

Pensions CIV Sectoral Joint Committee AGM Agenda

21 July 2015: 10:30am – 12:30pm

Conference Suite (1st Floor)

At London Councils offices, 59½ Southwark St., London SE1 0AL

Refreshments will be provided

London Councils offices are wheelchair accessible

Labour Group pre-meeting: Room 1 (1st Floor) 10:00 am

(Political Adviser: 07977 401955)

Conservative Group pre-meeting: Room 5 (1st Floor) 10:00 am

(Political Adviser: 07903 492195)

Contact Officer: Alan Edwards

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1 Apologies for Absence and Announcement of Deputies	
2 Declarations of Interest*	
3 Election of the Chair of the Pensions CIV Sectoral Joint Committee	
4 Election of the Vice-Chairs of the Pensions CIV Sectoral Joint Committee	
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***Declarations of Interests**

If you are present at a meeting of London Councils' or any of its associated joint committees or their sub-committees and you have a disclosable pecuniary interest* relating to any business that is or will be considered at the meeting you must not:

- participate in any discussion of the business at the meeting, or if you become aware of your disclosable pecuniary interest during the meeting, participate further in any discussion of the business, or
- participate in any vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

It is a matter for each member to decide whether they should leave the room while an item that they have an interest in is being discussed. In arriving at a decision as to whether to leave the room they may wish to have regard to their home authority's code of conduct and/or the Seven (Nolan) Principles of Public Life.

*as defined by the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012

PENSIONS CIV SECTORAL COMMITTEE Members – 21st July 2015

New Members

Borough	Representative	Party
City of London	Mark Boleat	-
Barking & Dagenham	Dominic Twomey	Lab
Barnet	Mark Shooter	Con
Bexley	John Waters	Con
Brent	George Crane	Lab
Camden	Rishi Madlani	Lab
Croydon	Simon Hall	Lab
Ealing	Yvonne Johnson	Lab
Enfield	Toby Simon	Lab
Greenwich	Don Austen	Lab
Hackney	Robert Chapman	Lab
Hammersmith & Fulham	Iain Cassidy	Lab
Haringey	Clare Bull	Lab
Harrow	Adam Swersky	Lab
Hounslow	Mukesh Malhotra	Lab
Islington	Richard Greening	Lab
Kensington & Chelsea	Quentin Marshall	Con

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Kingston upon Thames	Eric Humphrey	Con
Lambeth	Adrian Garden	Lab
Lewisham	Mark Ingleby	Lab
Merton	Imran Uddin	Lab
Newham	Forhad Hussain	Lab
Newham	Ted Sparrowhawk Deputy	Lab
Redbridge	Elaine Norman	Lab
Richmond upon Thames	Thomas O'Malley	Con
Southwark	Fiona Colley	Lab
Sutton	Sunita Gordon	LD
Tower Hamlets	Clare Harrisson	Lab
Waltham Forest	Simon Miller	Lab
Wandsworth	Maurice Heaster	Con
Westminster	Suhail Rahuja	Con

London Councils' Pensions CIV Sectoral Joint Committee

Constitutional Matters

Item 6

Report by: Christiane Jenkins **Job title:** Director, Corporate Governance
Date: 21 July 2015
Contact Officer: Christiane Jenkins
Telephone: 020 7934 9540 **Email:** Christiane.Jenkins@londoncouncils.gov.uk

Summary:

This report informs the Pensions CIV Sectoral Joint Committee of changes to constitutional documents which were agreed at Leaders' Committee AGM on 2 June 2015. Changes were made to the following documents;

- London Councils Agreement (a minor variation relating to appointing an auditor)
- Standing Orders
- Scheme of Delegation to Officers
- Financial Regulations

The Leaders' Committee reports which outlined the rationale for the changes are attached to this report as appendices. This report is for information only.

Recommendation:

The Committee is recommended to:

- Note the changes to London Councils constitutional documents.

Constitutional changes

1. London Councils Leaders' Committee considered six constitutional reports at its AGM on 2 June 2015. Four of the six reports made changes which apply to the Pensions CIV Sectoral Joint Committee and are therefore reported for to this Committee for information.
2. The changes made are summarised below;
 - A minor variation to London Councils governing agreement to enable Leaders Committee to appoint an external auditor. This was a change necessitated by the abolition of the Audit Commission;
 - Minor changes to Standing Orders to add clarity and ensure consistent wording to procedures;
 - Approval of the Scheme of Delegation to Officers including three additions;
 - i. to clarify the delegated authority within Financial Regulations
 - ii. Enable the Chief Executive to approve appointments to the Young People's Education and Skills Board
 - iii. To confirm the Chief Executive as the proper officer for the purposes of section 33(2) Localism Act 2011 (granting dispensations for a Member to take part in any discussion and vote on a matter in which they have a disclosable pecuniary interest, in some circumstances).
 - Update the Financial Regulations following the introduction of introduction of the Public Contract Regulations (PCR) 2015 and other minor changes, including an increase in the Director of Corporate Resources authority to write off small value debts up to the value of £1,000.

Recommendation:

3. Note the changes to London Councils constitutional documents

Legal Implications for London Councils

4. It is necessary that changes to London Councils governance documents are properly made in a manner which is consistent with the joint committees' Governing Agreements. Consequently Leaders' Committee has approved the changes noted in this report. The Pensions CIV Sectoral Joint Committee is now advised of these changes and will be required to operate in accordance with the updated documents.

Equalities Implications for London Councils

5. There are no specific equalities implications for London Councils.

Financial Implications for London Councils

6. There are no specific financial implications for London Councils

7. Appendices

Appendix 1 – Leaders Committee AGM Report item 15A – Constitutional Matters – Minor Variations

Appendix 2 - Leaders Committee AGM Report item 15B – Constitutional Matters – Standing Orders

Appendix 3 - Leaders Committee AGM Report item 15C – Constitutional Matters – Scheme of Delegation to Officers

Appendix 4 - Leaders Committee AGM Report item 15F – Constitutional Matters – Financial Regulations

Leaders' Committee AGM

Constitutional Issues – minor variation to London Councils Governing Agreement

Item no: 15A

Report by: Christiane Jenkins Director Corporate Governance
Date: 2 June 2015
Contact Officer: Christiane Jenkins
Telephone: 020 7934 9545 **Email:** christiane.jenkins@londoncouncils.gov.uk

Summary This report proposes a minor variation to London Councils Governing Agreement 2001 to take into account the abolition of the Audit Commission.

The proposed change does not alter any of the functions of the Committees or the responsibilities delegated to them.

Recommendations As detailed in paragraph 9 of this report Leaders' Committee is asked:

- As permitted under clause 15.4 of the Leaders' Committee Governing Agreement, to agree a minor variation to London Councils' Governing Agreement 2001 substituting the reference to "the Audit Commission" with "London Councils' Leaders' Committee" in clause 7.5..

Constitutional Issues – Minor Variations to London Councils Governing Agreements

Background

1. “London Councils” is a term that is used to refer collectively, and for convenience, to three separately constituted, but inter-related, statutory joint committees appointed by the 33 London local authorities for the joint discharge of their functions i.e.:
 - London Councils Leaders’ Committee (“Leaders’ Committee”);
 - London Councils Transport and Environment Committee (“LCTEC”); and
 - Grants Committee.¹
2. Leaders’ Committee has been established with the authorities’ agreement under sections 101 and 102 of the Local Government Act 1972 and section 9EB of the Local Government Act 2000 (and the relevant Regulations). LCTEC is similarly constituted. The Grants Committee has been established in accordance with the London Grants Scheme made under section 48 of the Local Government Act 1985 and which forms part of the Leaders’ Committee Governing Agreement.
3. The Leaders’ Committee Governing Agreement dated 13 December 2001 has been formally amended (varied) once in 2004² to give effect to a new Grants Scheme. The LCTEC Governing Agreement has been formally amended (varied) five times since 2001 to delegate the exercise of additional functions to LCTEC.³ A number of minor variations to both Agreements were agreed by Leaders’ Committee on 15 July 2014.
4. London Councils must operate within the delegations which have been made to the joint committees (Leaders’, Grants and LCTEC) by the London local authorities (and as relevant for LCTEC, TfL) as set out in the Governing Agreements. There have been

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On 11 March 2014, in accordance with the Leaders’ Committee Governing Agreement, Leaders Committee approved the terms of reference of a new sectoral joint committee which was to be established under the London Councils governance arrangements. This sectoral committee, Pensions CIV Sectoral Joint Committee, was constituted on 17th July 2014.

² Variation to Agreement dated 13 December 2001 to make a New Scheme for Grants to Voluntary Organisations, dated 1 February 2004. The Grants Scheme is made pursuant to section 48 Local Government Act 1985.

³ Refer: LCTEC Agreement dated 13 December 2001, the First Variation dated 1 May 2003, the Further Variation dated 30 November 2006, the Second Further Variation dated 8 June 2009, a delegation made pursuant to Part 3(D) on 27 October 2014, and the Third Further Variation dated 14 May 2015.

occasions when it has been necessary to supplement or amend these arrangements and this has been achieved by varying the terms of the Governing Agreements.⁴ If this is not done, decisions taken by London Councils without appropriate delegated authority will be *ultra vires*. Additionally, a failure to comply with the governance framework, set out in the Governing Agreements, to support the effective discharge of the functions delegated to the London Councils joint committees, could be subject to challenge.

5. Leaders' Committee can approve minor variations to the Leaders' Committee Governing Agreement (clause 15.4) by a simple majority vote (clause 7.3 and Standing Order 13.2).

Proposed change

6. The Audit Commission was abolished on 31 March 2015 following the implementation of the Local Audit and Accountability Act 2014. Whilst the Act does not require joint committees to prepare audited accounts, clause 7.5 of the Leaders' Committee Governing Agreement and London Councils' Financial Regulations require the Director of Corporate Resources to prepare and arrange the audit of the annual accounts of London Councils and its associated/sectoral joint committees.
7. At their meeting held on 19 March 2015, London Councils Audit Committee, a sub-committee of Leaders' Committee, considered the accounting and arrangements for London Councils' functions from 2015/16 onwards and agreed to recommend that Leaders' Committee approve a revision to that sub-committee's Terms of Reference to include the responsibility to make recommendations "on the appointment, re-appointment and removal of external auditors." It is proposed that that revision to that sub-committee's Terms of Reference is agreed as presented at Item [INSERT] on your Agenda today. However, it is recommended that the responsibility of formally appointing external auditors remains with Leaders' Committee which is the consequence of the abolition of the Audit Commission and the obligation to procure the audit of the annual accounts required under the Governing Agreement.

⁴ Amending a Governing Agreement, due to the number of parties, is a time consuming, and at times complex, process. Therefore, when the LCTEC Governing Agreement was varied in 2006 to delegate the exercise of additional functions to the joint committee, it was also varied to include provision for a more streamlined procedure to facilitate further delegations to the joint committee in appropriate cases .

8. In order to formally reflect these changes, this report asks Leaders' Committee to approve a minor variation to the Leaders' Committee Governing Agreement. Paragraphs 9 and 10 below detail the current and proposed wording, with the change underlined.

9. Currently, clause 7.5 of Leaders' Committee Governing Agreement says;

7.5 The Finance Officer shall make appropriate arrangements to procure the audit of the annual accounts of London Councils and (subject to Schedule 5 and the LCTEC Agreement) the associated committees and any Sectoral joint committee at the end of each financial year by an Auditor approved by the Audit Commission. Copies of audited accounts shall be provided to London Councils Leaders' Committee, the associated committees and any Sectoral joint committee and sent to each of the London Local Authorities.

10. The proposed amendment is to remove the reference to the Audit Commission as the body responsible for approving the appointment of the external auditor and substitute it with Leaders' Committee. The section would then read;

7.5 The Finance Officer shall make appropriate arrangements to procure the audit of the annual accounts of London Councils and (subject to Schedule 5 and the LCTEC Agreement) the associated committees and any Sectoral joint committee at the end of each financial year by an Auditor approved by London Councils Leaders' Committee. Copies of audited accounts shall be provided to London Councils Leaders' Committee, the associated committees and any Sectoral joint committee and sent to each of the London Local Authorities.

Recommendations

11. Leaders' Committee is asked to:

- Agree a minor variation to the Leaders' Committee Governing Agreement 2001, substituting the reference to "the Audit Commission" with "London Councils' Leaders' Committee" in clause 7.5, as detailed in paragraph 10 of this report.

Financial Implications for London Councils

12. There are no specific financial implications arising from this report.

Legal Implications for London Councils

13. Variations to London Councils Governing Agreements must be properly made in a manner which is consistent with the terms of those Agreements. Each Governing Agreement makes provision for minor variations to the governance arrangements for each joint committee, albeit by different procedures.
14. It is the responsibility of the relevant joint committee to determine whether a change can be considered minor. In the past, variations have been considered minor if they do not involve any additional financial contribution or changes to the delegated powers or the functions of the joint committees.
15. The changes proposed in this report relate solely to the way the joint committees operate. They retain the existing relationships between the joint committees and do not change the functions delegated to each of them.
16. Clause 15.4 of the Leaders' Committee Governing Agreement enables minor variations to be made by a decision of the joint committee without requiring a formal written variation to the Governing Agreement which would need to be authorised and executed individually by all the participating authorities.

Equalities Implications for London Councils

17. There are no specific equalities implications for London Councils arising from this report.

Leaders' Committee AGM

Constitutional Matters – Amendments to London Councils Standing Orders

Item no: 15B

Report by: Christiane Jenkins **Job title:** Director, Corporate Governance

Date: 2 June 2015

Contact Officer: Christiane Jenkins

Telephone: 020 7934 9540 **Email:** christiane.jenkins@londoncouncils.gov.uk

Summary: This report proposes a number of amendments to London Councils Standing Orders.

These provide additional clarity to procedures and consistency of wording throughout the document. The changes are minor and do not alter the provisions for managing meetings.

Recommendations: Leaders' Committee is asked to:

- Agree to the proposed amendments to London Councils Standing Orders, as detailed in Appendix 1.

Constitutional Matters – Amendments to London Councils Standing Orders

1. London Councils Standing Orders are contained in Schedule 6 of the Leaders' Committee Governing Agreement. In accordance with section 27.2 of the Standing Orders, they can be amended by a decision of London Councils Leaders' Committee.
2. The Standing Orders have been amended a number of times since 2001. The current version was approved by Leaders' Committee on 15 July 2014.
3. The proposed amendments are detailed in Appendix 1. The current Standing Orders and a revised version, as proposed, are available as background papers.
4. The changes are intended to provide additional clarity to procedures and for consistency, for example in using the term 'clear working day' instead of 'working day' throughout the document. The provisions for filming meetings have also been updated to reflect current practice and The Openness of Local Government Regulations 2014. The changes are minor and do not alter the provisions for managing meetings. Some further minor drafting changes are also proposed to ensure clarity of language throughout the document. These are not included in the Appendix attached but a version including all the proposed changes can be provided upon request.

Recommendations

5. Leaders' Committee is asked to:
 - Agree to the proposed amendments to London Councils Standing Orders as detailed in Appendix 1.

Financial Implications for London Councils

There are no specific financial implications arising from this report.

Legal Implications for London Councils

It is necessary that changes to London Councils governance documents are properly made in a manner which is consistent with the joint committees' Governing Agreements. Leaders' Committee has the authority to approve changes to London Councils Standing Orders. Should these revised Standing Orders be approved, they will be deemed to be substituted as Schedule 6 to the Leaders' Committee Governing Agreement.

Equalities Implications for London Councils

There are no specific equalities implications for London Councils from this report.

Appendix 1

- The proposed amendments to London Councils Standing Orders

Background Documents:

- The current Standing Orders (last revised July 2014)
- A revised version as proposed in this report.

Appendix 1 – Proposed Changes to London Councils Standing Orders June 2015

London Councils
STANDING ORDERS¹

Annual Meetings of Leaders’ Committee and associated joint committees and sectoral joint committees

Timing and Business

1.8 Leaders’ Committee, each associated joint committee and each sectoral joint committee shall hold an Annual General Meeting (AGM) before the end of July of each year.

The relevant joint committee will at its AGM:

- (i) appoint a Chair and up to three Vice Chairs;
- (ii) approve the minutes of the last meeting of that joint committee;
- (iii) receive the minutes of the last AGM;
- (iv) receive any announcements from the Chair and/or Head of Paid Service;
- (v) appoint such sub committees and forums as considered appropriate to deal with matters which are not otherwise reserved to London Councils, LCTEC, Grants Committee or any sectoral joint committee;
- (vi) decide the size and terms of reference for those sub committees and forums;
- (vii) decide the allocation of seats [and substitutes] to political groups² in accordance with the political balance rules, unless the terms of reference (or constitution) of a sub-committee or forum makes specific provision for the make up of its membership;
- (viii) approve a programme of ordinary meetings for the joint committee, sub committee or forum for the year;
- (ix) consider any business set out in the notice convening the meeting.

Comment [ES1]: Addition for clarification

¹ Also known as Schedule 6 of London Councils Agreement, 2001

² Whilst not specifically bound by the legislation that governs this issue in borough councils, London Councils has operated on a similar basis to boroughs in recognising a party group as being one with two or more members which declare themselves as a group with a Leader. In the context of London Councils, members are the members of Leaders’ Committee. No other metric - for example the overall proportion of London Councilors’ – is used in determining proportionality among the groups. Current practice is that party groups are able to offer seats to other elected representatives but are under no obligation to do so.

Comment [ES2]: Addition for clarification

~~1.12 Each sectoral joint committee shall hold an annual general meeting before the end of July each year. Each sectoral joint committee will:~~

- ~~(i) receive the minutes of the last Annual General meeting;~~
- ~~(ii) receive any announcements from the Chair and/or Head of Paid Service; (iii) approve a programme of ordinary meetings for the year;~~
- ~~(iv) consider any business set out in the notice convening the meeting.~~

Comment [ES3]: Deleted as covered in 1.8

Ordinary meetings

1.13 London Councils Leaders' Committee

~~(viii) receive nominations and make appointments to fill vacancies arising in respect of any sub-committee, forum or outside body for which the joint committee is responsible;~~

~~(ix) receive and consider minutes of meetings, any sub-committees and forums which have taken place since the joint committee last met.~~

Comment [ES4]: Additions for clarification

Deputy Representatives

2.9 If the appointed representative of a London Local Authority is unable to be present at a meeting of London Councils Leaders Committee, an associated joint committee or sectoral joint committees, that member authority may be represented by a deputy who shall be duly appointed for the purpose. A deputy attending a meeting shall declare him/herself as such but shall otherwise be entitled to speak and vote as if he/she were a member of that London Councils committee.

Comment [ES5]: Amendment for clarification

Elected officers

2.15 In a year in which there are council elections, the elected officers of London Councils and all its member bodies shall cease to hold office on the day of the council elections and shall cease to be remunerated save that London Councils Leaders Committee may, by agreement, decide to remunerate members for activity in pursuance of the discharge of the business of London Councils under SO 19.2. Notwithstanding, the outgoing Chair shall be able to preside at the subsequent AGM until a new Chair is elected.

Comment [ES6]: Amendment for clarification

- 4.2 The Chief Executive shall, not less than five clear working days before the intended meetings of Leaders' Committee and any associated joint committee or sectoral joint committee, circulate a notice thereof to each representative and deputy representative and the Town Clerk/Chief Executive or the nominated officer of every London Local Authority subscribing to Leaders' Committee, the associated committees or sectoral joint committee. The notice will give the date, time and place of each meeting and specify the business to be transacted, and will be accompanied by such reports as are available.

Comment [ES7]: For consistency

20 DECLARATIONS OF INTEREST

- 20.1 If you are present at a meeting of London Councils' Leaders Committee or any of its associated joint committees or their-any sub-committees or any sectoral joint committee and you have a disclosable pecuniary interest as defined by the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 ("the Regulations") and set out in paragraph 20.5 below relating to any business that is or will be considered at the meeting, you must not:

- (i) participate in any discussion of the business at the meeting, or if you become aware of your disclosable pecuniary interest during the meeting, participate further in any discussion of the business; or
- (ii) participate in any vote or further vote taken on the matter at the meeting.

~~Description of disclosable pecuniary interests~~

- ~~20.6 If you have any of the following pecuniary interests, they are disclosable pecuniary interests under the Regulations. Any reference to spouse or civil partner includes any person with whom you are living as husband or wife, or as if they were your civil partner.~~

- ~~(i) Any employment, office, trade, profession or vocation carried on for profit or gain, which you, or your spouse or civil partner, undertakes.~~
- ~~(ii) Any payment or provision of any other financial benefit (other than from your council or authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out 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. The relevant period is the 12 months ending on the day when you tell the monitoring officer about your disclosable pecuniary interests following your election or re-~~

Comment [ES8]: Whole section deleted as this information is more appropriate on the Declaration of Interests form than within Standing Orders

~~election, or when you became aware you had a disclosable pecuniary interest relating to a matter on which you were acting alone.~~

- ~~(iii) Any contract which is made between you, or your spouse or your civil partner (or a body in which you, or your spouse or your civil partner, has a beneficial interest) and your council or 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.~~~~
- ~~(iv) Any beneficial interest in land which you, or your spouse or your civil partner, have and which is within the area of your council or authority.~~
- ~~(v) Any licence (alone or jointly with others) which you, or your spouse or your civil partner, holds to occupy land in the area of your council or authority for a month or longer.~~
- ~~(vi) Any tenancy where (to your knowledge):
 - ~~(a) the landlord is your council or authority; and~~
 - ~~(b) the tenant is a body in which you, or your spouse or your civil partner, has a beneficial interest.~~~~
- ~~(vii) Any beneficial interest which you, or your spouse or your civil partner has in securities of a body where:
 - ~~(a) that body (to your knowledge) has a place of business or land in the area of your council or 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 you, or your spouse or your civil partner, has a beneficial interest exceeds one hundredth of the total issued share capital of that class.~~~~~~

26 ACCESS TO MEETINGS AND DOCUMENTS

- 26.2 Applications to film or record meetings of London Councils ~~are requested should be submitted not less than 48 hours before the meeting. Filming will be permitted in accordance with The Openness of Local Government Bodies Regulations 2014 and any relevant guidance issued by the government at the relevant time. The final decision on whether filming or any other recording can take place at a London Councils meeting will be made by the Chair of the relevant joint committee or sub-committee.~~

Leaders' Committee AGM

Constitutional Matters – Approval of and amendment to London Councils Scheme of Delegation to Officers Item no: 15C

Report by: Christiane Jenkins Director Corporate Governance
Date: 2 June 2015
Contact Officer: Derek Gadd
Telephone: 020 7934 9505 **Email** derek.gadd@londoncouncils.gov.uk

Summary

This report requests approval of London Councils' Scheme of Delegation to Officers which includes the following amendments and additions to the Scheme approved in 2014:

1. expressly clarifies the delegated authority granted to the Chief Executive and Finance Officer to negotiate minor variations to contracts, to write off debts and to undertake all other actions authorised under the Financial Regulations;
2. provide for an additional delegation to the Chief Executive to approve appointments to the Young People's Education and Skills Board;
3. includes an additional notification in the list of the functions of proper officers, confirming the Chief Executive is the proper officer for the purposes of section 33(2) Localism Act 2011.

Recommendations

Leaders' Committee is asked to approve:

- the Scheme of Delegations to Officers incorporating the amendments detailed in paragraphs 5 - 8 of this report.
-

Approval of/Amendment to Scheme of Delegation to Officers

Background

1. As required by London Councils' Standing Orders, London Councils' Scheme of Delegation to Officers is approved annually at Leaders' Committee's AGM, although additional delegations may be made during the year. The current Scheme was approved at the Leaders' Committee Annual General Meeting on 15 July 2014.
2. London Councils' joint committees have retained the authority to make decisions on policy and service provision and have delegated to officers the administrative functions relating to running of London Councils.
3. The Scheme of Delegation to Officers reflects the current structure of London Councils and enables effective and transparent decision making processes. It does not seek to repeat the delegations contained within the Governing Agreements in full, only repeating them if it enhances the usefulness and clarity of the relevant delegation. The Scheme also does not repeat the specific delegations granted to the Director, Corporate Resources, where the responsibilities are included within the financial regulations. The Scheme of Delegations to Officers refers largely to administrative functions such as staffing, which are delegated in the first instance to the Chief Executive.
4. This report requests approval of London Councils' Scheme of Delegation to Officers which includes the following amendments and additions to the Scheme approved in 2014. The following changes to the Scheme are proposed:
 - (a) to expressly clarify the delegated authority granted to the Chief Executive and Finance Officer to negotiate minor variations to contracts, to write off debts and to undertake all other actions authorised under the Financial Regulations;
 - (b) to provide for an additional delegation to the Chief Executive to approve appointments to the Young People's Education and Skills Board
 - (c) to include an additional notification in the list of the functions of proper officers confirming the Chief Executive is the proper officer for the purposes of section 33(2) Localism Act 2011.
5. The Financial Regulations detail the responsibilities, procedures and working practices adopted by the joint committees under their Governing Agreements. These Regulations currently provide for the Chief Executive and the Director of Corporate Resources

(referred to as the Finance Officer, being the Responsible Financial Officer of London Councils) to take certain decisions are relevant to the responsibilities of their roles and offices. The amendment to the Scheme of Delegations to Officers in Section 1 by inserting a new paragraph 3 (with all other paragraph numbering changing accordingly) will expressly clarify the delegated authority granted to the Chief Executive and Finance Officer to negotiate minor variations to contracts, to write off debts and to undertake all other actions authorised under the Financial Regulations. The proposed wording of the express delegation will be:

3. *The Chief Executive and the Director of Corporate Resources (Finance Officer) will have the authority to negotiate minor variations to contracts, to write off debts and to undertake all other actions authorised under the Financial Regulations.*

6. In order to facilitate the effective operation of the Young People's Education and Skills Board (YPES Board/the Board) it is proposed to delegate authority the Chief Executive to approve appointments to a casual vacancy on the YPES Board which arises between AGMs. The Board is a forum of London Councils and operates under a constitution (or terms of reference) which is approved by Leaders' Committee as required under Standing Orders. A revised constitution will be considered by Leaders' Committee on 2 June 2015 at the AGM under Item 15 E on the Agenda. Both the existing and the revised constitution enable specific organisations to nominate representatives to the Board. These nominations require the approval of Leaders' Committee. The proposed delegation allows the Chief Executive to approve appointments to fill casual vacancies to the Board. A full list of nominations to the Board will be presented for approval to Leaders' Committee annually at Leaders' Committee AGM.

7. Inclusion of this delegation within the Scheme does not change the way in which appointments to outside bodies are made, it relates specifically to the YPES Board. Inclusion in the Scheme is appropriate for the purposes of effective governance to enable casual vacancies on a London Councils forum to be filled throughout the year. The actual wording of the delegation is set out in italics, below:

Section 6 – Appointments to Young People's Education and Skills Board (YPES Board)

The YPES Board is a forum of London Councils which operates under a constitution (terms of reference) approved by Leader's Committee in accordance

with Standing Orders. Leaders' Committee has the power to approve the appointment of representatives to the YPES Board upon their nomination by those organisations who are members of the Board. On behalf of Leader' Committee, the Chief Executive will have delegated authority from Leaders' Committee to approve appointments to casual vacancies of the YPES Board..

8. The Scheme of Delegation also includes an addition to the proper officer list, confirming the Chief Executive is the proper officer for Section 33(2) Localism Act 2011. This enables the Chief Executive to grant a dispensation for a Member to take part in any discussion and vote on a matter in which they have a disclosable pecuniary interest, in some circumstances and in accordance with Standing Order 20 of London Councils Standing Orders. The notification is as follows:

LOCALISM ACT 2011		
33	Section 2 – The officer to grant a dispensation for a Member to take part in any discussion and vote on a matter in which they have a disclosable pecuniary interest, in some circumstances.	Chief Executive

Recommendations

Leaders' Committee is asked:

- To approve the Scheme of Delegations to Officers incorporating the amendments detailed in paragraphs 5 - 8 of this report.

Financial Implications for London Councils:

There are no specific financial implications arising from this report.

Legal Implications for London Councils:

It is important that London Councils' joint committees properly delegate the exercise of functions to Officers in a manner which is consistent with the relevant Governing Agreements, and any legal restrictions on delegable functions, to ensure that the work of London Councils (through Leaders' Committee, Grants Committee and LCTEC) is delivered efficiently and effectively and to avoid any grounds for challenge to decisions made pursuant to those delegations.

Equalities Implications for London Councils:

There are no specific equalities implications for London Councils arising from this report.

Background Document:

[London Councils Scheme of Delegation to Officers \(last revised July 2014\):](#)

London Councils Scheme of Delegations to Officers is available from London Councils' website in the constitutional information section. It is the second document listed in 'related documents' on the right hand side of the page.



Leaders' Committee

Constitutional matters – Amendments to London Councils Financial Regulations

Item 15F

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Summary This report outlines changes necessary to London Councils Financial Regulations following the introduction of the Public Contract Regulations (PCR) 2015, which came into effect on 26 March 2015. The report also recommends other minor changes to the Financial Regulations, including an increase in the Director of Corporate Resources authority to write off small value debts up to the value of £1,000.

Recommendations Leaders' Committee is asked to:

- agree to the proposed amendments to the Financial Regulations.

Constitutional matters – Amendments to London Councils Financial Regulations

Introduction

1. The Financial Regulations were last reviewed in 2013 following the recommendations arising from a review of arrangements for making payments for commissioned services under the S.48 grants programme.
2. Appendix A to this report highlights the proposed changes, the most significant being in respect of revised contract and procurement arrangements necessary following the introduction of the Public Contract Regulations (PCR) 2015 in March 2015.
3. Attention is drawn to the specific changes as contained in Appendix A, indicated by track changes and summarised as follows:
 - Accounting and Document retention – paragraphs 5.5 to 5.8; retention period now to reflect HMRC guidance, plus a rewording of the arrangement for presenting the annual final accounts to members;
 - Contracts and Procurement – a number of revisions to Section 8 to reflect requirements of PCR 2015; and
 - Debt write offs – paragraph 15.1 – recommends increasing the limit to which the Director of Corporate Resources can write off low value debts from £500 to £1,000. For information, London Councils has written off 28 small value debts amounting to £3,891 in the past three financial years.
 - Travelling and Subsistence claims – paragraph 21.1 – clarification of the process for reimbursement of expenses claims.

Recommendations

4. Leaders' Committee is asked to agree to the proposed amendments to the Financial Regulations, as detailed in Appendix A.

Financial Implications for London Councils

None

Legal Implications for London Councils

None

Equalities Implications for London Councils

None

Appendix A

Recommended changes to London Councils Financial Regulations

5 Accounting and Document Retention

- 5.1 All accounts, financial records, including computerised records, and financial administration procedures shall be kept or undertaken in a form approved by the Finance Officer who shall also be responsible for keeping the principal accounting records. It is the responsibility of the Chief Executive to retain securely, and in an easily retrievable form, all other information relating to the Organisation's financial and operational activity in support of the accounting and final account process.
- 5.2 In the allocation of accounting duties, the following principles shall be observed:-
- 5.2.1 The duties of providing information regarding sums due to or from London Councils and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them;
- 5.2.2 Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any such transactions.
- 5.3 The Chief Executive shall make returns of outstanding expenditure, income and any other relevant information in the form and by the date specified by the Finance Officer for the reporting process detailed in Financial Regulation 9.6 and the closure of the annual accounts.
- 5.4 All computerised financial systems should be capable of producing relevant accounting analysis capable of transfer in a format, level of detail and manner approved by the Finance Officer. The information transfer should include specific types of transaction such as write offs. The Chief Executive shall consult with the Finance Officer before introducing, amending or discontinuing any record or procedure relating to financial transactions or accounting.
- 5.5 All accounting records shall be retained in safe custody for such a period as shall be determined by the Finance Officer and all vouchers must be kept for a period of ~~six~~^{seven} years in line with HMRC guidance after the specified accounting period has elapsed. The ultimate disposal of financial records should be arranged by the Chief Executive as "confidential waste" and on no account should sensitive information be disposed of through the normal waste collection process. All such confidential waste disposal arrangements shall be subject to the prior approval of the Finance Officer.
- 5.6 The Finance Officer in consultation with the Chief Executive shall be responsible for the production and publication of the organisation's final accounts in such a form and in accordance with such a timetable as to make them consistent with any relevant statute and the general directions of London Councils and any Sectoral joint or associated committee.

- 5.7 As soon as practicable after the end of each financial year and before the 30 June, the Finance Officer in consultation with the Chief Executive shall report provisional out-turn figures for income and expenditure to London Councils and any Sectoral joint or Associated committee, comparing these to the approved estimates. The Finance Officer shall present the Statement of Accounts for the year in question to London Council's External Auditors as early as possible following ~~the~~ presentation of the provisional outturn figures to the London Councils Executive.
- 5.8 The Finance Officer shall retain, in safe custody, copies of audited Statements of Accounts including the External Auditor's ~~signed certificate and opinion and annual report. The Finance Officer shall present the audited Statement of Accounts to London Councils Audit Committee for approval by 30 September.~~ All significant issues raised by the External Auditor's annual report on the accounts together with any accompanying management letter must be reported to London Councils Audit Committee, including the issues ~~that~~ relate solely to the accounts of any Sectoral joint committee. ~~The Finance Officer in consultation with the Chief Executive shall be responsible for the production and publication of the organisation's final accounts in such a form and in accordance with such a timetable as to make them consistent with any relevant statute and the general directions of London Councils and any Sectoral joint or Associated committee.~~

8 Contracts & Procurement

- 8.1 All contracts and procurement that exceed the current EU threshold¹ of ~~£139,892~~ are regulated by EU ~~Procurement Directives regulations~~, and UK ~~domestic legislation law~~ as defined in the Public Contracts Regulations (PCR) ~~2006~~2015. In addition, each and every contract shall also comply with these Financial Regulations. The EU regulations and UK law take precedence over the Financial Regulations and no deviations or exceptions are permitted for contracts in excess of the threshold. ~~Also, c~~Contracts with a full life value ~~between £25,000 and below~~ the EU threshold are governed ~~under Part 4 of the PCR 2015 .by the Financial Regulations and no exception from any of the following provisions shall be made otherwise than at the direction of London Councils or any Sectoral joint or associated committee, as appropriate. Every exception made by a Committee Member or an officer to which the power of making contracts has been delegated shall be reported to the relevant committee, and the report shall specify the emergency by which the exception shall have been justified.~~
- 8.2 Contracts may be defined as being agreements for the supply of goods or materials, or the carrying out of works or services. Contracts are also deemed to include the engagement of professional consultants (excluding Counsel).
- 8.3 It is a breach of the Financial Regulations to artificially divide contracts where the effect is to circumvent the regulations concerning the following financial threshold limits.

¹ ~~The current Threshold for public supply and service contracts is €207,000 / £172,514. This is reviewed every two years, the next due January 2016~~

8.4 Financial Thresholds

8.4.1 The following minimum number of invitations to tender or quote shall apply, subject to EU procurement rules (including aggregation) and the exemptions, before any order for works, supplies or services is placed:

Procurement Threshold	Procedure
(a) up to £10,000	No formal tender process required. At least one written quotation obtained, duty to secure reasonable value for money
(b) between £10,001 and £50,000 <u>£25,000</u>	Obtain 3 documented quotations or use formal tender process if desirable
(c) between £5025,001-001 and EU limit (currently £172,514) (€207,000)	The use of the formal tender process is mandatory <u>advertising the opportunity on Contract Finder</u>
(d) over EU limit (currently £172,514 ((€207,000)) and £249,999	The use of the formal tender process is mandatory and subject to the EU procurement rules.
(e) £250,000 and over	Committee approval prior to formal tender process and subject to the EU procurement rules.

8.5 Each proposed contract for works or services, with an estimated value equal or greater than £250,000 must be the subject of a separate detailed report to London Councils or any Sectoral joint or associated committee as appropriate, requesting approval to seek tenders for the recommended design solution. This report must state the size of any contingency provision to be included in the tender documents or estimated costs, as well as any prevalent risks to the organisation as a result of the recommended design solution.

8.6 No contract shall be made, nor any tender invited, unless provision has been made in the annual budget for the proposed expenditure or that written confirmation has been received from the appropriate third party that external funding is available to fund the full contract and associated costs.

8.7 Formal Tender Process

8.7.1 Competitive tendering will be required where the estimated value of the contract is expected to exceed ~~£5025,000~~. which is split into two categories

8.7.2 Below Threshold (£25,000 to less than the EU limit £172,514

8.7.2.1 It is now a requirement that for any contracts estimated to be between £25,000 and the EU limit in force at the time (currently 172,514), the contracting authority must advertise the opportunity on Contracts Finder.

8.7.3 Above Threshold £172,514 where full EU processes apply

8.7.3.1 For above threshold ~~The~~ tendering the choice of procedure are detailed and regulated in the PCR.(Chapter 2 Rules on Public

Contracts) options are to noting that when awarding public contracts, contracting authorities shall apply procedures that conform to the regulations.

~~**Open Tendering** – whereby any person wishing to submit a bid must be allowed to do so;~~

~~**Selective Restrictive Tendering** – where only a certain number of bidders are allowed to tender, usually following a pre-assessment stage;~~

~~**Selective Tendering using an Approved List** – where bidders are invited to tender from an approved list of contractors.~~

~~**Competitive Dialogue** – for complex procurements where the restricted procedure may be too inflexible, in such cases officers could follow the competitive dialogue procedure.~~

~~8.7.2 All public procurement in the UK is governed by the EU Treaty and the EU Procurement Directives and UK Procurement Regulations that implement the Directives. This legal framework helps to ensure that public procurement is conducted in a fair and open manner both within the UK and across the EU. Every tender must comply within the legal framework of both the EU Treaty and Common law rules. This applies to all contracts and/or commissioning and the acquisition of goods and services. Detailed guidance on procurement procedures is provided in the Procurement Toolkit (Appendix 6), reflecting the PCR and any specific guidance as the Minister for the Cabinet Office may issue.~~

8.8 Contract Advertising

~~8.8.1 Contracts above the EU financial thresholds prevailing at the time as for Supplies and Services set out in the Regulations should be advertised in the Official Journal of the European Union (OJEU). Procurement opportunities where the value falls below these limits and £25,000 must be placed on Contracts Finder, with no exceptions. In addition all contracts should be advertised on London Councils website ~~In addition~~, in order to fully test the market, ~~it may be desirable to place an advert in the appropriate trade journals.~~~~

~~8.8.2 Advertising tenders below these thresholds or supplementing OJEU contract notices with internet or journal advertising for above threshold contracts are at discretion of the appropriate Corporate Director.~~

~~8.8.3 Due to the high value, contracts above the EU Threshold are considered to be of high risk and, therefore, it is advisable that consultation with affected stakeholders is carried out prior to advertising.~~

~~8.8.48.8.2 No contract which exceeds £50,000 in value or amount for the supply of goods or services shall be made unless at least 10 days public notice has been given on the London Councils website, unless the relevant committee has agreed that for a particular contract~~

~~tenders can be sought from a selected list. In addition, in order to fully test the market, it may be desirable to place an advert in the appropriate trade journals.~~

~~8.8.5 Steps should be taken to ensure that minority interest groups are advised of forthcoming tender opportunities. As a minimum, any advert placed in trade journals shall include a journal having a substantial ethnic minority readership.~~

~~8.8.68.8.3 After the expiration of the period specified in any notice, invitations to tender for the contract shall conform with Section 5 sub section 7 of the PCR, (paragraphs 65 and 66 refer), be sent to not less than 3 persons selected in the manner determined by the committee, or if fewer than 3 persons have applied and/or are considered suitable, to all such persons.~~

8.9 Receipt of Tenders

8.9.1 Every invitation to tender shall state that no tender will be accepted unless it is received in a plain sealed envelope or package which shall bear the words TENDER - followed by the subject to which the tender relates, and shall not bear any name or mark indicating the sender. Every invitation to tender should also state the deadline date and time (usually 12 noon) for receipt. When received, an entry shall be made upon such envelopes or packages indicating the time and date of receipt and these will then remain in the custody of the Chief Executive or the Finance Officer until the time appointed for their opening.

8.9.2 Electronic versions of the tender submission will be accepted; however these are to be received **in addition** to hard copies. Electronic tenders must be received by the deadline date and time, with the hard copy being received by 5pm on the deadline date. Electronic tender submissions sent by e-mail should be sent to: tenders@londoncouncils.gov.uk. E-mailed tenders will not be accepted in isolation.

8.9.3 All tenders received after the deadline date and time shall not be opened and will be disregarded for the purposes of the tender exercise to which they relate.

8.10 Opening of Tenders

Tenders shall be opened at one time in the presence of:-

8.10.1 For tenders valued at over ~~£5025~~,000 but less than £250,000 – in the presence of two officers appointed by the Chief Executive;

8.10.2 For tenders valued at £250,000 and over – such members of a committee

as may be designated for the purpose by London Councils or any Sectoral joint or associated committee as appropriate, to which the power of making the contract to which the tenders relate has been delegated

8.11 Acceptance of Tenders and Quotations

Quotations

- 8.11.1 Where the value is under £10,000, the appropriate Corporate Director, or one of his/her designated authorised signatories, shall be authorised to accept the quotation by signing off the purchase order to place the order with the supplier;
- 8.11.2 Where the value is between £10,001 and ~~£5025~~,000, the appropriate Corporate Director shall be authorised to evaluate and accept the quotation by signing off the purchase order to place the order with the supplier;

Tenders

- 8.11.3 Where the ~~lowest tender~~ tender is between the £25,000 and the prevailing EU Limit £50,000 or less, the Chief Executive ~~or his nominated representative~~ shall be authorised to evaluate and accept the tender;
- 8.11.4 Where the ~~lowest~~ tender is above the EU Threshold and £249,999~~£50,000~~, the Chief Executive in consultation with the Chairman, Deputy-Chairman and one other Member of the appropriate committee shall be authorised to evaluate and accept the ~~lowest~~ tender;
- 8.11.5 For tenders of £250,000 and over – such members of a committee as may be designated for the purpose by London Councils or any Sectoral joint or associated committee as appropriate, to which the power of making the contract to which the tenders relate has been delegated, shall be authorised to evaluate and accept the lowest tender;
- 8.11.6 A tender which exceeds the approved estimate shall be referred to the appropriate committee for consideration. Where the tender can be amended to fall within the approved budget by a minor adjustment to the approved works, goods or services and otherwise complies with these regulations order, the Chair or Vice Chair of the appropriate committee or Sub committee should be consulted with regard to the necessary adjustment.
- ~~8.11.7 Where the recommended tender is above £50,000 and is not the lowest tender, a report must be made to a meeting of the appropriate committee, for approval to accept the tender. If necessary a special meeting of the appropriate committee shall be convened for this purpose.~~
- ~~8.11.8 Where the recommended tender or quotation is below £50,000 and is not the lowest tender, the approval of the Chairman, Deputy-Chairman and one other member of the appropriate committee must also be obtained to authorise the acceptance of the tender.~~
- 8.12 Contract Provisions and Payments
- 8.12.1 Every contract in writing (unless such contract is let by a Lead Authority in accordance with Schedule 8) shall be signed by the Chief Executive or the Finance Officer.
- 8.12.2 Every contract in writing shall specify:-
- 8.12.2.1 the work, materials, matters, or things to be furnished, had or done;

8.12.2.2 the price to be paid, with a statement of discounts or other deductions;

~~8.12.2.3 the payment process, including the process for resolving disputes;~~

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~~8.12.2.4 the time or time within which the contract is to be performed;~~

~~8.12.2.5 insurance, employers liability and professional indemnity;~~
and,

~~8.12.2.6 the place or places for delivery of performance.~~

~~8.12.2.3 the time or time within which the contract is to be performed;~~

~~8.12.2.4 insurance, employers liability and professional indemnity;~~

and, ~~8.12.2.5 the place or places for delivery of performance.~~

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8.13 Contracts where tenders are not required.

8.13.1 Contracts or orders which exceed £10,000 and not exceeding £~~5025~~,000 in value require at least 3 written quotations from suitable suppliers before the contract order is placed. ~~The formal tender process can be used for contracts or orders under £50,000, if desirable.~~

8.13.2 Quotations may be submitted by post, facsimile or e-mail.

8.13.3 If the full life value of a contract is below the ~~current EU threshold of~~ £~~25,000~~~~139,893~~, it shall not be obligatory to invite formal tenders, nor give public notice of the intention to enter into a contract where:-

8.13.3.1 effective competition is prevented by Government control, or

8.13.3.2 the special nature of the work to be executed limits the number ~~of contractors capable of undertaking the work to less than 3~~
~~of contractors capable of undertaking the work to less than 3,~~

or

8.13.3.3 the goods, services or materials to be purchased are only ~~available from less than 3 suppliers, or~~
~~available from less than 3 suppliers, or~~

8.13.3.4 the work is a continuation of a previous contract or order, or

8.13.3.5 a corporately tendered and managed or framework

contract has been established for all officers of the ~~organisation~~
~~organisation-~~ to use:

e.g. supplies of Stationery, Computers, Office Furniture ~~etc.-, or~~

~~etc., or~~

8.13.3.6 goods or services are of a proprietary manufacture, including sole distribution or fixed price, or the services to be provided are of a proprietary nature, or

8.13.3.7 any repairs or works to be executed or parts, goods or materials ~~to be supplied in connection with existing machinery,~~
~~vehicles~~ plant or equipment are of a proprietary nature

~~and involve sole distribution or fixed price, or~~
~~to be supplied in connection with existing machinery, vehicles~~ plant

~~or equipment are of a proprietary nature and involve sole distribution or fixed price, or~~

8.13.3.8 urgent supplies necessary for the protection of life or property.

8.13.4 The Chief Executive shall maintain a record of those contracts let without competitive quotations as detailed in 8.13.3, detailing the reasons why these have not been obtained.

8.13.5 The EU regulations and ~~UK law~~PCR do not provide for any exemptions from the tendering process for contracts which exceed the EU threshold

8.14 Withdrawal of Tender

8.14.1 In the event of any person withdrawing a tender, or not signing the contract after his/her tender has been accepted, or if the Chief Executive or the Committee are satisfied that a Contractor has not carried out a contract in a satisfactory manner, or for any other justified reason, then tenders will not be accepted from such contractors in future, except after specific Committee approval.

8.15 Communications with Tenderers

8.15.1 Accounting records for all contracts must be maintained as agreed by the Finance Officer.

8.15.2 No members of the relevant Committee shall have or allow any interview or communications with any person or representative of any person proposing to tender or contract, except by the authority of that Committee. Where such interview or communication does, nevertheless, take place then it is to be reported to the relevant Committee at the first available opportunity.

8.16 Contract Variations

8.16.1 Subject to the provisions of the contract, every variation shall be instructed in writing and signed by the designated officer prior to the commencement of work on the variation concerned or as soon as possible thereafter. Designated officers may authorise variations which are essential for the completion of a contract, and minor variations of an optional nature, provided the cost remains within the approved estimate. Major variations to contracts shall require the approval of the appropriate committee.

8.17 Contract Payments

8.17.1 All ex gratia and non contractual claims from contractors shall be referred to the Finance Officer and also to the Chief Executive for comments before settlement is reached.

8.17.2 Where contracts, valued in excess of £~~5025~~,000, provide for payments to be made by installments, all payments to contractors shall be made on a certificate issued and signed by London Councils designated officer. Those contracts not subject to the issue of certificates, may be paid on invoices and/or any means allowed by the Finance Officer.

8.17.3 The Finance Officer shall, to the extent he/she considers necessary, examine the final accounts or interim valuations for contracts and he/she shall be entitled to make all such enquiries and receive such information and explanations as he/she may require in order to be satisfied as to the

accuracy of the accounts.

8.17.4 The final certificate for the payment of any contract, where the final cost exceeds £~~5025~~,000, shall not be issued until the Supervising Officer under the contract has produced to the Finance Officer a detailed statement of account with all relevant documents. Such papers shall be lodged with the Finance Officer two months prior to the due date of the final certificate or in exceptional circumstances a previously agreed period in order to allow a thorough review of their contents prior to the issue of the final certificate. In addition, all consultants' fee accounts that in total exceed £30,000 in value shall be forwarded to the Finance Officer for verification prior to the respective final payments being processed. A clause to this effect shall be inserted in the appropriate contract, bills of quantities, or specification.

8.17.5 Wherever works or services are let on a dayworks contract then every payment costing in excess of £100 shall be supported by daywork sheets. Such dayworks sheets shall contain adequate descriptions of the work carried out and the names of the operatives involved, together with details of the times during which the work was performed, the hourly rates applied and any plant or materials used. Daywork sheets shall be signed by the designated officer indicating that the amount claimed reasonably reflects the labour and materials content of the works executed.

8.18 Lead Borough Arrangements

8.18.1 Any contract let by a Lead Authority, in its capacity as administrator of an activity delegated by London Councils or any Sectoral joint or associated committee, as appropriate, shall be deemed to comply with these Financial Regulations so long as it is in compliance with the Financial Regulations and Standing Orders of that Lead Authority.

8.19 Corrupt Practices

8.19.1 Every written contract shall include the following clause:

“Any person firm or company engaged or appointed by London Councils ~~to~~ either provide services or execute works or supply goods or materials of any kind or nature whatsoever who shall give offer or allow either commission gratuity gift or benefit of any kind to any person in London Councils employ contrary to the provisions of the Public Bodies (Corrupt Practices) Act 1889 and the Prevention of Corruption Acts 1906 and 1916 (or any statutory amendment or re-enactment thereof for the time being in force) shall be liable to criminal prosecution and shall not be employed by London Councils or any of its committees in respect of any further works or services whatsoever”

8.20 Claims from Contractors

8.20.1 Claims from contractors in respect of matters not clearly within the terms of any existing contract shall be referred by the Chief Executive to London Councils Legal Adviser for consideration of the Organisation's Association's legal liability and, where necessary, to the

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Finance Officer for financial consideration before a settlement is reached. No payment will be made to a contractor without the specific approval of London Councils.

8.21 Bonds and Other Security

8.21.1 Every contract that exceeds £150,000 in value or amount and is for ~~the~~

~~the~~ execution of works or for the supply of goods or materials otherwise than at one time, shall require the contractor to provide sufficient security for the due performance thereof, except where the Divisional Director and Finance Officer consider this to be unnecessary.

8.21.2 Every contract for the demolition of premises shall require the contractor

to pay a deposit to the ~~Organisation Association~~ in a sum to be determined by the Service Head concerned unless he/she considers this to be unnecessary.

8.22 Use of Consultants

8.22.1 Consultants shall be engaged only where it is not feasible or cost effective to carry out the work in-house either by using existing staff or by employing new or permanent staff.

15 Write Offs

15.1 No debt, asset, or benefit due to London Councils, including Liquidated Damages, shall be written off without first obtaining the approval of the Finance Officer. The Chief Executive shall submit a list of such items to be written off, together with details of the reasons. The writing off of any such item valued in excess of £~~1,05~~000 must also be subject to the prior approval of London Councils or the relevant Sectoral joint or associated committee. Any report seeking such approval must detail the actions taken to recover these debts, assets or benefits.

15.2 The Chief Executive shall maintain a file for each debt to be written-off, containing relevant documentation to support the validity of the write-off. The file should also identify whether appropriate actions have been taken to recover or mitigate the loss.

21 Travelling and Subsistence Claims

21.1 Claims for travelling, subsistence and minor expenses other than those reimbursed via the ~~imprest accounts payroll system~~, are to be reimbursed ~~by cheque through the Organisation's creditor via the payroll~~ system. Each claim shall be promptly submitted to the Finance Officer for payment and shall be presented on an approved form clearly detailing the expenditure incurred, supported by receipts where applicable, dated, coded, signed by the claimant and counter-signed by the appropriate authorising officer. Claims with a total value of less than £50 (inclusive of VAT) may be met from ~~an imprest petty cash~~ accounts.

- 21.2 Every officer who receives a car loan or car allowance, whether casual or essential, must produce to the Chief Executive the registration document of the car, a valid and adequate certificate of insurance and an assurance to take all reasonable steps to maintain the car in an efficient and roadworthy condition. This is to take place on a yearly basis, but the Chief Executive shall be promptly informed of any subsequent changes to the above details.
- 21.3 All car allowances are to be paid through the payroll system.
- 21.4 The Chief Executive shall supply the Finance Officer with specimen signatures of all persons in the Organisation who are authorised to certify travelling and subsistence claims and the Finance Officer shall be notified of any changes as they occur.
- 21.5 The certification by or on behalf of the Chief Executive shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and all the requirements of the appropriate approved scheme have been observed.

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