one of the category B or C officers.

9C Contract Variations

- 9.5 Once entered, a *Contract* may only be varied under the written authorisation of a *Delegated Officer* and the *Commissioner* where they consider it is in the best interests of the Authority and adheres to 'Gateway4'.

9D Contract Extensions

- 9.6 A *Contract* may be extended in accordance with its express terms under the written authorisation of a *Delegated Officer* and the *Commissioner* in line with 'Relevant gateway' requirements.
- 9.7 Where a *Contract* does not contain any express provision for extension, *Contract Extensions* will not be permitted except in exceptional circumstances which meet the criteria set out in the *UK Public Contracts Regulations*. *Legal Services* will advise on these requirements. Any such exceptional extension must be agreed in writing by a *Delegated Officer* in conjunction with the *Relevant Chief Officer* and approved by the *Chief Finance Officer* that it has been justified as achieving best value for money.

9E Contract Management

- 9.8 Once a *Contract* has been awarded, effective monitoring and management of the performance of the *Contract* throughout its term will be done so in line with the Authority's *Contract Management Toolkit*. Such arrangements may vary depending upon the nature, value, complexity and length of the *Contract* but shall be designed to ensure that the contractual obligations of both the contractor and the Authority are fully and properly discharged and that the Authority's rights and interests under the *Contract* are properly protected and where necessary enforced. The arrangements shall also seek to ensure that all significant activities carried out by way of monitoring and managing the *Contract* shall be properly recorded in writing and recorded in the *Electronic Contract Management System* for audit purposes. The *Commissioner* will require the details of the assigned *Contract Management Roles* (PPR 9.11) as part of the **Relevant gateway** process to ensure they have been recorded on the *Authority's Contracts Register* and within the *Electronic Contract Management System*. Any arrangements shall comply with any guidance on post-contract monitoring which the Authority may issue from time to time.
- 9.9 Contract management requirements and the frequency of engagement should be in line with the Authority's *Contracts Management Matrix* so that the *Commissioner: Collaboration* can make arrangements for this to be recorded on the *Authority's Contracts Register* and within the *Electronic Contract Management System*.
- 9.10 *Contracts* classified as a '*Critical Contract*' should be flagged on the *Authority's Contracts Register* and within the *Electronic Contract Management System* to ensure the required business continuity arrangements are in place.
- 9.11 Contract Management Roles and responsibilities are detailed below:
- 1) **Authorised Officer (Contract)** - Named as the Authority's representative for the *Contract* in the contract particulars. Responsibilities: - Overall delivery of the contract, making decisions about extensions, suspensions, and terminations, and planning for contract renewals
 - 2) **Senior User** - Day to day relationship management and compliance checking, execution of the contract, for example, making referrals and placements, making call offs for projects etc. rapid response to immediate issues and escalating serious concerns to the Authorised Officer
 - 3) **Performance Collector** - Collecting the performance information agreed within the contract, in line with the contract management matrix timescales, making performance information available to the Performance Reviewer for the contract.
 - 4) **Performance Reviewer** - Analysing the collected performance information against the agreed outputs/outcomes identified within the contract, making performance analysis routinely available to the Senior User in line with the contract management matrix timescales, escalating significant performance issues to the Authorised Officer
 - 5) **Quality Reviewer (Desktop)** - Undertaking a desktop review for the contract and/or sample checks in line with the quality framework agreed in the contract. This may include checking copies of certificates, policies, product samples, and provider self-assessments, undertaking and maintaining the contract risk rating, escalating significant quality issues to the Senior User and Authorised Officer

- 6) **Quality Reviewer (Visit)** - Completing a verification visit for the contract, in line with the quality framework agreed in the contract, informing the Quality Reviewer (Desktop) about the verification visit outcome, escalating significant quality issues to the Senior User and Authorised Officer
- 9.12 The *Officer* must engage with the *Commissioning and Procurement SLA Provider* through **'Relevant gateway'** at the appropriate stages during the contract term.

Chapter 10 - Electronic Commissioning, Tendering and Contract Management

10A E-Tendering

- 10.1 All commissioning exercises must be undertaken within the Electronic Commissioning System approved by the *Commissioner: Collaboration* and the *Relevant Chief Officer*.
- 10.2 *Quotations, Quick Quotes, Tenders* or *UK Tenders* must be sought and received by electronic means for every proposed *Contract* with an estimated value over £25,000, unless the *Relevant Chief Officer* has agreed otherwise. In those circumstances where *E-Tendering* is carried out, this shall only be through the procurement system which has been expressly approved by the *Commissioner: Collaboration* and the *Relevant Chief Officer*.
- 10.3 It is essential that evidence be recorded that the transmission was successful or unsuccessful. Electronic submissions are to be kept in a separate secure electronic folder until the deadline and must be opened in accordance with PPR 4.1 to 4.4.
- 10.4 All contract management activity must be recorded within the Electronic Contract Management System approved by the *Commissioner: Collaboration* and the *Relevant Chief Officer*.
- 10.5 All processes used in e-commissioning, e-tendering and e-contract management must conform to the Authority's current IT security guidance and protocols.

Chapter 11 – Cabinet

11A Cabinet Remit in relation to Procurement

11.1 *Cabinet* has responsibility for four key areas:

- 11.1.1 Development and implementation of the Authority’s Commissioning and Procurement Plan.
- 11.1.2 Governance of Major Procurement Projects.
- 11.1.3 Guidance on the development of Procurement Proposals arising from the appraisal of options for service delivery; and
- 11.1.4 The approval of the award of any particular *Contract*, or any other step in any particular procurement, where (a) Cabinet have specifically required such approval or (b) the Authority’s Financial Regulations or any other provision of its Constitution requires the approval of Cabinet or (c) a *Delegated Officer* considers it appropriate that *Member* approval be sought given the size or nature of the proposed contract.

11B Criteria for Reports to Cabinet

- 11.2 Its role is principally envisaged as being a high level one: to consider and develop appropriate procurement strategies as well as relevant operational and governance arrangements and to monitor their operation.
- 11.3 In relation to major projects (which have been specifically defined) against any of our procurement sub-categories (Guidance Appendix 10 of these Rules), and indeed any other proposed contract which *Officers* identify may involve potentially high risk or costs for the Authority, specific reports should be brought to the *Cabinet* for approval of the final *Commissioning Model* which will outline the proposed scope and direction for the procurement process before it is embarked upon.
- 11.4 For the award of any “*Call-off Contract*”, where this is made from an existing *Framework Agreement or Procured Solution* that has been previously approved by *Cabinet*, a *Delegated Decision* shall be made in line with the Authority’s decision making policies which are detailed in the Constitution and within the decision making chart held in the *Commissioning and Procurement Plan*. Decisions must be made in conjunction with the *Relevant Chief Officer* and in consultation with the relevant Portfolio Member.
- 11.5 All negotiated contracts over £25,000 which have been let or are about to be entered into without formal competition must be reported to *Directorate Management Teams* by the *Relevant Chief Officer* as part of a summary schedule for information.

Chapter 12 - Definitions

12A Definitions

The following words which are italicised shall have the meaning as defined below: -

'Relevant Chief Officer' means the senior *Officer* tasked with facilitating procurements within the Authority or any other *Officer* nominated in writing to act on their behalf.

'Head of Law and Governance Services' means the *Officer* responsible for *Legal Services Team* or any other *Officer* nominated in writing to act on their behalf.

'Authorisation to Negotiate Form' means the form (attached at Guidance Appendix 4) to be used for recording when a *Delegated Officer* has decided that the use of the negotiation procedure under PPR 3.21 to 3.27 is in the best interest of the Authority.

'Bond' means an insurance policy under which if the contractor fails to perform the *Contract* the Authority can claim the sum of money specified in the *Bond*, often 10% of the *Contract* value.

'Call-off Contract' means the award of any *Contract* under a *Framework Agreement* or a *Light Touch Regime Services* procurement solution

'Central Purchasing Body' means a public authority which may have already procured a *Framework Agreement* or a *Light Touch Regime Services* procurement solution, of which the Authority is able to take advantage and award a *Contract* in accordance with the *Framework Agreement* or the *Light Touch Regime Services* procurement solution.

'Constitution' means the Authority's Constitution (or constitution) as amended from time to time.

'Chief Officer' means for the Authority, the Chief Executive, the Directors, Chief Finance Officer, and the Monitoring Officer.

'Commissioner' means the *Officer* who has strategic category leadership for specific procurement categories and sub-categories, tasked with providing advice, opening the commissioning project at 'Gateway 1, agreeing the final *Commissioning Model*, reviewing the procurement documents at Procurement, closing the procurement for contract start at 'Relevant gateway, acting as the Authorised Officer for Relevant gateway, along with allocating resources to carry out the commissioning and procurement exercise on behalf of the Authority; *'Commissioning Model'* means our final plan which has been developed during the commissioning phase incorporating the final Lotting Structure created where required through consultation with the Provider Market, Service Users and other key Stakeholders;

'Commissioning and Procurement Plan' means the Authority's Plan which details the strategic objectives which must be adhered to when undertaking a procurement. It is available from the Authority's Internet site listed under business, tenders, and contracts or from the Authority's Intranet site listed under procurement.

'Commissioning and Procurement Team' means the team of professional Commissioning and Procurement *Officers*. The *Commissioning and Procurement SLA Provider* is responsible for commissioning and coordinating procurement activity to ensure that high quality outcomes are delivered that are value for money and that procurement activity is compliant with the law.

'Completion Statement' means the form attached at Guidance Appendix 6 and available from the *Commissioner* which sets out basic details of an awarded Contract and thereby enables the Authority to log the details on a *Contract Register*.

'Contract' means any contract for the supply of goods, execution of works or provision of services.

'Contract Extension' means the extension of the term of a Contract.

'Contracts Register' means the Central Governments tendering portal where local Authorities have to publish a notice for all advertised contracts over £25,000

'Contract Management Matrix' means the document which outlines the frequency for the contract management of goods, works and services *Contracts*.

'Contract Management Toolkit' means the policy document outlining contract management requirements.

'Authority's Contracts Register' means a list of all the Authority's current *contracts*.

'Critical Contract' means a contract that is significant to the Authority in terms of fulfilling its statutory and service delivery obligations.

'Delegated Officer' means any *Officer* of the Authority who has delegated decision making powers under Part 3.13 of the Constitution and who accordingly is listed in Table A, of Part 3.13 which is reproduced at Guidance Appendix 7 of these *Rules*; *'E-Commissioning'* means the commissioning design phase of the commissioning and procurement cycle.

'E-Contract Management' means the contract management phase of the commissioning and procurement cycle.

'E-Tendering' means the procurement of a *Contract* by electronic means either by seeking *Quotations*, *Quick Quotes*, *Tenders* or *UK Tenders*.

'Electronic Tendering System' means the system approved and operated by the Authority for the time being for the invitation and return of *Quotations*, *Quick Quotes*, *Tenders* and *UK Tenders* by electronic means.

'Equality Considerations' means that when procuring goods, services or works equality needs to be given due consideration in the procurement process to ensure that public money is not spent on practices that lead to unlawful discrimination, but instead is used to support and encourage equality of opportunity and good community relations.

'External Body' means any person, organisation, or company external to the Authority.

'UK Public Contracts Regulations' means The Public Contracts Regulations 2015 which are the statutory rules which implement the European Directive 2014/24-EC for the procurement of public contracts with which the Authority must comply.

'UK Tender' means any *Tender* for a *Contract* above the *UK Threshold*.

'UK Threshold' means the financial threshold as dictated by the European Commission which, when breached, will invoke application of the UK Public Procurement Rules. The current threshold levels are as follows:

Contracts for Supplies -	£214,904 (INCLUDING VAT)
Contracts for Services -	£214,904 (INCLUDING VAT)
Contracts for Light Touch Regime Services	£663,540 (INCLUDING VAT)
Contracts for Works -	£5,372,609 (INCLUDING VAT)

'Formal Contract' means the formal documentation (other than an *Order*) which is signed by the parties to a contract, and which acts as evidence of that *Contract*.

'Framework Agreement' means an agreement which is not in itself a *Contract*, but which establishes the terms (in particular as to price and, where appropriate, quantity) under which the firm will enter into one or more *Call-off Contracts* with the Authority during the period in which the *Framework Agreement* applies.

'Gateway' means the method of 'managing' a commissioning and procurement exercise at critical stages in its lifecycle to provide assurance (with supporting evidence) that the project can proceed to the next stage. There are four 'Gateway' stages in the commissioning and procurement process (documented in Appendix 1) at which *Officers* must consult with the *Commissioner* or any other nominated *Officers* within the *Commissioning and Procurement Team*.

'Gateway 1' requires *Officers* to submit a *Project Request Form* (Guidance Appendix 8) to the *Procurement Gateway* to register that they are about to undertake a commissioning and procurement exercise. The *Commissioners* will assign an *Officer* from the *Commissioning and Procurement SLA Provider* to support throughout the commissioning and procurement process.

'Procurement' requires the *Commissioner* to check documentation has been prepared in accordance with procurement procedures and electronic tendering requirements. The client *Officer* is responsible for checking the technical content of the documentation prior to dispatch from the *Commissioning and Procurement Team*.

'Relevant gateway' requires *Officers* to submit a *Completion Statement* (Guidance Appendix 6) to the *Procurement Gateway* where *Commissioners* will make arrangements for the details to be input to the *Authority's Contract Register*. The *Commissioning and Procurement SLA Provider* will check the award documentation, *OJUK Notice* if applicable and obtain the details of the *Contract Management Roles*.

'Relevant gateway' requires *Officers* to engage with the *Authorised Officer* at the appropriate stages during the *Contract* term as outlined in the *Commissioning and Procurement Plan*.

'Invitation to Tender' or 'ITT' means a procurement-specific document drafted in order to give instructions to firms wishing to tender for the award of a *Contract* (an example of which is available from the *Commissioning and Procurement Team*).

'Key Performance Indicators (KPI's)' means a type of measurement of performance to evaluate the success or otherwise of a particular activity or *Contract* in which we are engaged.

'Legal Services' means any solicitor employed within the Legal Services Section providing Legal advice to the Authority through an SLA which is being managed by the *Head of Law and Governance Services*.

'Letter of Intent' means a letter or other similar documentation which permits a firm to commence performance of a *Contract* in UK of any other binding and *Formal Contract* being in place.

'NEPO' means the North East Procurement Organisation.

'Officer' means any *Officer* of the Authority, authorised by a *Delegated Officer* to undertake a commissioning and procurement exercise on behalf of the Authority.

'OJUK Notice' means an advertisement posted in the Official Journal of the European Union (which is the advertising medium for all notices subject to the UK Public Contracts Regulations).

'Order' means an official order form complying with PPR 8.5 and 8.6 which details the goods, works or services to be provided to the Authority and authorises the successful firm to provide these.

'Parent Company Guarantee' means a contract which binds the parent of a subsidiary company to perform the *Contract* if the subsidiary fails to do so.

'PFI Scheme' means a project which receives Private Finance Initiative (PFI) funding from HM Treasury.

'Post-Contract Variation' means variation to a *Contract* which is to be made after a *Contract* has been legally entered into.

'P2P financial system' means the Purchase Order Processing System held by the *Relevant Chief Officer* which permits *Officers* to order supplies, works and services where an existing Framework Agreement exists or otherwise.

'Procurement Consideration Document' means a guide suggesting considerations for an upcoming commissioning and procurement exercise and how best to plan for it. Considerations are embedded within the Authority's commissioning and contract management system and available from the *Commissioning and Procurement Team*.

'Procuring Officer' means the Commissioning and Procurement Officer in the *Commissioning and Procurement Team*, responsible for providing specialist expertise and commercial knowledge to ensure that all commissioning, procurement, and contract management activity is undertaken in accordance with the Authority's Financial and Statutory Regulations and *UK Public Procurement Regulations*.

'Project Request Form' means the form (attached at Guidance Appendix 8) which must be submitted in the circumstances set out in PPR1.12 to ensure professional commissioning and procurement advice and approval is received for:

- all areas when the value of spend is anticipated to exceed £25,000 and there are no existing procurement arrangements in place

'Quick Quotes' means using a module within the North East Procurement Organisation (NEPO) Portal for electronic tendering that provides the ability to run simplified quotation procedure for one off purchases of supplies of goods or delivery of services where a full risk assessment is not required, or low values works utilising *Constructionline* for risk assessment purposes. The key advantage of *'Quick Quotes'* is that it will illicit quotations within 48 hours rather than the usual 10 working days for normal *Quotations*. Requests for *Quotations* processed through the *'Quick Quotes'* module will potentially create more opportunities for local suppliers.

'Quotation' means a written submission (which can be evaluated on price alone or on other criteria) from a firm for carrying out a contract for supplies, works or services.

'Rules' means these *Commissioning and Procurement Procedure Rules*.

'Selection Questionnaire' means a questionnaire (available from the
Part 4.1 – Commissioning and Procurement Procedure Rules

Commissioning and Procurement Team) to be used where the *UK Public Contracts Regulations* apply which when completed will be used to assess whether a firm has satisfied the Authority's risk assessment criteria as set out at PPR 2.8 and may shortlist firms to be invited to submit a tender for 'Restricted' routes or used as a selection stage for 'Open' procurement routes.

'*Shared Service Agreement*' means the regional procurement agreement used for collaborative commissioning and procurement.

'*Social and Other Specific Services*' means a procurement route within the *UK Public Contracts Regulations* for services listed within Annex XIV

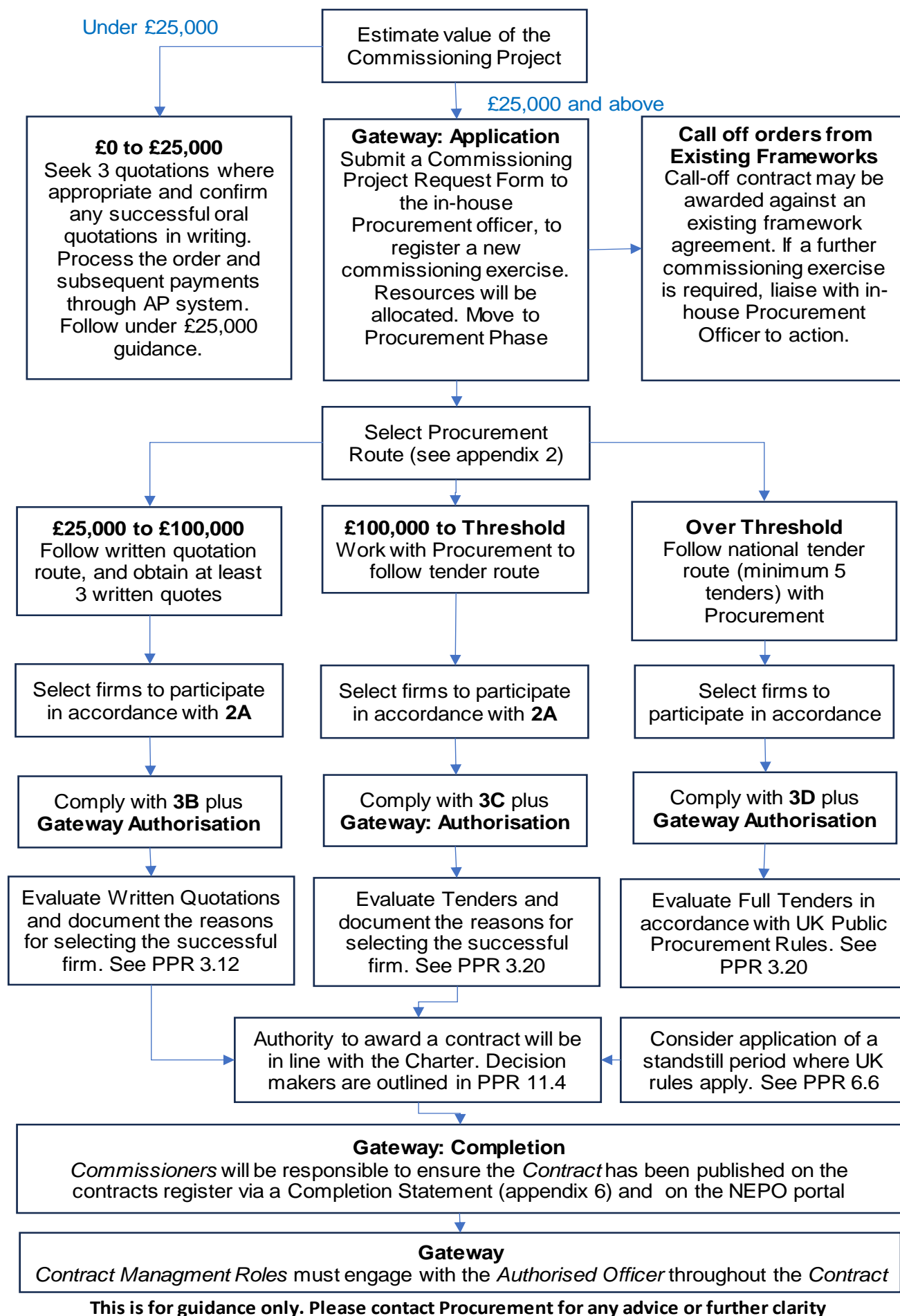
'*Social Value*' means simply, value that accrues in our local communities. It is what city residents say is valuable to them, for example sustainable employment, a decent place to live, and equal access to a range of quality services in the local area.

'*Summary of Quotations, Quick Quotes, Tenders, UK Tenders Received Form*' means a pro forma document attached at Guidance Appendix 5 and also available from the *Commissioning and Procurement SLA Provider* which must be completed when receiving *Quotations, Quick Quotes, Tenders or UK Tenders* when the *Electronic Tendering System* is not utilised.

'*Sustainability Considerations*' means undertaking a procurement process whereby we meet our needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis. It results in benefits not only to the organisation, but also to society and the economy whilst minimizing damage to the environment. *Sustainability considerations* include environmental, social, and economic factors.

'*Tender*' means the written proposal submitted by a firm in response to the Invitation to Tender.

'*Terms and Conditions*' means a set of non-negotiable terms specific to a contract (albeit they may be of a general nature) which are designed to protect the legal position of the Authority.



Appendix 2 – Guidance on Financial Thresholds and Documentation / Audit Requirements

Total Value	Procurement Route	Documentation Requirements	Evidence for Audit Purposes
Under £25,000	Obtain at least Three Quotations unless Inappropriate. - see PPR1.4 A Delegated Officer must be satisfied VFM is obtained. Follow guidance.	The successful quotation if oral must be confirmed in writing. All payments must be made, and all Orders processed via the P2P financial system unless documented on Guidance Appendix 9 P2P Exception List	Officers must keep a written record of all quotations received and of the reasons if less than 3 have been sought.
£25,000 to £100,000	Obtain at least Three Written Quotations follow PPR 3.9 to 3.12. <i>Quotations</i> must be sought and submitted by a certain date through the Electronic Tendering System unless agreed otherwise.	The complete list of documentation required to undertake the procurement is stated at PPR 3.11 which must be checked and dispatched by ' <i>Procurement</i> '. The successful firm must pass the risk assessment requirements unless exempt under PPR 2.6. An Order attaching the standard <i>Terms and Conditions</i> may be placed with the successful firm otherwise a <i>Formal Contract</i> is needed, before the work commences. All Orders and Payments must be made through the P2P financial system unless stated on Guidance Appendix 9. A Completion Statement (Appendix 6) must be sent to the <i>Procurement Gateway</i>	<i>Procuring Officers</i> must: 1 carry out and evidence a scoring exercise which assesses the firms' <i>Tenders</i> against the evaluation criteria (unless awarded on price alone) and keep a detailed written record of the reasons for selecting the successful firm for at least three months; 2 retain a copy of the <i>Contract</i> ; and 3 retain a completed Summary of Quotations/Tenders/UK Tenders Received Form if the Electronic Tendering System is not utilised
£100,000 to UK Thresholds (£214,904 for Goods & Services £663,540 for Social £5,372,609 for Works)	Seek a Minimum of Five Tenders – follow PPR 3.13 to 3.16. <i>Tenders</i> must be sought and submitted by a certain date through the Electronic Tendering System unless agreed otherwise.	The complete list of documentation required to undertake the procurement is stated at PPR 3.15 which must be checked and dispatched by ' <i>Procurement</i> '. The successful firm must pass the risk assessment requirements unless exempt under PPR 2.6. An Order (attaching the standard <i>Terms and Conditions</i>) may be placed with the successful firm otherwise a <i>Formal Contract</i> is needed, before the firm commences work. All Orders and Payments must be made through the P2P financial system unless stated on Guidance Appendix 9. A Completion Statement (Appendix	<i>Procuring Officers</i> must: 1 carry out and evidence a scoring exercise which assesses the firms' <i>Tenders</i> against the evaluation criteria (unless awarded on price alone) and keep a detailed written record of the reasons for selecting the successful firm for at least three months; 2 retain a copy of the <i>Contract</i> ; and 3 retain a completed Summary of Quotations/Tenders/UK Tenders Received Form if the Electronic Tendering System is not utilised

Total Value	Procurement Route	Documentation Requirements	Evidence for Audit Purposes
		6) must be sent to the <i>Procurement Gateway</i>	
<p>Above the UK Thresholds</p> <p>(£214,904 for Goods & Services</p> <p>£663,540 for Social</p> <p>£5,372,609 for Works)</p>	<p>Seek a Minimum of Five Tenders</p> <p>- follow PPR 3.17 to 3.20.</p> <p>Over the <i>UK Threshold Tenders</i> must be sought by following the <i>UK Public Procurement Rules</i>.</p>	<p><i>Officers</i> must seek advice from the <i>Commissioner responsible for the procurement sub-category</i> in the first instance who will check and dispatched all documentation at Procurement</p> <p>The successful firm must pass the risk assessment requirements unless exempt under PPR 2.6. There must be a <i>Formal Contract</i> in place before the firm commences work.</p> <p>All Orders and Payments must be made through the P2P financial system unless stated on Guidance Appendix 9. A Completion Statement (Guidance Appendix 6) must be sent to the <i>Procurement Gateway</i>.</p>	<p><i>Procuring Officers</i> must:</p> <ol style="list-style-type: none"> 1 carry out and evidence a scoring exercise which assesses the firms' <i>Tenders</i> against the evaluation criteria (unless awarded on price alone) and keep a detailed written record of the reasons for selecting the successful firm for at least three months; 2 retain a copy of the <i>Contract</i>; and 3 retain a completed Summary of Quotations/Tenders/UK Tenders Received Form if the Electronic Tendering System is not utilised
Any Value of £25,000 or more	<p>Negotiation with One Firm</p> <p>– follow PPR 3.21 to 3.27.</p>	<p>The firm must pass the risk assessment and there must be contractual <i>terms and conditions</i> in place before the firm commences work. <i>Officers</i> must first ensure that any negotiation with one firm complies with <i>UK Rules</i> (and seek legal advice to this end) and complete an Authorisation to Negotiate Form (Guidance Appendix 4). The firm with which negotiation takes place must pass the risk assessment requirements unless exempt under PPR 2.6. All Orders and Payments must be made through the P2P financial system unless stated on Guidance Appendix 9. A Completion Statement (Guidance Appendix 6) must be sent to the <i>Procurement Gateway</i>.</p>	<p><i>Procuring Officers</i> must:</p> <ol style="list-style-type: none"> 1. Retain a copy of a completed Authorisation to Negotiate Form (Guidance Appendix 4) which has been signed by a <i>Delegated Officer, Commissioner</i> (and the <i>Chief Finance Officer</i> if the value exceeds £100,000). 2. If over £100k, consultation must take place with the Cabinet Member for Resources via the <i>Relevant Chief Officer</i> before authorisation to negotiate is given. Evidence must be kept of all procedures complied in accordance with PPR 3.21 to 3.27; and 3. Retain a copy of the <i>Contract</i>.

NB. This is guidance only and *Officers* must follow the *Rules*. If in doubt, *Officers* should seek advice from the *Procurement Service* via the *Procurement Gateway* mailbox.

Part 5 – Codes of Conduct and Protocols

Part	Content
5.1	Code of Conduct for Members
5.2	Code of Conduct for Officers
5.3	Member/Officer Relations Protocol
5.4	Anti-Fraud and Corruption Policy
5.5	Whistleblowing Policy

Part 5.1 - Code of Conduct for Members

The Authority has adopted the following code which sets out the conduct that is expected of elected members appointed to the Authority (including the Mayor and substitute members) and voting co-opted members of its committees when they are acting in that capacity.

This means the code applies whenever you:

- (a) conduct the business of the Authority (including the business of your office as an elected member appointed to the Authority) or**
- (b) act, claim to act or give the impression you are acting as a representative of the Authority.**

The code is intended to be consistent with Nolan's Seven Principles of Public Life and should be read in the light of those principles, namely that Members will act with selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Those Principles are not part of this Code but are set out in full at Annex 1 for information.

Part 1 - General Conduct

1. You must treat others with respect, including Authority officers and other elected members.
2. You must not bully or harass any person (including specifically any Authority officer) and you must not intimidate or improperly influence, or attempt to intimidate or improperly influence, any person who is involved in any complaint about any alleged breach of this code of conduct.

(Note:

Bullying may be characterised as:

- *offensive, intimidating, malicious or insulting behaviour; or*
- *an abuse or misuse of power in a way that intends to undermine, humiliate, criticise unfairly or injure someone.*

Harassment may be characterised as unwanted conduct which has the purpose or effect of violating an individual's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for an individual.

Bullying and/or harassment may take many forms and may relate to a variety of issues. For example, bullying and harassment may relate to age, disability, gender reassignment, race, religion, belief, sex and/or sexual orientation

However, this list is not exhaustive, and any form of bullying or harassment is prohibited by the Code of Conduct.)

3. You must not do anything which compromises or is likely to compromise the impartiality of anyone who works for or on behalf of the Authority.
4. You must not conduct yourself in a manner which could reasonably be regarded as bringing the Authority, or your office as a member of the Authority, into disrepute.

5. You must not use or attempt to use your position as a member improperly to confer on or secure for yourself or any other person any advantage or disadvantage.
6. You must comply with any Protocol adopted by the Authority which seeks to regulate the conduct of its elected members and which the Cabinet has specifically declared should fall within the provisions of this code of conduct and which is listed in Annex 5 to this Code.
7. When using or authorising the use by others of the resources of the Authority, you must act in accordance with the Authority's reasonable requirements (as set out in such protocol as it may adopt from time to time for these purposes) and must ensure they are not used for party political purposes.
8. You must not prevent, or attempt to prevent, another person from gaining access to information to which they are entitled by law.
9. You must not disclose information which is given to you in confidence, or information which you believe or ought reasonably to be aware is of a confidential nature, unless:
 - (a) You have the consent of a person authorised to give it; or
 - (b) You are required by law to do so; or
 - (c) The disclosure is made to a third party for the purpose of obtaining professional advice, provided that the third party agrees not to disclose the information to any other person; or
 - (d) The disclosure is reasonable and in the public interest and made in good faith.
10. Where you have been involved in making any decision by the Authority which is subsequently subject to scrutiny by an overview and scrutiny committee of the Authority, you must not take part in that scrutiny process except to the extent you may be invited by the committee to give evidence to, or otherwise assist, it. In this paragraph, 'scrutiny' means the formal examination of a policy or decision previously approved or taken by or on behalf of the Authority in order to reach a view as to its merits or effectiveness.

Part 2 – Registration of Interests

11. You must register in the Authority's Register of Members Interests information about your registerable personal interests. In this code of conduct 'your registerable personal interests' means:
 - (a) Any Disclosable Pecuniary Interest as set out in **Annex 2**; or
 - (b) Any other interest held by you as set out in **Annex 3**.

You must register information about your registerable personal interests by giving written notice to the Monitoring Officer, who maintains the Register, within 28 days of:

- your appointment as a member of the Authority; and
- any change taking place in your registerable personal interests.

(Note: Failure without reasonable excuse to register a Disclosable Pecuniary Interest is a criminal offence under section 34 of the Localism Act 2011 as well as being a breach of this code.)

12. Where you think that disclosure of the details of any of your registerable personal interests could lead to you, or a person connected with you, being subject to violence or intimidation, the Monitoring Officer may at your request make a note on the Register that you have a personal interest, details of which are withheld.

Part 3 – Non-registerable interests

13. You will have a non-registerable personal interest when you attend a meeting of the Authority, or one of its joint committees, committees or sub-committees, and you are, or ought reasonably to be, aware that a decision in relation to an item of business which is to be transacted might reasonably be regarded as affecting your well-being or financial position, or the well-being or financial position of a person described in paragraph 14 to a greater extent than most inhabitants of the area of the Authority by the decision.
14. The persons referred to in paragraph 13 are:
 - (a) A member of your family;
 - (b) Any person with whom you have a close association;
 - (c) In relation to persons described in (a) and (b), their employer, any firm in which they are a partner, or company of which they are a director or shareholder.

(Note:)

- (a) “A member of your family” means: your partner (i.e. your spouse, civil partner or anyone with whom you live in a similar capacity); your parent or parent-in-law; any child, stepchild or sibling of you or your partner; your grandparent, grandchild, aunt, uncle, nephew or niece; and the partners of any of those people.*
- (b) You have a “close association” with someone if your relationship is such that a reasonable member of the public might think you would be prepared to favour or disadvantage that person when deciding a matter which affects them).*
15. When you attend a meeting of the Authority, or one of its joint committees, committees or sub-committees, and you are aware that you have a non-registerable interest in an item of business (as defined in paragraph 13) you must disclose that interest to the meeting before consideration of that item begins or (if later) when you become aware of the interest.

Part 4 - Non-Participation in Authority Business

16. When you attend a meeting of the Authority or one of its joint committees, committees or sub-committees, and you are aware that the criteria set out in paragraph 17 are satisfied in relation to any matter to be considered, or being considered at that meeting, you must:
 - (a) Declare that fact to the meeting;
 - (b) Not participate (or further participate) in any discussion of the matter at the meeting; and

- (c) Not participate in any vote (or further vote) taken on the matter at the meeting;
 - (d) Leave the room whilst the matter is being discussed.
17. The criteria for the purposes of paragraph 16 are that:
- (a) You have a registerable or non-registerable personal interest in the matter which is such that a member of the public knowing the relevant facts would reasonably think it so significant that it is likely to prejudice your judgement of the public interest; **and either**
 - (b) The matter will affect the financial position of yourself or one of the persons or bodies referred to in paragraph 14 or in any of your register entries; **or**
 - (c) The matter concerns a request for any permission, licence, consent or registration which relates to or affects you or any of the persons referred to in paragraph 14 or in any of your register entries.
18. If an Authority function can be discharged by you as a member acting alone and you are aware you have a registerable or non-registerable personal interest in any matter to be dealt with by you in that way which meets the criteria set out in paragraph 17, you shall not deal with that matter in any way (except to enable it to be dealt with by someone else).
- (Note: Failure, without reasonable excuse, to comply with paragraphs 16 to 18 in relation to a Disclosable Pecuniary Interest could be a criminal offence under section 34 Localism Act 2011 as well as being a breach of this code.)*
19. Paragraphs 16 to 18 do not apply if (i) you have a relevant dispensation under section 33 of the Localism Act 2011 (see Annex 4) or (ii) the matter in question relates to any of the following functions of the Authority:
- (a) statutory sick pay where you are in receipt of, or entitled to receipt of, such pay;
 - (b) an allowance, payment or indemnity given to members;
 - (c) any ceremonial honour given to members; and
 - (d) setting council tax or a precept/levy under the Local Government Finance Act 1992.

Annex 1 to Code of Conduct

Nolan's Seven Principles of Public Life

Selflessness

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

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

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

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

Annex 2 to Code of Conduct

Disclosable Pecuniary Interests

(as defined by Regulations made by the Secretary of State under section 30 Localism Act 2011)

Please Note: The following interests are Disclosable Pecuniary Interests if they are an interest of either (a) **yourself**, or (b) **your spouse or civil partner**, or (c) **a person with whom you are living as husband and wife**, or (d) **a person with whom you are living as if you were civil partners** (all of whom are referred to as “relevant persons”):-

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 relevant authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out your duties as a member, or towards your 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 which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the Authority —

- (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 - Any beneficial interest in land which is within the area of the Authority.

Licences - Any licence (alone or jointly with others) to occupy land in the area of the Authority for a month or longer.

Corporate tenancies - Any tenancy where (to your knowledge)—

- (a) the landlord is the Authority; and
- (b) the tenant is a body in which the relevant person has a beneficial interest.

Securities - Any beneficial interest in securities of a body where—

- (a) that body (to your knowledge) has a place of business or land in the area of the Authority; 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 relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

Note: In the above descriptions, the following words have the following meanings –

“body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“director” includes a member of the committee of management of an industrial and provident society;

“land” excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

“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.

Annex 3 to Code of Conduct

Other Registerable Personal Interests

The other interests which you must register under paragraph 11(b) of the code are:

1. Any body of which you are a member (or in a position of general control or management) to which you are appointed or nominated by the Authority;
2. Any body which (i) exercises functions of a public nature or (ii) has charitable purposes or (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member (or in a position of general control or management);
3. Any person from whom you have received within the previous three years a gift or hospitality with an estimated value of more than £50 which is attributable to your position as member of the Authority.

Note: These mean only your interests and not those of your spouse or civil partner.

Annex 4 to Code of Conduct

Dispensations Procedure

A Registerable Personal Interest may in relation to any item of business considered at any meeting of the Authority (including specifically in connection with an Authority budget setting meeting) mean that the criteria set out in paragraph 17 of the Code of Conduct may be satisfied and require the Member to leave the meeting.

Under section 33(2) of the Localism Act 2011 a dispensation can be granted if, after having had regard to all relevant circumstances, the Authority:

- 1) considers that so many Members of the decision-making body have interests that require them not to take part in a matter that it would “impede the transaction of the business”. Effectively this means the decision-making body would be inquorate as a result;
- 2) without a dispensation, no member of the Cabinet would be able to participate on the matter;
- 3) considers that, without the dispensation, the representation of different political groups on the body transacting the business would be so upset as to alter the likely outcome of any vote on the matter;
- 4) considers that granting a dispensation is in the interests of persons living in its area; and
- 5) considers that it is otherwise appropriate to grant a dispensation.

Members may be given a dispensation either to speak but not vote, or to speak and vote.

The Cabinet has delegated the granting of dispensations to the Audit and Standards Committee (see Part 2.5 of this Constitution).

A Member must complete a dispensations form explaining why a dispensation is appropriate and submit it to the Monitoring Officer. A report will be submitted to a meeting of the Audit and Standards Committee (or a sub-committee thereof) to determine what level of dispensation (if any) should be granted and for what duration; the duration must be specified and can be for up to four years.

Where the need for a dispensation arises in order to allow a meeting of the Cabinet (or other committee) to be quorate and it is not practicable to convene a meeting of the Audit and Standards Committee (or subcommittee thereof) the Monitoring Officer, in consultation with the Chair (or, in his/her absence, the Vice Chair of the Audit and Standards Committee) shall be authorised to issue dispensations.

The Member will receive notification of the decision of the Audit and Standards Committee within five working days of the committee (or subcommittee) meeting. Any dispensations must be declared by the Member at meetings where the dispensation applies.

Annex 5 to Code of Conduct

Protocols which fall within the provisions of the Code of Conduct

1. Member/Officer Relations Protocol (see Part 5.3 of this Constitution).

Arrangements for Dealing with Allegations of Breaches of the Code of Conduct for Members

1. Introduction

These arrangements set out how the Authority will deal with a complaint that an elected member (or voting co-opted member) of the Authority has failed to comply with the Authority's Code of Conduct.

Where a complaint is made against a Member of the Authority, the Monitoring Officer and the Monitoring Officer of the Member's appropriate constituent council will determine whether the complaint is to be properly dealt with in accordance with the Authority's local arrangements or the appropriate constituent council's local arrangements.

Under section 28(6) and (7) of the Localism Act 2011, the Authority must have in place "arrangements" under which allegations that a Member of the Authority, has failed to comply with the Code of Conduct can be dealt with. Such arrangements must provide for the Authority to appoint at least one Independent Person, whose views must be sought by the Authority before it takes a decision on an allegation which it has decided shall be investigated, and whose views can be sought by the Authority, or a Member against whom an allegation has been made, at any other stage.

2. Receipt of a complaint

A complaint against a Member must be sent by the Complainant in writing or by email to the Monitoring Officer.

The Monitoring Officer has statutory responsibility for maintaining the register of members' interests and is responsible for dealing with complaints of member misconduct.

To make sure the Monitoring Officer has all the information needed to process a complaint, a complainant should complete and send to the Monitoring Officer the model complaint form. This can be downloaded from the Authority's website and is available on request from the Monitoring Officer.

The complainant should include their name and a contact address or email address, so that the Monitoring Officer can acknowledge receipt of the complaint.

The Monitoring Officer will acknowledge receipt of the complaint to the complainant and provide the subject member of the complaint with a copy of the complaint within 5 working days of receiving it. The Monitoring Officer will also seek comments from the subject member of the complaint to assist in the initial assessment of the complaint.

3. Request for confidentiality

If a complainant wants to keep their name and address confidential, they are required to indicate this and explain why when they submit their complaint. The Authority does not normally investigate anonymous complaints unless there are compelling reasons.

To ensure openness and transparency, confidentiality will only be granted in exceptional circumstances and, in many instances, it will not be practical or possible to investigate a complaint without the identity of the complainant being revealed. If, however, confidentiality is granted and the complaint proceeds, the Monitoring Officer will determine whether or when

the subject member will be advised of the complaint and the identity of the complainant. The procedure set out below will be adjusted as appropriate to accommodate the decision of the Monitoring Officer.

Where a request for confidentiality is refused by the Monitoring Officer, the complainant will be advised of that refusal and will be given the option to withdraw the complaint within 10 working days. If the complaint is withdrawn the matter will be then closed and the subject member will not be informed of the complaint. If the complainant refuses to withdraw the complaint or does not respond within the specified timescale, then the subject member will be sent a copy of the complaint and the complaint will proceed as set out in paragraph 4 below.

4. Will the complaint be investigated?

The Monitoring Officer will review every complaint received and, after consultation with the Independent Person where appropriate and consideration of any initial comments of the subject member, decide whether the complaint will be investigated. The decision will be based on whether the allegation, if proved, would be likely to constitute a failure to observe the Code of Conduct and the application of the Authority's adopted assessment criteria (attached at Annex 1). This decision will normally be taken within 28 days of receipt of the complaint. The parties will be advised of the Monitoring Officer's decision together with the reasons for that decision— subject to any decision on confidentiality arising as referred to above.

Where the Monitoring Officer requires additional information in order to come to a decision, he/she may go back to the complainant for such information and may request information from the subject member of the complaint.

If the complaint alleges criminal conduct or breach of other regulation by any person, the Monitoring Officer may refer the complaint to the Police or other regulatory agencies, irrespective of a request for confidentiality by the complainant.

5. Informal Resolution

The Monitoring Officer may consider that a complaint can be reasonably resolved informally. In such a case, the Monitoring Officer will consult with the Independent Person, the subject member and the complainant to seek to agree an informal resolution of the complaint which also helps to ensure high standards of conduct for the future. If the subject member complies with the suggested resolution, the Monitoring Officer will report the matter to the Audit and Standards Committee for information, but will take no further action.

6. How is the investigation conducted?

If the Monitoring Officer decides that a complaint merits formal investigation, he/she will appoint an Investigating Officer. The Investigating Officer may be another officer of the Authority, an officer of a constituent council or an external investigator.

The Investigating Officer will write to the subject member and will ask them to provide their explanation of events, and to identify what documents or other materials they believe the Investigating Officer needs to see and who the Investigating Officer needs to interview.

The Investigating Officer will decide whether he/she needs to meet or speak to the complainant to understand the nature of the complaint and so that the complainant can explain their understanding of events and suggest what documents or other materials the Investigating Officer needs to see, and who the Investigating Officer needs to interview.

At the end of their investigation, the Investigating Officer will produce a draft report and will send copies of that draft report, in confidence, to the subject member and to the complainant, to give both an opportunity to identify any matter in that draft report which they disagree with (and give their reasons why) or which they consider requires more consideration. A copy of the draft report will also be sent to the Monitoring Officer.

Having received and taken account of any comments which the complainant or subject member may make on the draft report, the Investigating Officer will send his/her final report to the Monitoring Officer.

7. What happens if the Investigating Officer concludes that there is no evidence of a failure to comply with the Code of Conduct?

If the Monitoring Officer (after consulting the Independent Person and taking into account any views they may give on the report) is satisfied with the Investigating Officer's conclusion, the Monitoring Officer will normally write to the subject member and to the complainant, notifying both that he/she is satisfied that no further action is required, and give both a copy of the Investigating Officer's final report.

If the Monitoring Officer (after consulting the Independent Person) is not satisfied that the Investigating Officer's conclusion is necessarily correct or well-founded, or for any other reason, the Monitoring Officer may either (a) ask the Investigating Officer to reconsider his/her report or (b) deal with the matter under paragraph 8 below as if there had been a finding of evidence of failure to comply with the Code.

8. What happens if the Investigating Officer concludes that there is evidence of a failure to comply with the Code of Conduct?

a) Local Resolution

Where the Investigating Officer concludes that there is evidence of a failure to comply with the Code of Conduct, there may still be an opportunity for local resolution, avoiding the necessity of a hearing. An investigation report may cause a member to recognise that his/her conduct was at least capable of giving offence, and /or identify other appropriate remedial action, and the complainant may be satisfied for instance, by recognition of fault or an apology. It would only be appropriate for the Monitoring Officer to agree a local resolution at this stage after consultation with the Authority's Independent Person and the Chair of the Audit and Standards Committee. In addition, this would be conditional on the complainant being satisfied with the outcome. A summary report on any local resolution of a complaint would be reported to the Audit and Standards Committee for information.

b) Referral for Hearing

If local resolution is not considered appropriate, the Monitoring Officer will then refer the matter for a hearing before the Committee.

9. The Hearing

Where the Monitoring Officer has referred a matter for a hearing the procedure at Annex 2 will apply.

10. What action can the Audit and Standards Committee/Sub-Committee take where a Member has failed to comply with the Code of Conduct?

The Cabinet has delegated to the Audit and Standards Committee such of its powers to take action in respect of individual Members as may be necessary to promote and maintain high standards of conduct. The Audit and Standards Committee may appoint an Audit and Standards Subcommittee to fulfil these responsibilities on its behalf or deal with the matter itself.

Accordingly, the Audit and Standards Committee (or Subcommittee thereof) may:

- (a) Issue a formal censure;
- (b) Refer the determination findings to the Cabinet for information;
- (c) Publish the determination findings by such means as thought fit;
- (d) Recommend the Cabinet to remove the member from being the Chair or Vice Chair of any Committee or Sub-committee;
- (e) Recommend the Cabinet remove them from any or all Committees or Sub-committees for a specified period;
- (f) Recommend the Cabinet remove particular Cabinet portfolio responsibilities;
- (g) Recommend the Cabinet remove the member for a specified time from all or specified outside appointments to which s/he has been appointed or nominated by the Cabinet;
- (h) Offer training to the member; or
- (i) Exclude the member from the Authority's offices or other premises or facilities, for a specified period and to the extent desirable and so as not to interfere with the democratic process, in particular the member's ability to carry out his or her role as a member.

The Audit and Standards Committee has no power to suspend or disqualify the subject member or to withdraw or suspend allowances or restrict access to or use of Authority facilities so that the subject member is unable to perform their essential role as a member.

11. What happens at the end of the Hearing?

At the end of the hearing, the Chair will state the decision of the Audit and Standards Committee (or Subcommittee) as to whether a Member has failed to comply with the Code of Conduct and as to any actions which the Audit and Standards Committee (or Subcommittee) resolves to take.

As soon as reasonably practicable after that, the Monitoring Officer, in consultation with the Chair of the Committee (or Subcommittee), will prepare a formal decision notice, and send a copy to the Member and the complainant, make that decision notice available for public inspection on the Authority's website and, if so directed by the Audit and Standards Committee (or Subcommittee), report the decision to the next convenient meeting of the Cabinet.

12. Review of decisions

Procedures for the review of decisions are set out in Annex 3.

13. What is the Audit and Standards Committee?

The Audit and Standards Committee is made up of fourteen members from the constituent councils and one co-opted member. The Committee is a key component of the Authority's corporate governance arrangements and is responsible (amongst other things) for the promotion and maintenance of high standards of conduct by its elected and co-opted members. The Audit and Standards Committee can appoint, when

required, an Audit and Standards Subcommittee to conduct hearings and determine complaints of breaches of the Code of Conduct for Members. The full terms of reference for the Committee and the Subcommittee can be found at Part 2.5 of the Constitution.

14. Who is the Independent Person?

The Independent Person is a person who applied for the post following advertisement of a vacancy for the role, and is appointed by the Cabinet.

A person does not qualify as “independent”, if they are (or at any time in the last 5 years have been) a Member, Co-opted Member or officer of the Authority, or if they are a relative or close friend of such a Member, Co-opted Member or officer.

For this purpose, “relative” means –

- (a) a spouse or civil partner;
- (b) any person with whom the candidate is living as if they are a spouse or civil partner;
- (c) a grandparent;
- (d) any person who is a lineal descendent of a grandparent;
- (e) a parent, brother, sister or child of anyone in paragraphs (a) or (b);
- (f) any spouse or civil partner of anyone within paragraphs (c), (d) or (e); or
- (g) any person living with a person within paragraphs (c), (d) or (e) as if they were spouse or civil partner to that person.

The Independent Person is invited to attend meetings of the Committee and their views are sought and taken into consideration before the Committee takes any decision on whether a Member’s conduct constitutes a failure to comply with the Code of Conduct and as to any action to be taken following a finding of failure to comply with the Code of Conduct. However, the Independent Person is not a member of the Committee.

15. Revision of these arrangements

The Audit and Standards Committee, on the advice of the Monitoring Officer, may depart from these arrangements where it is necessary to do so in order to secure the effective and fair consideration of any matter. The arrangements will also be subject to periodic review by the Cabinet.

Annex 1

Complaints against Members - Assessment Criteria

The following criteria will be taken into account in deciding what action, if any, to take in relation to a complaint that a member has failed to comply with the requirements of the Code of Conduct for Members:

1. Has the complainant submitted enough information to satisfy the Monitoring Officer (or the Audit and Standards Committee if appropriate) that the complaint should be referred for investigation or other action?

If not:

The information provided is insufficient to make a decision. Unless, or until, further information is received, no further action will be taken on the complaint.

2. Is the complaint about someone who is no longer a member of the Authority, but is a member of another authority? If so, should the complaint be referred to the Monitoring Officer of that other authority?

If yes:

The complaint will be referred to the Monitoring Officer of that other authority to consider.

3. Has the complaint already been the subject of an investigation or other action relating to the Code of Conduct? Similarly, has the complaint been the subject of an investigation by other regulatory authorities?

If yes:

There may be nothing more to be gained by further action being taken.

4. Is the complaint about something which happened so long ago that there would be little benefit in taking action now?

If yes:

Further action may not be warranted.

5. Does the complaint appear insufficiently serious to justify the cost or use of resources involved in further action?

If yes:

Further action will not be warranted.

6. Does the complaint appear to be simply malicious, politically motivated or “tit-for-tat”?
If yes:

Further action will not normally be warranted.

7. Is the complaint anonymous?

If yes:

No action will normally be taken unless there are compelling reasons to suggest otherwise, e.g. if it includes documentary or photographic evidence indicating an exceptionally serious or significant matter.

Annex 2

Procedure for Hearings

1. Introduction

This Annex details the procedure to be adopted for the hearing of complaints by the Audit and Standards Committee (or Sub-committee) where an investigation has been completed.

The person(s) making the complaint will be referred to in this procedure as the complainant and the person against whom the complaint is made will be referred to as the Member.

The Investigating Officer means the Monitoring Officer or other person appointed by the Monitoring Officer to conduct a local investigation.

References to Monitoring Officer include any other person appointed by the Monitoring Officer to carry out the functions of the Monitoring Officer.

2. Legal Advice to the Audit and Standards Committee

Where the Monitoring Officer also takes on personally the role of the Investigating Officer, the Monitoring Officer must arrange for a separate legal adviser for the Audit and Standards Committee in respect of the allegation.

3. Notifying the Member and Complainant

The Monitoring Officer shall send a copy of the Investigating Officer's final report to the Member, the complainant and the Independent Persons.

The Monitoring Officer will ask for a written response from the Member within 14 days, stating whether or not they :

- disagrees with any of the findings of fact in the report, including the reasons for any disagreements;
- wants to be represented, at their own expense, at the hearing by a solicitor, barrister or any other person;
- wants to give evidence to the Audit and Standards Committee, either verbally or in writing;
- wants to call relevant witnesses to give evidence to the Audit and Standards Committee and, if so, who;
- wants any part of the hearing to be held in private and, if so, why; and
- wants any part of the report or other relevant documents to be withheld from the public and, if so, why.

The Monitoring Officer will also inform the Member that if, at the meeting of the Audit and Standards Committee, they seek to dispute any matter contained in the report, without having previously notified his/her intention to do so, the Audit and Standards Committee may either adjourn the meeting to enable the Investigating Officer to provide a response, or refuse to allow the disputed matter to be raised.

The Monitoring Officer will also seek the views of the Independent Person on the report and on any action the Independent Person feels should be taken in respect of it.

Upon receipt of the responses, the Monitoring Officer will complete a pre-hearing summary which will include:

- (a) The name of the 'home' authority of the Member.
- (b) The name of the Member.
- (c) The name of the complainant (unless there are good reasons to keep their identity confidential).
- (d) The case reference number.
- (e) The name of the Chair for the hearing.
- (f) The name of the Investigating Officer.
- (g) The name of the clerk of the hearing or other administrative officer.
- (h) The date the pre-hearing summary was produced.
- (i) The date, time and place of the hearing.
- (j) A summary of the complaint.
- (k) The relevant section or sections of the Code of Conduct.
- (l) The findings of fact in the investigation report which are agreed and the findings of fact in the investigation report which are not agreed.
- (m) Whether the Member or the Investigating Officer will attend or be represented.
- (n) The names of any witnesses who will be asked to give evidence.
- (o) An outline of the proposed procedure for the hearing.

The Member and the Investigating Officer are entitled to request that any witnesses they want should be called. However, the Chair of the Audit and Standards Committee, following advice from the legal adviser, may limit the number of witnesses, if they believes the number requested is unreasonable or that some witnesses will simply be repeating the evidence of earlier witnesses, or else will not provide evidence that will assist the Committee to reach its decision.

Nothing in this procedure shall limit the Chair of the Audit and Standards Committee from requesting the attendance of any additional witnesses whose evidence he/she considers would assist the Audit and Standards Committee to reach its decision.

4. The Audit and Standards Committee

The Audit and Standards Committee shall decide, on the balance of probability, whether the grounds of the complaint are upheld. It shall do so by considering the report and, where appropriate, written or oral representations made by the Member, and any additional relevant information from the Investigating Officer or witnesses.

All matters/issues shall be decided by a simple majority of votes cast.

The meeting of the Audit and Standards Committee will be open to the public and press unless confidential information or exempt information under Schedule 12A of the Local Government Act 1972 is likely to be disclosed.

5. Procedure at the Hearing

The initial order of business at the meeting shall be as follows:

- declarations of interest;
- consideration as to whether to adjourn or to proceed in the absence of the Member, if the Member is not present;
- introductions;
- any representation from the Investigating Officer and/or the Member as to reasons why the Audit and Standards Committee should exclude the press and public and determination as to whether to exclude the press and public. Where the Audit and Standards Committee decides that it will not exclude press and public, the Monitoring Officer may at this point provide copies of the agenda and reports to any members of the press and public who are present.

The purpose of the hearing is to establish the facts and then consider whether, based on those facts, the Member has failed to follow the Code of Conduct. The Audit and Standards Committee will control the procedure and evidence presented at the hearing, including the questioning of witnesses.

The Audit and Standards Committee may at any time seek legal advice from its legal adviser. Such advice will be given in the presence of the Investigating Officer and the Member.

The procedure at the hearing will be as follows, subject to the Chair of the Committee being able to make changes as he or she thinks fit in order to ensure a fair and efficient meeting.

(a) Examination of report and written representations

The Committee will consider the report together with any written response from the Member to the report. The Committee may require the Investigating Officer to answer questions put to them by members regarding the contents of the report.

The Committee must also take account of the views expressed by the Independent Person in their response to the Monitoring Officer.

(b) Oral evidence

If there is any disagreement as to the facts of the case, the Investigating Officer will be invited to make any necessary representations to support the relevant findings of fact in the report, calling supporting witnesses as agreed by the Chair.

Questions may be asked by the Committee at any point. The Member will not be permitted to directly question the Investigating Officer or the witnesses they call.

If the Member wishes to challenge any oral evidence being presented, then these questions shall be directed through the Chair.

The Member will then be invited to make any necessary representations to support their version of the facts, calling supporting witnesses as agreed by the Chair.

Questions may be asked by the Committee at any point. The Investigating Officer will not be permitted to directly question the Member or the witnesses they call. If they wish to challenge any oral evidence being presented, then these questions must be directed through the Chair.

Where the Member seeks to dispute any matter in the report which they had not given notice of intention to dispute in their written statement in response, the Investigating Officer shall draw this to the attention of the Audit and Standards Committee. The Audit and Standards Committee may then decide:

- not to admit such dispute but to proceed to a decision;
- to admit the dispute, but to invite the Investigating Officer to respond
- to adjourn the meeting to enable the Investigating Officer to investigate and report on the dispute.

The Audit and Standards Committee may adjourn the hearing to require the Monitoring Officer to seek further information or undertake further investigation on any point specified by the Committee.

6. Decision by the Audit and Standards Committee

The Audit and Standards Committee will consider in private session which of the following findings to adopt:

- that there is no evidence of any failure to comply with the Code of Conduct;
- that the Member has failed to comply with the Code of Conduct, but that no action needs to be taken;
- that the Member has failed to comply with the Code of Conduct and that a sanction should be imposed.

The available sanctions are:

- (a) Issue a formal censure;
- (b) Refer the determination findings to the Cabinet for information;
- (c) Publish the determination findings by such means as thought fit;
- (d) Recommend the Cabinet remove the member from being the Chair or Vice Chair of any Committee or Subcommittee;
- (e) Recommend the Cabinet remove them from any or all Committees or Subcommittees for a specified period;
- (f) Recommend the Cabinet remove particular Cabinet portfolio responsibilities;
- (g) Recommend the Cabinet remove the member for a specified time from all or specified outside appointments to which s/he has been appointed or nominated by the Cabinet;
- (h) Offer training to the member; or
- (i) Exclude the member from the Authority's offices or other premises or facilities, for a specified period and to the extent desirable and so as not to interfere with the democratic process, in particular the member's ability to carry out his or her role as an elected member.

In deciding what sanction (if any) to set, the Audit and Standards Committee will consider all relevant circumstances including any views expressed by the Independent Persons.

The Audit and Standards Committee will then resume the public session and the Chair will announce the decision and the reasons for that decision.

If the matter is complex and the complaint has a number of aspects, the Audit and Standards Committee can decide to consider the evidence and reach a finding on each aspect separately.

The Audit and Standards Committee will then consider in open session whether there are any recommendations which it wishes to make arising from consideration of the allegation.

7. Notice of findings

The Monitoring Officer will make a short written decision available on the day of the hearing and a full written decision in draft will be prepared as soon as possible.

Within two weeks of the end of the hearing, the Monitoring Officer will circulate a full written decision to the Member and the complainant.

At the same time the Monitoring Officer shall arrange for a summary of the findings to be published as may be directed by the Audit and Standards Committee.

Where the Audit and Standards Committee determines that there has not been a breach of the Code of Conduct, the notice shall:

- state that the Audit and Standards Committee found that the Member had not failed to comply with the Code of Conduct and shall give its reasons for reaching that finding (provided that no notice should be published if the Member so requests_.

Where the Audit and Standards Committee determines that there has been a failure to comply with the Code of Conduct but no action is required, the notice shall:

- state that the Audit and Standards Committee found that the Member had failed to comply with the Code of Conduct but that no action needs to be taken in respect of that failure, specify the details of the failure; and give reasons for the decision reached.

Where the Audit and Standards Committee determines that there has been a failure to comply with the Code of Conduct and that a sanction should be imposed, the notice shall:

- state that the Audit and Standards Committee found that the Member had failed to comply with the Code of Conduct;
- specify the details of the failure;
- give reasons for the decision reached; and
- specify the sanction imposed.

Copies of the agenda, reports and minutes of a hearing, as well as any background papers, apart from sections of documents relating to parts of the hearing that were held in private, will be available for public inspection for six years after the hearing.

8 Confidentiality and disclosure of information

Where the Chair of the Audit and Standards Committee considers that the report and/or any of the written statements in response are likely to disclose any exempt information and in consequence that it is likely that the Audit and Standards Committee will, during consideration of these matters, not be open to the public, they shall, taking account of the advice of the legal

adviser, decide not to provide copies of these papers to the press or public or permit their inspection by the press or public in advance of the meeting.

The Hearing will be held in public except for those parts of its proceedings which involve exempt information and during the deliberations of the Audit and Standards Committee.

Annex 3

Review of Decisions

1. Initial Assessment Decisions

If a complainant is aggrieved by a decision by the Monitoring Officer to not investigate a complaint then the complainant may request the Monitoring Officer to reconsider their decision.

The Monitoring Officer will consult the Independent Person and the Chair of the Audit and Standards Committee, and take their views into account, before deciding whether to uphold or vary their original decision.

2. Findings of Audit and Standards Committee following a hearing

If a member is aggrieved by a finding of the Audit and Standards Committee that they have failed to comply with the Code, or with the sanction imposed, they may request a review by an Independent Person from a constituent council in accordance with the following procedure:

- The member must request a review, with their detailed reasons for seeking a review, within 5 working days of the publication of the decision notice otherwise the decision of the Audit and Standards Committee will become final.
- The request for a review must be in writing and must be submitted to the Monitoring Officer.

If a request for a review is received, the decision of the Audit and Standards Committee will be held in abeyance pending completion of the review process.

If a request for a review is received, the decision of the Audit and Standards Committee (including all the papers considered by the Committee) will be referred to an Independent Person of a constituent council not being the home authority of the Member. The Independent Person will review the case on the information provided and will provide a report to the Audit and Standards Committee. The report to the Audit and Standards Committee will provide any comments the Independent Person considers are appropriate and relevant, taking into account the basis of the request for review from the Member.

Upon the receipt of the Independent Person's report, the Audit and Standards Committee will consider the Independent Person's comments; the reasons submitted for the review by the Member and will determine whether to confirm the decision of the Audit and Standards Committee, amend the decision or substitute it with an alternative decision; this could include concluding that no breach of the Code occurred.

No further right of appeal or review of the Audit and Standards Committee's decision within the Authority is available. However, if the Member or the complainant considers that the Authority has failed to deal with the complaint properly, they may make a complaint to the Local Government and Social Care Ombudsman.

Part 5.2 - Code of Conduct for Officers

Introduction

The people of the Authority's Area are entitled to expect high standards of conduct from our employees. We want you to know the rules which apply to you and to give you guidance to help you keep to them. Your service area may have other rules or statutory codes of professional behaviour and we will bring these to your attention.

The code sets out the minimum standards we expect of you and provides a framework which will help to prevent misunderstandings or criticism. All employees of the Authority must keep to the standards of this code and carry out their duties honestly and fairly. If you do not do this, it is a serious matter and could result in disciplinary action up to and including dismissal.

Please read the Code carefully. If you have any queries, ask your manager or supervisor. If you need a copy of one of the Forms CCE.1 - 8 referred to in this Code, please ask your manager or supervisor. The forms explain where you should send them.

We approve the ***seven principles of public life*** as outlined by the Committee on Standards in Public Life chaired by Lord Nolan. These principles are selflessness, integrity, objectivity, accountability, openness, honesty and leadership. You can find details of these principles below.

The principles of public life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the civil service, local government, the police, courts and probation services, NDPBs, and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources.

The principles also have application to all those in other sectors delivering public services.

Selflessness

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

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

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

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

1. Standards

- a We expect you to give the highest possible standard of service to the people of the Authority's area and to carry out your duties honestly and fairly.
- b If you become aware of anything illegal, improper or a breach of procedure, you must report it to your manager or supervisor, or, if you prefer, to the Monitoring Officer. You will not be penalised for doing this as long as you act in good faith. Managers must record, investigate and take appropriate action on your reports.
- c It is not enough to avoid doing wrong. You should also avoid anything which could give the impression or appearance of doing wrong.

2. Disclosing information

- a The law says certain types of information must be open to Members (which term shall, in this Code, include the Mayor or), auditors, government departments, service users and the public. If you do not know whether you can release any particular information, always check with your manager first.
- b You must not use any information you get in the course of your duties for personal gain or benefit. You must not pass information on to others who might use it for their own gain.
- c You can only give confidential information or documents to those who have a legitimate right to them. You can only give personal information according to the requirements of the UK GDPR and the Data Protection Act 2018 (see appendix A). If your post is below Director or Head of Service level, you should not make statements directly to the press or other media without first getting approval from your Director or Head of Service. (If you are a trade union representative, you can contact the media in that role.) Directors or Heads of Service should speak to the relevant Cabinet Member before making statements to the press or other media on major policy issues. When we refer to Directors or Heads of Service in this paragraph, it also includes other officers authorised by the Director to act for them.
- d. You must not pass on information which is personal to a Member without the Member's permission unless the law allows this.

3. Political Neutrality

- a You will serve the Authority as a whole. You must serve Members equally and make sure that you respect their individual rights.

- b You do not have to go to meetings of political groups. However, we may ask senior officers to do this. If you agree, you must act in a way which shows you are neutral.
- c You cannot allow your own political opinions to interfere with your work.
- d You may not display political posters, including election material, in areas of Authority buildings or in council vehicles.

4. Relationships

a With Members

Employees and Members must respect one another.

If you think that a Member has not acted in a proper way towards you, you may report the matter to your Director or Head of Service who may deal with the matter in accordance with the arrangements at Part 5.1 of the Authority's Constitution.

b With the local community and service users

A commitment to customer care is central to the services delivered by the Authority. As an employee you must always be polite, efficient, fair and impartial when you provide services to all groups and individuals within the community you serve.

c With contractors and suppliers

You must tell your Director or Head of Service about any close association or personal relationship which you have with the Authority's contractors or suppliers. You must fill in form CCE.1 to do this. You must award contracts according to our financial regulations and not show special favour to anyone.

A personal relationship covers: your partner (i.e. your spouse, civil partner or anyone whom you live with, in a similar capacity); your parent or parent-in-law; any child, stepchild or sibling of you or your partner; your grandparent, grandchild, aunt, uncle, nephew or niece; and the partners of any of those people.

You have a 'close association' with someone if your relationship is such that a reasonable member of the public might think you would be prepared to favour or disadvantage that person when deciding or influencing a matter which affects them.

5. Recruitment and other employment matters

- a If you are involved in appointing people to posts in the Authority, you should make sure that you follow our Code of Practice on Recruitment and Selection and/or guidance on managing re-organisations.
- b So that you are never accused of bias, you must not be involved in any appointment where you are related to, or have a close personal relationship outside work with, the person applying or selected for a post.

- c You must use form CCE.2 to tell your Director or Head of Service about any relationship between you and any person you know is applying to us for a job.
- d You must not be involved in, or try to influence, any decision to do with discipline, promotion or pay adjustments for any employee who is related to you or with whom you have a close personal relationship outside work.

6. Commitments outside work

- a What you do in your own time is your business so long as you do not
 - put your private interests before your duty to the Authority;
 - put yourself in a position where your duty and private interests conflict or could appear to conflict; or
 - do anything which could harm the Authority's reputation.
- b You must not carry out any other business or take up any additional appointment while employed by us without our prior permission. (If you want permission, fill in form CCE.3.) We will not unreasonably prevent you carrying out other employment and will actively support and encourage voluntary work. However, this employment or voluntary work must not, in our view, conflict with our interests and we will lay down conditions for you. You must indicate on form CCE.3 membership of charitable or voluntary organisations you are involved with, such as Rotary or Lions clubs or the Freemasons. Any disputes regarding this matter should be resolved via the Authority's grievance process.
- c The following conditions apply to all employees in connection with commitments outside work. We will tell you about any other specific conditions relating to you depending on your circumstances.
 - You must not carry out private work (whether paid or unpaid) relating to or in potential conflict with the Authority without prior permission from your Director or Head of Service.
 - You must not carry out any work related to a private interest (including taking or making phone calls or sending/accessing emails or using other social media or telephony) during normal working hours without clocking out.
 - You must not use our facilities or equipment or confidential information.
 - We will review all our approvals and may withdraw our approval if we think it necessary.

7. Personal interests

- a If you have a financial or non-financial interest which could conflict with our interests, you must declare this on form CCE.4.
- b Section 117 of the Local Government Act 1972 (see appendix B) says you must make a formal declaration about Authority contracts where you have a financial

interest. If you do not do this, it is a criminal offence. You should make the declaration on form CCE.5.

- c You may not make decisions in the course of your official duties if you have a personal interest in them.
- D If you belong to an organisation which is not open to the public and does not have formal membership and which has secrecy about rules, membership or conduct, you must tell us on form CCE.6. A definition of such an organisation appears at appendix C.

8. Equality

All members of the local community and our employees have a right to be treated fairly and equally.

9. Tendering procedures

- a If you are involved in the tendering process or dealing with contractors, you should make sure that you know the separate roles of client and contractor.
- B If you have access to confidential information on tenders or costs relating to contractors, you must not give it to any unauthorised person or organisation.

10. Corruption

The Bribery Act 2010 makes it a serious criminal offence for you, in your official capacity, to corruptly receive or give any gift, loan, fee, reward or advantage or to show favour or disfavour to any person. If an allegation is made, you must prove that any rewards have not been corruptly gained or given. A summary of the legal provisions appears in appendix D.

11. Financial Regulations

- A If you are involved in financial activities and transactions for us, you must follow our financial regulations and their accompanying guidelines. The Financial Regulations can be found at Part 4 of the Authority's Constitution.
- b You must use public funds in a responsible and legal way and try to make sure you provide value for money to the local community and to avoid legal challenges to us.

12. Gifts and other benefits

- a If you are offered gifts or other benefits (or your partner or family members are offered gifts) arising from your official duties, this could cause a conflict between your private and public duties.
- B You must not accept any gift or other benefit offered to you, or your partner or a family member, by:
 - any person you have provided services to in the course of your official duties or their partner or a family member;
 - any person associated with an organisation which has, or wishes to have, dealings with us.

You must declare any offer on form CCE.7 and say what action you have taken. The only exception to this rule is where the gift is of token value up to a maximum of £25.

- C Because offering gifts is common practice in the business world particularly at Christmas time, you should refuse them politely. If, for example, a gift is simply delivered to your place of work, there may be a problem returning it, in which case, you should report this to your Director or Head of Service or the Monitoring Officer, who will decide what to do.
- D If you or your partner or a family member have been made a beneficiary in the will of a service user or former service user, you must immediately tell your Director or Head of Service, who will decide on the appropriate action.
- E You, your partner and any member of your family cannot borrow money or other property from a client you provide services to. You cannot act as executor of a client's will.

13. Hospitality

- a. A modest amount of entertainment is a normal part of public life, but you must not risk undermining public confidence or allow it to appear that you could be improperly influenced in the way you carry out your duties. Hospitality may sometimes be offered to representatives of the Authority and can be accepted at official level if that is reasonable. In these cases, only Directors (or those acting for them) should go.
- b. You must be particularly careful if you are offered hospitality by someone who wants to do business with us or to get a decision from us. It is important to avoid any suggestion of improper influence. You should accept an offer of hospitality only if you genuinely need to go to an event to receive or give information or represent the Authority. You should only accept offers to go to social, cultural entertainment or sporting occasions if these are part of the life of the community or we should be seen to be represented.
- c. If you turn down hospitality you should do this politely and explain our rules on hospitality.
- d. You must use form CCE.8 to obtain your Director's approval before accepting offers of hospitality. This is not required if the hospitality is of token value (e.g. the offer of a single drink). The Head of Paid Service and Directors are not required to obtain prior authorisation but must nonetheless declare acceptance of hospitality in the normal manner.

14. Retention and access to declarations

- a) Declarations made on forms CCE 1 - 8 are subject to the retention periods and access categories set out in Appendix E. The access categories are explained below.

b) Public Access

Relationship with external contractor or supplier	CCE 1
Financial Interest in Authority Contract	CCE 5

Offers of Gifts	CCE 7
Offers of Hospitality	CCE 8

These are situations that can raise particular public concerns and the public interest in being able to see that appropriate declarations are made and the extent to which employees have such relationships (or have been offered gifts or hospitality) overrides the need to protect the personal privacy of employees.
Public access is therefore permitted to the above declarations.

c) Internal Access

Relationship with candidate for appointment within the Authority	CCE 2
Approval of outside interests or employment	CCE 3
Declaration for outside interests or employment	CCE 4

These relate primarily to personal interests of employees and in order to maintain a balance between public interest and privacy issues these declarations are subject to internal access only by Members, Officers and the Authority's current external auditor.

d) Monitoring Officer Control

Membership of secret societies or organisations	CCE 6
---	-------

Membership of these organisations is not unlawful. Disclosure is required so that the Authority can satisfy itself on matters of propriety which may arise in connection with such organisations. Access is controlled by the Monitoring Officer where he or she is satisfied that there are reasonable grounds for access in connection with investigations of a complaint or other legitimate concerns.

Appendix A

DATA PROTECTION ACT 1998

The UK GDPR and Data Protection Act 2018 aim to protect the public from people not using their personal information correctly. The Information Commissioner oversees the Act but it is up to us and our staff to make sure we keep to the conditions of the Act. Personal data can be any information that identifies a person, such as their name or address. Information can relate to their home, work or personal life. It can also include other information such as social care information.

All organisations have to follow a set of six principles as part of GDPR. We use these principles when dealing with personal information.

The six principles ensure information is:

- processed lawfully, fairly and in a transparent manner in relation to individuals;
- collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes;
- adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed;
- accurate and, where necessary, kept up to date;
- kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed;
- processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures.

If you are going to give personal information to someone else, you must make sure that you do this according to the requirements of the GDPR and the Act. . If you are in any doubt about the requirements of the Act, advice is available from the Authority's Data Protection Officer.

Appendix B

LOCAL GOVERNMENT ACT 1972 - SECTION 117

- 1 If you become aware that you have a direct or indirect financial interest in a contract which the Authority has entered into or intends to enter into, you must tell us immediately.
- 2 You must not accept any fee or reward other than your normal salary.
- 3 If you break either of the conditions shown above, you can be prosecuted and fined. (The maximum fine is level 4 on the standard scale.)

Appendix C

ORGANISATIONS TO WHICH PARAGRAPH 7D OF THE CODE APPLIES

Any lodge, chapter, society, trust or regular gathering or meeting, which:

- a is not open to members of the public who are not members of that group;
- b includes an obligation on the part of the member to make a commitment of allegiance to the lodge, chapter, society or gathering or meeting; and
- c includes a commitment of secrecy about the rules, membership or how the lodge, chapter, society, trust, gathering or meeting carries out its business.

We do not consider a lodge, chapter, society, trust, gathering or meeting as a secret society if it forms part of a generally recognised religion.

Appendix D

THE BRIBERY ACT 2010

Under the Bribery Act 2010, it is an offence for you to:-

1. Bribe another person
2. Be bribed
3. Bribe a foreign public official

There is also a 'corporate offence' of failing to prevent bribery. Under this, the Authority will be guilty of an offence if an "associated person" bribes someone else intending to obtain or retain business, or a business advantage, for the Authority. "Associated persons" may include employees, agents and subsidiaries.

Appendix E

Declaration	Disclosure	Retention	Access
CCE1 Relationship with external contractor or supplier	Director or Head of Service (who will send a copy to the Monitoring Officer)	Monitoring Officer's Office Kept for 3 years after end of employment	Public Access
CCE2 Relationship with candidate for employment with Authority	Head of Paid Service (who will send a copy to the Monitoring Officer)	Head of Paid Service's Office Kept for 3 years	Internal Access
CCE3 Approval for outside interests of employment	Director or Head of Service	Director's or Head of Service's Office Kept for 3 years after end of employment	Internal Access
CCE4 Declaration of Personal Interests	Director or Head of Service	Director's or Head of Service's Office Kept for 3 years after end of employment	Internal Access
CCE5 Financial Interest in Authority contract	Monitoring Officer	Monitoring Officer's Office Kept indefinitely	Public Access
CCE6 Membership of Secret Societies or Organisations	Monitoring Officer	Monitoring Officer's Office Kept for 3 years after end of employment	Monitoring Officer Control
CCE7 Offers of Gifts	Director or Monitoring Officer (in the case of Directors and Head of Paid Service)	Director's or Monitoring Officer's office (in the case of Directors and Head of Paid Service) Kept for 3 years	Public Access
CCE8 Offers of Hospitality	Director or Monitoring Officer (in the case of Directors and Head of Paid Service)	Director's or Monitoring Officer's office (in the case of Directors and Head of Paid Service) Kept for 3 years	Public Access

CCE.1

Relationship with external contractor or supplier**Employee's Full Name**.....**Job Title**..... **Grade****Service Area**.....

As required in paragraph 4c of the Authority's Code of Conduct for Employees*, I give details below of my relationship with an external contractor or supplier

Name and Address of Contractor/Supplier

.....

.....

Nature of Relationship

.....

.....

Signature **Date**.....

**Please send the completed form to your Director or Head of Service
(who must copy it to the Monitoring Officer)**

Received by Director/Head of Service..... **Date**.....**Comment if applicable**

.....

*Paragraph 4c of the Code (Contractors and Suppliers) says that:

"You must tell your Director/Head of Service about any close association or personal relationship which you have with the Authority's contractors or suppliers. You must fill in form CCE.1 to do this. You must award contracts according to our financial regulations and not show special favour to anyone.

A personal relationship covers: your partner (i.e. your spouse, civil partner or anyone whom you live with, in a similar capacity); your parent or parent-in-law; any child, stepchild or sibling of you or your partner; your grandparent, grandchild, aunt, uncle, nephew or niece; and the partners of any of those people.

You have a 'close association' with someone if your relationship is such that a reasonable member of the public might think you would be prepared to favour or disadvantage that person when deciding or influencing a matter which affects them."

Issue date: 7 May 2024

Relationship with candidate for appointment with the Authority**Employee's Full Name****Job Title****Grade****Service Area**

As required in paragraph 5c of the Authority's Code of Conduct for Employees*, I give below details of my relationship with a candidate for appointment to a post with the Authority

Name and Address of Candidate

.....

.....

Post Applied for**Nature of Relationship****Signature** **Date**.....

**Please send the completed form to your Director/Head of Service
(who must copy it to the Head of Human Resources)**

Received by Director/Head of Service..... **Date****Copied and sent to Mayoral Office on (date)**

*Paragraph 5c of the Code (Recruitment and other employment matters) says that:

"You must use form CCE.2 to tell your Director/Head of Service about any relationship between you and any person you know is applying to us for a job."

CCE.3

Approval for outside interests or employment

Employee's Full Name

Job Title..... Grade.....

Service Area

Description of Outside Interest/Employment/Directorships:

.....

Does it involve any Remuneration, Fee or Reward? (If so, give details)

.....

What is the commitment attached to these interests/employment?

.....

Geographical Location of Activities:

Details of Personal Involvement:

.....

**Do the activities involve any contact with the Authority or any local authority?
(If so, give details):**

.....

In accordance with paragraph 6b of the Code of Conduct for Employees* , I wish to seek approval for my involvement in the activity outlined above and have discussed the above detail with my line manager. This form is not required for employees engaged in unpaid voluntary work.

Signature Date

Please send the completed form to your Director/Head of Service

Approved by Director/Head of Service..... Date

*Paragraph 6b (Commitments outside work) says that:

"You must not carry out any other business or take up any additional appointment while employed by us without our prior permission. (If you want permission, fill in form CCE.3.) We will not unreasonably prevent you carrying out other employment and will actively support and encourage voluntary work. However, this employment or voluntary work must not, in our view, conflict with our interests and we will lay down conditions for you. You must indicate on form CCE.3 membership of charitable or voluntary organisations you are involved with, such as Rotary or Lions clubs or the Freemasons. Any disputes regarding this matter should be resolved via the Authority's grievance process."

CCE.4

Declaration of Personal Interests

Employee's Full Name.....

Job Title**Grade**

Service Area

As required in paragraph 7a of the Authority's Code of Conduct for Employees*, I give below details of my personal interests which may conflict with the Authority's interests:

Details of Personal Interests:

.....
.....
.....
.....
.....
.....

The interests are financial/non-financial (*Delete as appropriate*)

Signed **Date**

Please send the completed form to your Director/Head of Service

Received by Director/Head of Service **Date**.....

*Paragraph 7a (Personal interests) says that:

"If you have a financial or non-financial interest which could conflict with our interests, you must declare this on form CCE.4."

CCE.5

Financial Interest in Authority Contract

Employee's Full Name.....

Job Title **Grade**

Service Area

As required in section 117 of the Local Government Act 1972 and paragraph 7a of the Authority's Code of Conduct for Employees*, I give below details of my interest in a contract involving the Authority:

Details of Financial Interest:

.....

.....

Details of Contract Involved:

.....

.....

Signed **Date**

Please send the completed form to the Monitoring Officer

Received by Monitoring Officer **Date**

*Paragraph 7b (Personal interests) says that:

"Section 117 of the Local Government Act 1972 (see appendix B) says that you must make a formal declaration about Authority contracts where you have a financial interest. If you do not do this, it is a criminal offence. You should make the declaration on form CCE.5."

CCE.6

Membership of Secret Societies or Organisations

Employee's Full Name.....

Job Title**Grade**

Service Area

As required in paragraph 7d of the Authority's Code of Conduct for Employees*, I declare that I am a member of the following society/organisation/s:

Name of society/organisation/s:

.....

.....

Date of Becoming a Member:

Signed **Date**

Please send the completed form to the Monitoring Officer

Received by Monitoring Officer Date

*Paragraph 7d (Personal interests) says that:

"If you belong to an organisation which is not open to the public and does not have formal membership and which has secrecy about rules, membership or conduct, you must tell us on form CCE.6. A definition of such an organisation appears at appendix C."

CCE.7

Offers of Gifts

Employee's Full Name.....

Job Title**Grade**

Service Area

As required in paragraph 12 of the Authority's Code of Conduct for Employees*, I give details of an offer of a gift or other benefit:

Details of Gifts Offered:

.....

Date Offer Made:..... **I have accepted the offer (YES or NO?)**

Name and Address of Person Making Offer:

.....

.....

Signed **Date**

Please send the completed form to your Director/Head of Service (or in the case of Directors or Head of Paid Service, to Monitoring Officer)

Received by Director/Head of Service**Date**

*Paragraph 12 (Gifts and other benefits) says that::

"You must not accept any gift or other benefit offered to you, or your partner or a family member, by:

- any person you have provided services to in the course of your official duties or their partner or a family member;
- any person associated with an organisation which has, or wishes to have, dealings with us.

You must declare any offer on Form CCE.7 and say what action you have taken. The only exception to this rule is where the gift is of token value up to a maximum of £25."

Offers of Hospitality		CCE.8
Employee's Full Name		
Job Title Grade		
Service Area		
As required in paragraph 13 of the Authority's Code of Conduct for Employees*, I give details of an offer of a gift, other benefit or hospitality:		
Details of hospitality Offered:		
Date offer made:		
Name and Address of person making offer:		
Reasons for proposing to accept the offer:		
Signed Date		
Please send the completed form to your Director/Head of Service (or in the case of the Head of Paid Service or Directors/Head of Service, to the Monitoring Officer)		
*Director's/Head of Service Authorisation Date		
<ul style="list-style-type: none"> • Approval required prior to acceptance for all employees except the Head of Paid Service and Directors 		

*Paragraph 13 (Hospitality) says that:

"You must use form CCE.8 to obtain your Director's/Head of Service approval before accepting offers of hospitality. This is not required if the hospitality is of token value (e.g. the offer of a single drink). The Head of Paid Service and Directors are not required to obtain prior authorisation but must nonetheless declare acceptance of hospitality in the normal manner."

Part 5.3 - Member/Officer Relations Protocol

This protocol provides general guidance for Members and Officers in their relations with one another. It reflects the basic principles underlying the respective rules of conduct that apply to Members and Officers. This protocol cannot cover every eventuality nor is it prescriptive. Its intention is to offer guidance on some of the issues that commonly arise.

The provisions of this protocol apply to all members which including the Mayor, voting and non-voting co-optees.

Members and Officers are all public servants who depend on each other in carrying out their work. Members are responsible to the people of the Authority's Area who they serve for as long as their term of office lasts, while Officers are responsible to the Authority. Their job is to give impartial advice to the Cabinet and to the Authority's committees and subcommittees as well as individual Members, and to carry out the Authority's work. The responsibility for decision making in relation to the Authority's work is set out in Part 2 of the Constitution.

Mutual respect between Members and Officers is essential to good local government. Mutual respect and courtesy should prevail in all meetings and contacts (both formal and informal) between Members and Officers. To be most effective Members and Officers will work closely and cohesively together. However, close personal familiarity between individual Members and Officers can damage this important relationship.

The relationship has to operate without any risk of compromising the ultimate responsibilities of Officers to the Authority as a whole, and with due regard to such technical, financial, professional and legal advice that Officers can legitimately provide to Members.

1. Roles of Members

Members have many different roles:

- a) Members are the policy makers and carry out a number of strategic and corporate functions collectively approving the Authority's policy framework, strategic plans and budget.
- b) Developing and reviewing policy and strategy.
- c) Monitoring and reviewing policy implementation and service quality.
- d) Members express political values and support the policies of the political party or group to which they belong (if any).
- e) Representing their communities and bringing their views into the Authority's decision-making processes, thus becoming advocates for their communities.
- f) Being involved in partnerships with other organisations as community leaders.
- g) Representing the Authority on other bodies and acting as ambassadors for the Authority.
- h) Members may have roles relating to their position as members of the Cabinet, Overview and Scrutiny Committee, Audit and Standards Committee or other committees and sub committees of the Authority.

2. Roles of Officers

Officers' main roles are as follows:

- a) Providing advice to the Cabinet, to the Authority's committees and subcommittees and Members to enable them to fulfil their roles.
- b) Managing and providing services for which they are responsible.
- c) Being accountable for ensuring those services are efficient and effective.
- d) Advising the Cabinet, the Authority's committees and subcommittees and Members in respect of those services.
- e) Initiating proposals for policy development.
- f) Implementing the Authority's policies.
- g) Ensuring the Authority acts lawfully.
- h) Representing the Authority on external organisations.

3. Respect and Courtesy

An essential ingredient to the Authority's business being conducted effectively is ensuring mutual respect, trust, courtesy and even-handedness in all meetings and contacts between Officers and Members. This plays a very important part in the Authority's reputation and how it is seen by the public.

4. The Authority's Reputation

Members and Officers both have an important role in engendering a good reputation for the Authority. In particular they should:

- a) protect and promote the legitimacy of democratic local government;
- b) promote a positive relationship between Members and Officers and be careful not to undermine it;
- c) avoid criticism of the Authority when formally representing it; and
- d) avoid personal criticism of other Members and Officers.

5. Undue pressure

In any dealings between Members and Officers neither should try to take advantage of their position.

Members and Officers must always be mutually respectful, regardless of their role within the Authority.

Members must not pressurise any Officer to do things they have no power to do, or to work outside of normal duties or hours.

Apart from decisions that are clearly illegal, Officers should usually carry out decisions of the Authority. However, instructions should never be given to Officers to act in a way that is unlawful. Officers have a duty to express their reservations in this sort of situation, and the Monitoring Officer or Chief Finance Officer may get involved as they have a statutory duty to intervene where illegality or maladministration is possible.

To assist Members in decision making they should be informed of all legal and financial considerations, and be warned of the consequences even if it is unpopular. If a Member has a concern that an Officer is not carrying out a particular Authority decision, the Member concerned should draw this to the attention of the Head of Paid Service.

In similar terms, Officers should not use undue influence to pressurise an individual Member to make a decision in his/her favour, nor raise personal matters to do with their job, or make claims or allegations about other Officers to Members.

The Authority has procedures for consultation, grievance and discipline and there is a right to report actions of concern under the Authority's Whistleblowing Policy.

As mentioned above, the Authority has adopted separate Codes of Conduct for Members and Officers. One shared aim of the codes is to improve and maintain the Authority's reputation and so they demand very high standards of conduct.

6. Personal and Business Relationships

Members and Officers must work together closely to effectively undertake the Authority's work. This inevitably leads to a degree of familiarity. However, close personal relationships between individual Members and Officers can be damaging to mutual respect.

It is important not to allow any personal or business connection or relationship with any other Member or Officer to affect the performance of official responsibilities, taking action or making decisions. It is also important in these circumstances to be wary of passing confidential information to anyone who should not have access to it.

Members and Officers should always consider how any relationship or connection could be interpreted by anyone outside the Authority, or by any other Member or Officer, and avoid creating any impression of unfairness or favouritism.

Members should take account of any relationship or connection they have with any other Member or Officer when considering whether or not they need to register or declare a personal interest. It would usually be inappropriate for a Member to have special responsibilities in an area of activity in which someone with whom s/he has a close personal or business relationship is a senior officer. If this situation arises, the Member should take appropriate action to avoid a potential conflict of interest.

7. Officers' Advice to Members

Members are entitled to ask the Head of Paid Service, the Monitoring Officer and the Chief Finance Officer for such advice and information as they reasonably need to help them in discharging their role as a Member of the Authority. This can range from general information about some aspect of the Authority's activities, to a request for specific information on behalf of a constituent.

It is important for the Head of Paid Service, the Monitoring Officer and the Chief Finance Officer to keep Members informed both about the major issues affecting the Authority

and about issues affecting the areas s/he represents. Members shall be kept informed about proposals affecting their constituent council areas and be invited to Authority initiated events within or affecting their constituent council areas.

Advice or information sought by Members should be given in a timely manner. It should be provided by the relevant service provided it is within the service's resources.

Officers serve the whole Authority and must be politically neutral in their work. In providing advice and support to the Authority and when implementing its lawful decisions, it must not be assumed that an Officer is supportive of a particular policy or view or is being other than politically neutral in implementing such decisions. Political neutrality in carrying out their work ensures that Officers are able to act impartially in the best interests of the Authority. Special legal rules exist which limit the political activities of senior Officers. All senior posts are 'politically restricted', which means that the Officers in those posts are not allowed to speak or write in such a way that could affect public support for a political party. However, they can speak or write in a way which is necessary in order to perform their duties properly.

If Members have any concerns that an Officer is not acting in a politically neutral manner, they should refer their concerns to the Head of Paid Service. Allegations that an Officer has not acted in a politically neutral way are serious and could be damaging to his/her reputation.

Officers can advise on matters relating to the Authority's business. However, the Officer may need to tell his or her manager about the discussions, if that is necessary to enable a matter to be properly dealt with.

Officers can usually give information confidentially unless doing so would not be in the Authority's best interests (for example, if it went against their obligation to protect the Authority's legal or financial position). Any information a Member receives confidentially in one capacity (for example, as a Member of the Cabinet) should not be used when acting in a different capacity (for example, when representing his/her constituent council ward). Confidential information can only be given to those entitled to see it. It is best to check with the Officer giving the information whether it is appropriate to pass it on to others.

Members should make sure that when they are getting help and advice from Officers they only ask for information to which they are properly entitled. There is more detail about the information to which Members are entitled below. Members' rights to inspect documents are contained partly in legislation and partly at common law.

If a Member asks for information or advice relating to the work of a particular service, and it appears likely or possible that the issue could be raised or a question asked at a subsequent meeting on the basis of that information, the relevant Chair of the Committee should be advised about the information provided.

Officers are required to serve the Authority as a whole. They are responsible to the Head of Paid Service, the Monitoring Officer and the Chief Finance Officer, and not to individual Members whatever office they may hold.

8. Politically Restricted Posts

There are a number of rules which apply to Officers who occupy politically restricted posts under the Local Government and Housing Act 1989. In summary such Officers are prevented from:

- a) being a Member of Parliament or a local authority member;
- b) acting as an election agent or sub agent for a candidate for any of those bodies;
- c) being an officer for a political party or branch, or a committee if that role is likely to involve participation in the management of the party or branch, or to act on its behalf in dealings with other persons;
- d) canvassing on behalf of a political party or an election candidate;
- e) speaking in public in support of a political party; and
- f) publishing written or artistic works affecting support for a political party.

9. Member Briefings and Political Group Briefings

General matters of the Authority's policy, development, and performance as well as specific policy issues can be the subject of all party briefings.

There is statutory recognition of political groups. It is common practice for political groups to give preliminary consideration to matters of Authority business before the matters are considered by the relevant decision-making forum.

Senior Officers may be asked to attend political group meetings called to address Authority business. All requests for briefings of political groups should be directed to the Head of Paid Service. If attendance is requested the Chief Executive's agreement must be obtained and s/he will determine the appropriate Officer to attend and all groups must be offered the same facilities if they so request.

Where officers do attend political group meetings certain matters need to be understood by Members and Officers about this process:

- a) Officer support in these circumstances will be to provide information and advice and to answer questions about matters of Authority business;
- b) these meetings are not decision-making meetings and conclusions reached at them are not the Authority's decisions;
- c) where Officers provide information and advice at these meetings this is not a substitute for providing all necessary information and advice to the decision-making forum;
- d) if the meeting includes non-Members of the Authority, Officers may not be able to provide the information and advice they would to a meeting of Members to prevent disclosure of confidential information to non-Members; and
- e) Officers should not be asked for, or give advice or comments on political business, and should not expect to be present at meetings or parts of meetings when matters of political business are to be discussed.

The requirements as to declaring interests apply to political group meetings. The meeting should keep to the requirements of declaring interests, including the requirement to record any declared interests in the record of the meeting.

Officers should respect the confidentiality of any discussions at which they are present with Members in this context. They may however have to brief the Head of Paid Service on the nature of issues raised at the meeting.

It is accepted that a Member of one political group will not have a 'need to know' and has no right to inspect a document, which is confidential to another political group.

When responding to questions at a political group meeting Officers will need to bear in mind the rules as to access to information and, where appropriate, the requirement for Members to show that they have a 'need to know'.

It is recognised that political groups may have in attendance party representatives who are not elected Members of the Authority. At his/her discretion, the Head of Paid Service may permit an Officer to give a political group briefing when such representatives are likely to be present. The Head of Paid Service's decision is final. In any event, if such representatives are present, they:

1. Must comply with the requirements relating to the declaration of any interests and take any necessary consequent action.
2. Must not receive any documentation that contains confidential or exempt information
3. Must not be present when any confidential or exempt information is considered.

Members should be aware that where political group meetings are arranged to deal with non-Authority business, particularly matters of a purely party political nature, and which may be attended by non-Members, the Head of Paid Service may consider the meeting to be a political meeting and therefore provision of the Authority's resources and attendance by Officers to be inappropriate.

Officers will respect the confidentiality of any political group discussions at which they are present and, unless requested to do so by that political group, will not relay the content of such discussions to another political 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 their dealings with political groups, officers must treat each group in a fair and even-handed manner.

Officers should not attend nor be asked to attend political group meetings during any pre-election period (the time between the election being announced and election day).

At any other meeting arranged by a political group or individual Member, Officers can only attend to provide information which is publicly available. Whether an Officer can attend will be a decision for the Head of Paid Service. If an Officer who is invited to attend a public meeting is concerned that the meeting is or is becoming a political meeting the Officer will withdraw from the meeting as soon as reasonably practicable to ensure that the political neutrality of the Officer is seen to be maintained.

It is acknowledged that some Authority staff may receive and handle messages for members on topics unrelated to the Authority. Whilst these will often concern diary management, care should be taken to avoid the Authority's resources being used for private or party political purposes.

10. Head of Paid Service

The Head of Paid Service's responsibility is to the Authority as a whole and not to any political group.

The Head of Paid Service is expected to work closely with the Mayor and Cabinet. This is subject to maintaining their position as politically neutral.

Everyone should respect the political neutrality of the Head of Paid Service. S/he should not be asked to play any role or undertake any task which is likely to prejudice that neutrality or make it difficult for them to continue to serve successive administrations of whatever political persuasion.

The Head of Paid Service is able to give advice on a confidential basis about procedural matters to any Member. All Members of the Authority have access to the Head of Paid Service.

The following principles govern the relationship between the Head of Paid Service and political groups:

- a) It is proper for the Head of Paid Service to develop a working relationship with all political groups on the Authority.
- b) The Head of Paid Service is free to provide information and answer procedural inquiries to Members of any group. They will not advise as to the policies which any group should pursue.
- c) The Head of Paid Service will draw the attention of the Cabinet to any case where consideration should, in his opinion, be given to affording information, consultation, or representation to other committees.

When the Head of Paid Service attends a meeting of any political group, they will ensure that the part they play in the proceedings is consistent with his/her political neutrality.

The foregoing principles apply similarly to the Monitoring Officer and Chief Finance Officer, who shall act under the general direction, and after seeking the advice of, the Head of Paid Service.

11. Correspondence

Communication between Members and Officers will normally be confidential and should not be disclosed to third parties unless there are overriding obligations to disclose it to protect the Authority's interests.

A Member may however disclose information to a constituent if the information deals with a matter which the constituent has raised, provided the information is not confidential and that disclosure will not harm the interests of the Authority or another party. As a general rule personal information about a third party will be confidential. It is best to seek advice if there is any doubt as to whether information can be disclosed. Where the Officer providing the information considers that the whole or any part of the information should be treated as confidential then this will be indicated.

Official letters sent on behalf of the Authority should normally be sent out in the name of the appropriate Officer rather than in the name of a Member. In certain exceptional

circumstances (for example, when making representations to a Government Minister or writing to the leader of another local authority) it may be appropriate for a letter to be issued in the name of the Mayor or the Cabinet.

Members should not send letters which appear to create obligations, accept or deny any liability, or give instructions on behalf of the Authority. An Officer must always send any such letter.

12. Members' access to documents and information

Members may request senior officers to provide them with such information, explanation and advice as they may reasonably need to assist them to discharge their roles as Members.

13. Interpretation, complaints and allegations of breaches

This part of the protocol should be read in conjunction with the Authority's "whistleblowing" policy which may be found at Part 5.5 of this Constitution.

Members or officers with questions about the implementation or interpretation of any part of this protocol should seek the guidance of the Monitoring Officer.

A Member who is unhappy about the actions taken by, or conduct of, an officer should:

- avoid personal attacks on, or abuse of, the officer.
- ensure that any criticism is well founded and constructive.
- avoid making criticism in public.
- if possible, take up the concern with the officer privately.

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 issue with the officer's manager or the relevant senior officer. If the issue relates to the Head of Paid Service, then the Member should raise this with the Monitoring Officer.

A serious breach of this protocol by an officer may lead to an investigation under the Authority's disciplinary procedure. There are special rules that apply to the Authority's Head of Paid Service, the Chief Finance Officer and the Monitoring Officer and these can be found in the Officer Employment Procedure Rules at Part 3.4 of the Constitution.

An officer who believes a Member may have acted other than in accordance with this protocol should raise his/her concern with the Monitoring Officer. He/she will consider how the complaint or allegation should be dealt with. At a minor level, this may be no more than informally referring the matter to the leader of the relevant political group. More serious complaints may involve alleged breaches of the members' code of conduct and may ultimately be referred to the Authority's Audit and Standards Committee.

Part 5.4 - Anti-Fraud and Corruption Policy

1. The Authority's Commitment

The Authority is committed to sound corporate governance and supports the Seven Principles of Public Life for the conduct of its Members and Officers, namely:

- Selflessness;
- Integrity;
- Objectivity;
- Accountability;
- Openness;
- Honesty; and
- Leadership.

Fraud and corruption cheats the local taxpayers who have the right to expect Members and Officers to perform their functions in an honest and proper manner.

The Authority seeks in the first instance to prevent fraud and corruption and will take all action necessary to identify any occurrences if suspected. If any such instances are detected they will be investigated in a correct and agreed manner. The Authority pledges to pursue the recovery of losses and the suitable punishment of those responsible.

2. Prevention

Prevention will be achieved through:

- staffing policies
- making members aware of their responsibilities
- internal control systems and
- liaison with outside agencies

2.1. Officers

As a public employer, the Authority is obliged to maintain, and is entitled to expect, high standards of conduct among its officers to ensure that public confidence in their integrity and impartiality is not undermined. The public is entitled to demand conduct of the highest standard and that Officers work honestly and without bias in order to achieve the Authority's objectives.

The Authority recognises that a key preventative measure in the fight against fraud and corruption is to take effective steps at recruitment stage to establish, as far as possible, the propriety and integrity of potential staff. In this regard temporary and contract staff are treated in the same manner as permanent officers.

Managers should ensure that procedures laid down by the Authority in the Recruitment and Selection Guidelines and Code of Practice are followed and, in particular, that written references are obtained before employment offers are confirmed.

Officers are expected to follow the Authority's Code of Conduct which includes regulations regarding the registration of interests, gifts and hospitality.

The Authority recognises that the continuing success of its anti-fraud and corruption strategy and its general credibility will depend largely on the effectiveness of its training

programmes and the responsiveness of Officers throughout the organisation. To facilitate this, the Authority supports the concept of induction and continuing training and Officer appraisal, particularly for Officers involved in internal control systems, to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced. The Authority has in place a Disciplinary Procedure for all Officers and the possibility of disciplinary action against Officers who ignore such training and guidance is clear.

2.2. Members

Members are expected to operate honestly and without bias. Their conduct is governed by:

- The Code of Conduct for Members
- The Member/Officer Relations Protocol
- The Constitution

These matters include rules on the declaration and registration of potential areas of conflict between Members' duties and responsibilities on behalf of the Authority, and any other areas of their personal or professional lives. These will be regularly drawn to the attention of Members.

2.3. Internal Control System

The internal control system comprises the whole network of financial, operational and managerial systems established within the constituent councils to ensure that objectives of the Authority are achieved and in the most economical and efficient manner.

The Financial Regulations of the Authority (see Part 4 of the Constitution) provide the framework for financial control. Under Financial Regulations Managers are required to ensure that:

- Arrangements, guidelines and procedures for the proper administration of the financial affairs of the Authority are operated in accordance with Financial Regulations;
- The Chief Finance Officer is informed where there has been a failure to comply with Financial Regulations or where amendment or revision of a regulation is considered necessary; and
- The Chief Finance Officer and the Monitoring Officer are informed as soon as possible of any matters involving, or suspected of involving, irregularity in the use of the Authority resources or assets.
- The Internal Audit service of the constituent council identified by the Head of Paid Service for this purpose independently monitors the existence, appropriateness and effectiveness of internal controls.

2.4. Liaison

Arrangements are in place now and will continue to develop which encourage the exchange of information between the Authority and other agencies on national and local fraud and corruption activity.

The Authority acknowledges that in order to prevent fraudsters using multiple identities and addresses, it cannot afford to work in isolation and must liaise with other organisations. To this end the Authority has a number of external contacts, including Northumbria Police.

All liaisons are subject to adherence to Data Protection Legislation and regard to the confidentiality of information.

2.5. Partners

Arrangements are to be put in place within partner organisations to identify, investigate and appropriately report incidents of fraud and corruption which may occur within those organisations. Where fraud is identified which has resulted from a significant weakness in controls in the organisation and this would impact on the assurance the Authority could place on governance arrangements, this will be reported to the Chief Finance Officer and the Monitoring Officer. The Chief Finance Officer or the Monitoring Officer will subsequently report details of the incident and any potential impacts for the Authority to the Audit and Standards Committee.

2.6. Strategy

The Audit and Strategic Risk service of the constituent council identified by the Head of Paid Service for this purpose will implement the policy on the Authority's behalf.

3. Detection and Investigation

Where fraud and corruption still happen, systems should assist in revealing the occurrences and people should be encouraged to do likewise. They must then be investigated in a fair and impartial manner.

3.1. Detection

The array of preventative systems, particularly internal control systems and audit, within the Authority generally should be sufficient in themselves to deter fraud, but they have also been designed to provide indications of any fraudulent activity.

The Authority's officers are an important element in its stance on fraud and corruption and they are positively encouraged to raise any concerns that they may have on any issues associated with the Authority's activities. They can do this in the knowledge that such concerns will be treated in confidence and properly investigated. If necessary, a route other than a line manager may be used to raise such concerns. Examples of possible routes are:

- Internal Audit Service
- Chief Finance Officer
- Monitoring Officer

Members of the public are also encouraged to report concerns through any of the above routes or, if appropriate, through the Authority's complaints procedure.

If Officers feel unable to raise their concerns through any of the internal routes, then they may wish to raise them through Protect (formerly known as Public Concern at Work) on 020 3117 2520 or online through their website at <https://protect-advice.org.uk/>. (Please see also the Whistleblowing Policy at Part 5.5 of the Authority's Constitution).

The Code of Conduct requires Officers of the Authority to report any illegality or impropriety to their manager or supervisor. Financial Regulations require the Chief Finance Officer to investigate matters which involve, or may involve, financial irregularity.

3.2 Investigation

Depending on the nature and the anticipated extent of the allegations, Internal Audit will normally work closely with management and other agencies, such as the police, to ensure that all allegations are properly investigated and reported upon and where appropriate, maximum recoveries are made for the Authority. The follow up of any allegation of fraud and corruption received will be through agreed procedures which ensure that:

- matters are dealt with promptly;
- all evidence is recorded;
- evidence is sound and adequately supported;
- all evidence is held securely;
- where appropriate, the police and the Authority's Chief Finance Officer and Monitoring Officer are notified;
- the Authority's Disciplinary Procedures are implemented; and
- the rules of natural justice are incorporated.

The procedures and reporting lines are an integral part of the Authority's anti-fraud strategy that ensures:

- consistent treatment of information about fraud and corruption;
- proper investigation by an independent and experienced audit team;
- the proper implementation of a fraud investigation plan;
- restitution or compensation; and
- the optimum protection of the Authority's interests.

Where financial impropriety is discovered, referral to the police is a matter for the Chief Finance Officer and Monitoring Officer, in consultation with the relevant officers of the Authority and the Mayor.

In deciding whether to recommend referral the following factors are taken into account:

- the amount of the loss and duration of the offence;
- the suspect's physical and mental condition;
- voluntary disclosure and arrangement for restitution; and
- the strength of the evidence; and
- reputational damage

The Authority's Disciplinary Procedures will be used as appropriate irrespective of police involvement.

There is, of course, a need to ensure that any investigation process is not misused and, therefore, any abuse, such as raising unfounded malicious allegations may be dealt with as a disciplinary matter and may leave the complainant open to an action for defamation.

The External Auditor also has powers to investigate independently fraud and corruption and the Authority can make use of these services.

4. Summary

The Authority has a clear commitment to minimising the possibility of fraud, corruption and theft or other misuse of public money and assets. It pledges to prevent fraud and corruption but to take all action necessary to identify fraud and corruption if suspected and pursue the recovery of losses and the punishment of those responsible. The Authority's Officers and Members are expected to have the highest standards of conduct and to be vigilant in combating fraud and corruption in all its guises.

The Authority has implemented a clear network of systems and procedures to assist in the fight against fraud and corruption. These arrangements will keep pace with any future developments, in both preventative and detection techniques regarding fraudulent or corrupt activity that may affect its operation or related responsibilities.

Part 5.5 - Whistleblowing Policy

1. Introduction

The Authority is committed to the highest possible standards of openness, probity and accountability and will not tolerate malpractice or wrongdoing.

The Authority is therefore committed to a policy for confidential reporting of concerns, “whistleblowing”, which seeks to protect individuals who make certain disclosures with regard to any instance of malpractice or wrongdoing and to investigate them in the public interest.

Whistleblowing is when a member of staff raises concerns about the activities of the organisation they work for which are ethically or legally questionable.

The aims of the policy are to:

- Provide for a culture of zero tolerance toward fraud, corruption and bribery.
- Encourage officers and others with serious concerns about any aspect of the Authority’s work to feel confident to come forward and voice those concerns.
- Provide ways for officers to raise concerns at an early stage and in the right way and enable them to get feedback on any action taken.
- Ensure that officers know what to do if they are not satisfied with actions taken.
- Provide re-assurance that officers who raise concerns in good faith can do so without fear of reprisals or victimisation.

This policy covers any wrongdoing relating to unlawful conduct, financial malpractice or dangerous working environments.

It is available for use by all Officers of the Authority and Officers of constituent councils providing services to the Authority, its committees, sub-committees and joint committees.

It is not to be used where other more appropriate procedures are available. There are existing procedures which enable officers to lodge a grievance relating to their conditions of employment, raise matters of harassment or to make a complaint. This policy covers concerns that fall outside the scope of these existing procedures.

The Authority will seek to ensure that its stance on whistleblowing is widely publicised and that officers have access to appropriate guidance.

This policy is also available for use by contractors. In this policy, “contractors” includes constituent councils providing services to the Authority, its committees, sub-committees and joint committees.

2. Whistleblowing Procedures for Officers

Officers are often the first to realise that there may be something seriously wrong within an authority. Normally Officers would be expected to raise any concerns initially with their line manager. However, they may feel that expressing their concerns would be disloyal to their colleagues or to the Authority or may also fear harassment or victimisation. It may be easier to ignore these concerns than report what may just be a suspicion of malpractice.

Whistleblowing is the process for raising a concern about suspected wrongdoing, especially in circumstances where the whistleblower feels forced to raise that concern outside the normal management reporting line. For instance, the whistleblower may be concerned about the actions of their own line management, or about the failure of their line management to act over suspected wrongdoing on the part of others.

The Whistleblowing policy encourages and enables officers and others with serious concerns about any aspect of the Authority's work or those engaged in work for the Authority to come forward and voice those concerns. It recognises that most cases will need to proceed on a confidential basis. At the same time, the provisions of the Public Interest Disclosure Act 1998 (PIDA) provide protection from harassment and victimisation for officers who raise concerns in good faith.

3. Aims and scope of this Policy

This policy aims to:

- Make you feel confident to raise concerns and to question and act upon concerns about practice.
- Give you avenues to raise your concerns and receive feedback on any action taken.
- Guarantees that you receive a response to your concerns and ensures that you are aware of the process to follow if you are not satisfied.
- Reassure you that you will be protected from possible reprisals or victimisation.

There are existing procedures in place if you have a grievance relating to your own employment or consider that you are being harassed due to your race or sex or age, or if you are concerned about health and safety risks, including risks to the public as well as to other Officers. Indeed, you are under a legal obligation to report to your supervisor or manager any work situation which you consider to represent:

- a danger to the health and safety of yourself, fellow Officers or members of the public; or
- a shortcoming in the Authority's arrangements for health and safety.

If you are reluctant to raise such health and safety concerns with your supervisor or manager, or if you have raised them and are concerned about the response, then arrangements exist for you to raise the health and safety concerns with the Head of Paid Service and/or with Health and Safety Representatives from the relevant trade union.

This policy is intended to cover concerns that fall outside the scope of other procedures. These include:

- conduct which is an offence or a breach of law;
- disclosures related to miscarriages of justice;
- health and safety risks, including risks to the public as well as other Officers;
- damage to the environment;
- the unauthorised use of public funds;
- fraud, corruption or bribery;
- sexual or physical abuse of clients;
- any attempt to prevent disclosure of any of the above, or
- other conduct which gives you cause for concern.

Thus, any serious concerns that you have about any aspect of service provision or the conduct of your staff or members of the Authority or others acting on behalf of the Authority can be reported under this policy. This may be about something that:

- makes you feel uncomfortable in terms of known standards, your experience or the standards you believe the Authority subscribes to; or
- is against the Authority's Standing Orders and policies; or
- falls below established standards of practice; or
- amounts to improper conduct.

This policy supplements and does not replace the corporate complaints procedure, or the grievance procedure and other procedures established to deal with aspects of harassment i.e. sexual, racial and age harassment, and with health and safety concerns.

4. Harassment or Victimisation

The Authority is committed to good practice and high standards and aims to be supportive of its Officers.

The Authority recognises that the decision to report a concern can be a difficult one to make. However uncovering malpractice will be doing a service to the Authority. You will be doing your duty to your employer and those for whom you are providing a service.

The Authority will fulfil its responsibility to ensure that you are not harassed, victimised or otherwise disadvantaged when you raise a concern. Any allegation concerning an Officer who engages in any form of victimisation or harassment against you as a result of your raising a concern will be the subject of a thorough investigation and disciplinary action will be taken if the case is proved.

Allegations by an Officer who is the subject of disciplinary investigations or proceedings concerning the conduct of those proceedings can only be raised through the disciplinary appeals procedures.

5. Confidentiality

All concerns will be treated in confidence wherever possible and every effort will be made to preserve your anonymity if you so wish. You may need however to come forward as a witness, but if you wish to be supported by your trade union or another representative of your choice then this would be available to you.

6. Anonymous allegations

This policy encourages you to put your name to your allegation whenever possible. Concerns expressed anonymously are much less powerful but they will be considered so far as is possible or practicable by the Authority. Your trade union can act for you in this.

7. Untrue allegations

If you make an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against you. If, however, you make an allegation maliciously or for personal gain, disciplinary action may be taken against you.

8. How to raise a concern

If you are an officer of the Authority, as a first step, you should raise concerns with your immediate manager or their manager. This depends on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice, for example if you believe that your immediate manager or their managers are involved, you should approach the Monitoring Officer.

The manager receiving notification of concerns under this policy will inform the Monitoring Officer that a confidential report has been received and provide a copy. If the concern relates to financial irregularities or failures of financial controls the manager receiving the report must immediately notify the Chief Finance Officer.

Concerns may be raised verbally or in writing. If you make a written report, please use the attached pro-forma. Reports should be sent to your immediate manager or their superior or to the appropriate Chief Officer and a copy sent to the Monitoring Officer.

If you are a contractor, as a first step, you should normally raise concerns with your manager, who will then inform the lead officer who is dealing with the particular contract. If you do not have a manager, you should raise your concerns direct with the lead officer. This depends on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if you believe that your manager or the lead officer is involved, you should approach the Monitoring Officer direct.

Otherwise, the lead officer receiving notification of concerns under this Policy will inform the Monitoring Officer that a confidential report has been received and provide a copy. If the concern relates to financial irregularities or failures of financial controls the lead officer receiving the report will also immediately notify the Chief Finance Officer.

Concerns may be raised verbally or in writing. If you make a written report you should, if possible, make it using a similar report form to the attached pro-forma. A copy of any report you send to your manager or lead officer should also be sent to the Monitoring Officer for monitoring purposes.

The Monitoring Officer is responsible for the maintenance and operation of this policy and will monitor how the complaint is handled and ensure that the requirements of this policy are fulfilled.

The earlier you express the concern the easier it will be to take action.

Officers and Contractors can get confidential, independent advice from the charity Protect on 020 3117 2520 . Their website is at [Protect - Speak up stop harm - Protect - Speak up stop harm \(protect-advice.org.uk\)](https://protect-advice.org.uk)

You may wish to consider discussing your concern with a colleague first and you may find it easier to raise the matter if there are two (or more) of you who have had the same experience or concerns.

You can invite your trade union or professional association representative or a friend to be present during any meetings or interviews in connection with the concerns you have raised.

Concerns can also be raised through your trade union.

9. How the Authority will respond

The Authority will respond to your concerns, and it will be necessary to investigate your concerns but this is not the same as either accepting or rejecting them.

Within **5 working days** of a concern being raised, you will be sent a written response:

- acknowledging that the concern has been received;
- indicating how it is proposed to deal with this matter;
- giving an estimate of how long it will take to provide a final response;
- telling you whether any enquiries have been made; and
- supply you with information on staff support mechanisms.

The Monitoring Officer will be sent a copy of this response.

Where appropriate, matters raised may:

- Be investigated by management, internal audit, or through the disciplinary process.
- Be referred to the police or other statutory agencies.
- Be referred to the Authority's external auditor.

In order to protect individuals and those about whom concerns are raised, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Concerns or allegations which fall within the scope of specific procedures (for example, child protection or discrimination issues) will normally be referred for consideration under those procedures.

Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required, this will be taken before any investigation is conducted.

The amount of contact between the individual considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, the investigating officers, will seek further information from you.

Where any meeting is arranged, and this can be off-site if you so wish, you can be accompanied by a trade union or professional association representative or a friend.

The Authority will take steps to minimise any difficulties which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings the Authority will arrange for you to receive advice about the procedure.

The Authority accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, we will inform you of the outcomes of any investigation.

10. The Responsible Officer

The Monitoring Officer has overall responsibility for the maintenance and operation of this policy. That officer maintains a record of concerns raised and the outcomes (but in a form which does not endanger your confidentiality) and may report as necessary to the Cabinet, but in such a way that your confidentiality will be preserved.

It is the responsibility of any manager/director who receives a whistleblowing report to provide the Monitoring Officer with:

- a copy of the original report immediately;
- the initial written response to the person raising the concern; and
- any further responses.

The Monitoring Officer must, as soon as possible, also be informed of the outcome(s) of any investigation and any actions instigated as a result.

11. How the matter can be taken further

This policy is intended to provide Officers and Contractors with an avenue within the Authority to raise concerns. The Authority hopes any whistleblower will be satisfied with any action taken. If you are not satisfied with the outcome of the confidential report, a request in writing for the investigation and outcome to be reviewed can be made to the Head of Paid Service. If you remain dissatisfied and want to take the matter outside of the Authority, advice is available from trade unions and local Citizens Advice Bureaux on the options that are available to you.

One possibility is that you may wish to rely on your rights under the Public Interest Disclosure Act 1998. This Act gives you protection from victimisation if you make certain disclosures of

information in the public interest. The provisions are quite complex and include a list of prescribed persons outside of the Combined Authority who can be contacted in certain circumstances (see [Whistleblowing: list of prescribed people and bodies - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/whistleblowing-list-of-prescribed-people-and-bodies)). You should seek advice on the effect of the Act from the persons referred to above.

If you do take the matter outside of the Authority, you should ensure that you do not disclose information where you owe a duty of confidentiality to persons other than the Authority (e.g. service users) or where you would commit an offence by making disclosure. In order to ensure that you do not make any such disclosures it is advisable to check the position with the Monitoring Officer.

POLICY FOR CONFIDENTIAL REPORTING OF CONCERNS ("WHISTLE BLOWING")

REPORT FORM

The Authority is committed to the highest possible standards of openness, probity and accountability. In line with that commitment we expect employees and others that we deal with who have concerns about any aspect of the Authority's work to come forward and voice those concerns. It is recognised that most cases will have to proceed on a confidential basis. If you wish to make a report, please use this pro-forma.

-
1. Background and history of the concern (giving the relevant dates).

 2. The reasons why you are particularly concerned about the situation.

(Please attach additional sheets if necessary)

-
3. You are encouraged to put your name to this report. Concerns expressed anonymously are much less powerful but they will be considered so far as is possible by the Authority. If you feel able to, please give your name and details below.

Name:

Directorate (if applicable):

Address:

.....

Contact Telephone Number:..... Date

PLEASE SEND THIS FORM TO YOUR MANAGER, OR ALTERNATIVELY TO THEIR MANAGER OR DIRECTOR AS APPROPRIATE. YOU MUST ALSO SEND A COPY OF THE COMPLETED FORM AT THE SAME TIME TO THE MONITORING OFFICER.

Part 6 - Members Allowance Scheme

1. Mayoral Allowance

- 1.1 The North East Mayoral Combined Authority (Establishment and Functions) Order 2024 states that the Authority may pay an allowance to the Mayor if:
- i. it has considered a report and recommendation from an Independent Remuneration Panel (IRP); and
 - ii. the amount does not exceed the IRP's recommendation.
- 1.2 On 7 May 2024 the Cabinet considered a report and recommendations of Durham County Council's Independent Remuneration Panel.
- 1.3 The Cabinet agreed that:
- (1) an allowance of £92,000 be payable to the North East Mayor;
 - (2) the allowance be subject to annual increases linked to the consumer price index (CPI).

2. Other allowances

- 2.1 Durham County Council's Independent Remuneration Panel were also asked to report and make recommendations in relation to other allowances. Having considered the IRP report the Cabinet also agreed that:
- (1) an allowance of £500 plus expenses be payable to the Chair of the Audit and Standards Committee for each committee meeting attended;
 - (2) an initial annual allowance of £1,000 for the first twelve months be payable to the Independent Person(s) appointed for the purposes of the standards regime under Section 28 of the Localism Act 2011; and
 - (3) Durham County Council's IRP be requested to review the allowances payable to the Chair of the Audit and Standards Committee and Independent Person(s) appointed for the purposes of the standards regime after 12 months of operation.