



NOTICE OF MEETING

Meeting:	Overview and Scrutiny Committee
Date and Time:	Tuesday 20 October 2020 7.00 pm
Place:	Council Chamber
Enquiries to:	Helen Vincent committeeservices@hart.gov.uk
Members:	Worlock (Chairman), Axam, Davies, Dorn, Drage, Farmer, Lamb, Makepeace-Browne, Smith, Wildsmith and Wright

Joint Chief Executive

CIVIC OFFICES, HARLINGTON WAY
FLEET, HAMPSHIRE GU51 4AE

AGENDA

This meeting is being administered under the provisioning of the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meeting) (England and Wales) Regulations 2020. The Provision made in this regulation applies notwithstanding any prohibition or other restriction contained in the standing orders or any other rules of the Council governing the meeting and such prohibition or restriction had no effect.

This Agenda and associated appendices are provided in electronic form only and are published on the Hart District Council Website

1 MINUTES OF PREVIOUS MEETING (Pages 4 - 6)

The minutes of the meeting of 15 September 2020 are attached to be confirmed and signed as a correct record.

2 APOLOGIES FOR ABSENCE

To receive any apologies for absence from Members*.

***Note:** Members are asked to email Committee Services in advance of the meeting as soon as they become aware they will be absent.

3 DECLARATIONS OF INTEREST

To declare disclosable, pecuniary and any other interests*.

***Note:** Members are asked to email Committee Services in advance of the meeting as soon as they become aware they may have an interest to declare.

4 PUBLIC PARTICIPATION (ITEMS PERTAINING TO THE AGENDA)

Anyone wishing to make a statement to the Committee should contact Committee Services at least two clear working days prior to the meeting. Further information can be found at

https://www.hart.gov.uk/sites/default/files/4_The_Council/Council_meetings/Public%20Participation%20leaflet%202020%20A4.pdf

5 CHAIRMAN'S ANNOUNCEMENTS

6 SERVICE PERFORMANCE - HEADS OF SERVICE ATTENDANCE

Head of Community to attend to discuss service performance.

7 UPDATED FINANCIAL REGULATIONS AND CONTRACT STANDING ORDERS (Pages 7 - 48)

To present the revised draft Financial Regulations and draft update to Contract Standing Orders to Members for discussion and consideration.

8 CORPORATE RISK REGISTER REPORT (Pages 49 - 57)

The Corporate Risk Register should be reviewed by management on a regular basis and reported to Members to provide assurance that appropriate arrangements are in place to mitigate identified risks.

9 CIVIC REGENERATION WORKING GROUP (Pages 58 - 63)

To provide Overview and Scrutiny Committee with an update regarding progress of the Civic Quarter Regeneration project and key future milestones. The objective of the Working Group (WG) is to deliver a formal report to Cabinet in February 2021 providing an overview of the process, work undertaken, findings and recommendation for next steps.

10 CABINET WORK PROGRAMME (Pages 64 - 68)

To consider the Cabinet Work Programme.

11 OVERVIEW AND SCRUTINY WORK PROGRAMME (Pages 69 - 72)

To consider and amend the Overview and Scrutiny Work Programme.

Date of Publication: 12 October 2020

OVERVIEW AND SCRUTINY COMMITTEE

Date and Time: Tuesday 15 September 2020 at 7.00 pm

Place: Council Chamber

Present:

Worlock (Chairman), Davies, Dorn, Drage, Farmer, Lamb, Makepeace-Browne, Wildsmith and Wright

In attendance: Crookes, Forster, Radley and Southern

Officers: Elson, Foy, Hughes and Vincent

31 MINUTES OF PREVIOUS MEETING

The Minutes of the meeting of 18 August 2020 were confirmed and signed as a correct record.

32 APOLOGIES FOR ABSENCE

Apologies had been received from Councillors Axam and Smith.

33 DECLARATIONS OF INTEREST

No declarations made.

34 PUBLIC PARTICIPATION (ITEMS PERTAINING TO THE AGENDA)

None.

35 CHAIRMAN'S ANNOUNCEMENTS

The Chairman introduced the Head of Environment and Technical Services who gave a departmental update to Members on services delivered during Covid-19. Members were informed of how the process and service provision that were delivered during lockdown required several sections being redeployed to other projects. Members were also updated briefly on staff resourcing during lockdown and were updated on the Fleet Road Project.

The Climate Change Action Plan will be in focus moving forwards. Peter Summersill has been appointed to post of Sustainability Office permanently to progress various Countryside projects.

Members questions surrounding this presentation included cost of time resources spent on Fleet Road.

36 REVISED DRAFT BUDGET 2020/2021 AND OUTTURN PERIODS 1-4

Members considered the revised revenue proposals for 2020/2021 taking into account loss of income due to Covid-19.

The S151 Officer explained the figures to Members and talked about the Central Government Funding contribution.

Members posed questions following the report around a possible reduction in the amount received from the Government, when it is expected to be received and any impact that may have.

Members noted that the loss in income quoted in this paper was different from those the JCX previously reported. It was confirmed by Cllr Radley that what was previously reported were costs to date and were advised that these numbers project fees and losses for the whole year up to March 2021.

A query on 5.2 resulted in Members being assured that no policies have been changed relating to individual departmental expenditure.

37 FUTURE PROVISION OF CCTV SERVICE

The Head of Environment and Technical Services introduced and explained a report on the future provision of the CCTV services. This paper sought Members views on Runnymede Borough Council monitoring CCTV on behalf of Hart District Council in the future.

Members discussed the paper and asked questions on the costs, potential job losses, removal of local knowledge and feasibility of various recommendations.

Following discussion, the Chairman isolated point 6.2a or the move to Runnymede Borough Council as being the two best options to be considered. Members agreed that the costs of moving cameras and any early contract termination costs should be agenda items for a future date.

RECOMMENDATION to Cabinet

- (i) the termination of the shared service agreement with Rushmoor Borough council for the monitoring of Hart's CCTV cameras be agreed.

Members could not support Officer recommendations as set out in the report points (ii) – (vi) without further information. It was agreed that further information would be circulated, and that Councillor Radley would ensure that this information, together with this Committee's concerns, be addressed at Cabinet.

38 5 COUNCILS (5CS) CONTRACT

Members discussed the alterations to the contract for Corporate Services.

NB This report was Exempt.

EXCLUSION OF THE PUBLIC

Members decided that the public interest in maintaining an exemption outweighed the public interest in disclosing the information.

DECISION

That in accordance with Section 100A of the Local Government Act 1972, the public be excluded during the discussion of the matters referred to in the item below, on the grounds that it involved the likely disclosure of exempt information, as defined in paragraph 3 of Part 1 of Schedule 12A of the Act, and the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

Members discussed the services to date and considered the positives of bringing them back inhouse including access to and ownership of data. JCX advised that a negotiation team made up of representative of all 5 Councils had arrived at a number of which the above amount is the portion for which Hart District Council is responsible.

DECISION

Members agreed the recommendation as it stood but that a further appendix be provided to Members with costed options included.

39 OVERVIEW AND SCRUTINY WORK PROGRAMME

The Overview and Scrutiny Work Programme was considered and it was noted that the Car Parking Charges should be a full report and that the Waste Management Contract had been added.

The Chairman suggested it would be useful to add an update from the Climate Change Working Group and an update on Pedestrianisation of Fleet Road.

The meeting closed at 8.50 pm

OVERVIEW AND SCRUTINY COMMITTEE

DATE OF MEETING: 20 OCTOBER 2020

TITLE OF REPORT: REVISED FINANCIAL REGULATIONS

Report of: Head of Corporate Services

Cabinet member: Councillor James Radley, Deputy Leader and Finance

I PURPOSE OF REPORT

- 1.1** To present the draft revised Financial Regulations to Members for discussion and consideration.

2 OFFICER RECOMMENDATION

- 2.1** That the Committee considers any recommendations it wishes to make to Cabinet in respect of the draft Revised Financial Regulations.

3 BACKGROUND

- 3.1** Financial Regulations set out the key rules, regulations and guidance which must be followed to maintain financial controls within the Council. The previous Financial Regulations had been in place for some time without formal review. These regulations have been updated to reflect practical arrangements in place and have been written in a way that is easily understandable and more easily adhered to. There is no substantial change to the regulations previously in place, these have purely been updated to be easily understandable and reflect changes in the structure of the organisation.
- 3.3** The revised draft Financial Regulations are set out in Appendix I.

CONTACT: Emma Foy, Head of Corporate Services, Emma.Foy@hart.gov.uk

APPENDICES

Appendix I – Draft Revised Financial Regulations

FINANCIAL REGULATIONS



Version	Details	Responsible Officer	Date
1.0	New Financial Regulations replacing version dated April 2013	Emma Foy	August 2020

Appendix 1

Contents

SECTION 1 INTRODUCTION AND SCOPE	3
1. DEFINITIONS	3
2. OVERVIEW	4
3. SCOPE	5
SECTION 2 FINANCIAL REGULATIONS	6
4. FINANCIAL MANAGEMENT ROLES AND RESPONSIBILITIES	6
5. FINANCIAL PLANNING & BUDGETING	7
Budget Planning	7
Draft Budget	8
Budget Approval	8
Variation of the Councils Approved Budget	8
Medium Term Financial Strategy (MTFS)	9
Capital Projects	9
Budget monitoring and control	10
Capital Monitoring	10
6. INTERNAL CONTROL AND AUDIT	11
Internal Control	11
Internal Audit	11
7. FINANCIAL SYSTEMS AND PROCEDURES	12
Accounting System	12
Accounting Policy And Statement Of Accounts	12
8. TREASURY MANAGEMENT	13
9. EXTERNAL ARRANGEMENTS	14
10. OTHER FINANCIAL REGULATIONS	15
Orders and Payments	15
Payment of Salaries, Wages and Other Emoluments	15
Employee Expenses and Deductions	16
Payments to Members	16
Income Collection and Banking	17

FINANCIAL REGULATIONS



Excusal of Debts	18
Physical Assets	18
Insurance and Assessment of Risk	19

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SECTION 1 INTRODUCTION AND SCOPE

1. DEFINITIONS

- 1.1. “approved” means either signed in writing or approved electronically by secured means.
- 1.2. “authorised officer” means an Officer who has had authorisation delegated to them by the S151 Officer, Chief Executive or Head of Service
- 1.3. “the budget” includes the allocation of financial resources to services and projects
- 1.4. “budget holder” means the relevant Head of Service, Chief Executive or other Officer authorised by such Head of Service to manage a budget
- 1.5. The ‘Capital Budget’ is the money available for the Council to spend on improving its assets
- 1.6. “Committee” means an ordinary committee of the Council
- 1.7. “Council” means Hart District Council
- 1.8. The ‘General Fund’ includes all income and expenditure incurred in the day to day running of the Council.
- 1.9. The ‘Leadership Team’ includes Chief Executives, Heads of Service and Service Managers.
- 1.10. “Head of Service” means those officers so described in the Council’s Constitution
- 1.11. “Portfolio Holder” means an individual member of the Cabinet with delegated responsibility for a portfolio of services.
- 1.12. ‘relevant Head of Service’ means the Head of Service to whom authority to act has been given by the Council, the Cabinet, a Committee or Sub-Committee whether by express resolution or under the Scheme of Delegation to Officers.
- 1.13. ‘S151 Officer’ (alternatively known as the Chief Financial Officer or Head of Corporate Services) means a suitably qualified officer appointed under section 151 of the Local Government Act 1972 to administer the Council’s financial affairs. Hereafter referred to as Head of Corporate Services.
- 1.14. ‘The Statement of Accounts’ summarises the Council’s financial performance during each year end and shows its overall financial performance at the end of that period.

2. OVERVIEW

- 2.1. The general principle behind these regulations is to ensure that all financial dealings are of the highest standard conducive with being custodians of public resources and assets.
- 2.2. The Financial Regulations provide the framework for managing the Council's financial affairs and contribute to good corporate governance, internal control, and the management of risks. In addition, they assist sound administration, reduce the risk of irregularities, and support the delivery of effective, efficient, and economic services.
- 2.3. These Financial Regulations are made pursuant to Section 151 of Local Government Act 1972, the Accounts and Audit Regulations 2015 (plus amendments) and all other enabling powers.
- 2.4. The Head of Corporate Services has responsibility for the preparation, review, and amendment of these Financial Regulations. They should be read in conjunction with the other governance rules and procedures contained within the Council's Constitution.
- 2.5. These Financial regulations apply to members, officers, employees, and anyone acting on the Council's behalf. Where work is carried out in partnership then the regulations of the 'principle' authority should be followed. Failure to comply may constitute misconduct and lead to formal disciplinary action

3. SCOPE

3.1. The financial regulations set out the Council's requirements in respect of:

- 3.1.1. Financial management roles and responsibilities
- 3.1.2. Financial planning and budgeting
- 3.1.3. Budget monitoring and control
- 3.1.4. Internal control and audit
- 3.1.5. Financial systems and procedures
- 3.1.6. Treasury management
- 3.1.7. External arrangements

3.2. These financial regulations are guided by the CIPFA Financial Management Code which applies a principles-based approach. There are six under-lying principles:

- 3.2.1. Organisational leadership – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
- 3.2.2. Accountability – financial management is based on medium-term financial planning, which drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- 3.2.3. Financial management is undertaken with transparency at its core using consistent, meaningful, and understandable data, reported with appropriate frequency and with evidence of periodic officer action and elected member decision making.
- 3.2.4. Adherence to professional standards is promoted by the leadership team and is evidenced.
- 3.2.5. Sources of assurance are recognised as an effective tool mainstreamed into financial management and include political scrutiny and the results of external audit, internal audit, and inspection.
- 3.2.6. The long-term sustainability of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

3.3. It is not possible for Financial Regulations to anticipate all eventualities. Consequently, in any situation where there is no clear guideline reference should be made to these Principles.

SECTION 2 FINANCIAL REGULATIONS

4. FINANCIAL MANAGEMENT ROLES AND RESPONSIBILITIES

- 4.1. The Head of Corporate Services has a statutory responsibility for proper administration of the Council's financial affairs. However, this cannot be done in isolation and a culture for good governance and financial management also rests with the Leadership Team.
- 4.2. All members and officers have a common duty to abide by the highest standards of integrity and propriety when making decisions about the use of public money. They need to be able to demonstrate that the services provided by the Council provide value for money.
- 4.3. The Council shall have in place a formal scheme of delegation, which sets out which individuals or committees are entitled to make which decisions. Specifically, it details which decisions are reserved for the Council acting as a corporate body, which can be taken by its committees, specified individual members of the leadership team, the chief executive, and specific officers.
- 4.4. The Council's scheme of delegation is defined in the Council's Constitution.
- 4.5. Heads of service may delegate budget responsibility to functional managers ensuring that the same officer is not responsible for receiving or paying monies and rendering accounts or issuing receipts for the same. The Contract Standing Order document contains details of delegated responsibilities of Managers.
- 4.6. The names and sample signatures of officers or members authorised to certify, or sign documents should be kept and maintained by the Head of Corporate Services.

5. FINANCIAL PLANNING & BUDGETING

- 5.1. Effective governance and financial management are focused on ensuring that the authority can operate sustainably in the long term. The medium-term financial plan translates the financial strategy into the near future and the budget into the current.
- 5.2. The Council operates within an annual cash limit set by the approval of a balanced budget – a budget in which revenues are equal to expenditures including any balances brought forward from previous years.
- 5.3. The budget is the responsibility of the Head of Corporate Services but should be owned and articulated by the Leadership Team.
- 5.4. The budget is set annually, in advance, to control expenditure and establish priorities. The Head of Corporate Services shall assess its robustness alongside the appropriate level of reserves.
- 5.5. The budget shall be developed alongside the Medium-Term Financial Strategy (MTFS) which considers all known factors affecting the Council's financial position and financial sustainability over a longer term (3 years)

Budget Planning

- 5.6. Each year the Heads of Service, and/or other authorised officers, shall in accordance with a timetable and strategy prescribed by the Head of Corporate Services commence the budget process by:
 - 5.6.1. Reviewing existing income and expenditure commitments
 - 5.6.2. Identifying any areas for growth or reduction
 - 5.6.3. Identifying any capital or revenue projects
 - 5.6.4. Reviewing sources and projections for income and expenditure and proposing them to the Head of Corporate Services for inclusion in the draft budget.
- 5.7. When considering items for inclusion in the draft budget the Heads of Service shall consider, as a minimum, the following:
 - 5.7.1. Any financial or other strategies adopted by the Council
 - 5.7.2. Prescriptions, restrictions, or guidelines issued by Central Government
 - 5.7.3. Guidelines issued by the Council, Cabinet or Head of Corporate Services
 - 5.7.4. Any pending pay awards, both actual and forecast
 - 5.7.5. Any change in members allowances, both actual and forecast
 - 5.7.6. Opportunities for reducing expenditure
 - 5.7.7. Opportunities for increasing income
 - 5.7.8. Any changes in fee or grant income already sanctioned or prescribed by statute or Central Government
 - 5.7.9. Any changes to charges already sanctioned or prescribed by statute or Central Government
 - 5.7.10. The outcome of any internal or external consultation

Draft Budget

- 5.8. The Head of Corporate Services shall prepare the initial Draft Budget and present to the Overview and Scrutiny Committee. The report should provide a summary of the revenue and capital budget proposals and should reflect and highlight the considerations made in 5.7 above. Feedback from this committee will be incorporated into the Proposed Draft Budget and Council Tax levels before presentation to Cabinet.
- 5.9. The Draft Budget shall be presented in a timely manner before the start of the new financial year with consideration of its need for subsequent approval by Cabinet (refer to 5.8)

Budget Approval

- 5.10. The Head of Corporate Services shall present the Proposed Draft Budget and Council Tax levels to Cabinet for approval. The presentation shall include the statutory statement on the robustness of the estimates and adequacy of reserves.
- 5.11. The Proposed Budget shall be presented for consideration in advance (LGFA 1992 states– before 11th March) of the start of the new financial year. Failure to set a budget may lead to intervention from the Secretary of State.
- 5.12. The Proposed Budget can only be adopted, and proposed expenditure executed if approved by Cabinet.

Variation of the Councils Approved Budget

- 5.13. Variations to the Approved Budget can be made during the financial year by Cabinet. The following exceptions do not require prior approval:
- 5.13.1. Any change in remuneration or other conditions or benefits of employment required by Central Government or a recognised negotiating body
 - 5.13.2. Any other unexpected statutory change by Central Government
 - 5.13.3. The scheme of Virements:
 - i) These rules apply to virements within the General Fund and the Capital Budget. It is not possible to vire between these budgets
 - ii) Heads of Service may approve the virement of budgeted expenditure not exceeding £10,000 between services after consultation with the relevant Portfolio Holder and the Head of Corporate Services.
 - iii) No virement shall be used to fund new services or projects that will create additional budget commitment in future years without the approval of Cabinet.

Medium Term Financial Strategy (MTFS)

- 5.14. The MTFS is the responsibility of the Head of Corporate Services and will be produced and reported in conjunction with the annual budget and council tax proposals to the Overview and Scrutiny Committee and Cabinet before 11 March of the preceding financial year. Further updates on the MTFS may be reported during the year.
- 5.15. The MTFS should critically assess the Council's financial resilience and test the sensitivity of its financial sustainability to alternative plausible scenarios for the key drivers of cost, service demands and resources.

Capital Projects

- 5.16. Capital Projects will be considered by the Head of Service together with Head of Corporate Services before being presented to Cabinet detailing the purpose and the amount of expenditure required. No capital expenditure shall be incurred until specific approval has been given by Cabinet.
- 5.17. Additional considerations to be applied to Capital projects:
- 5.17.1. The total estimated cost of the project, including provision for inflation, fees, salaries, and incidentals
 - 5.17.2. Annual cost of maintenance, debt charges and other revenue expenditure, plus anticipated annual income
 - 5.17.3. Details and estimated cost of any consequential or incidental works
 - 5.17.4. Details of the proposed use and a scheme of management of the project after completion, including any manpower changes.
 - 5.17.5. Details and the cost of any works to be superseded
 - 5.17.6. Details and estimates of any expected capital grants
- 5.18. No specific approval shall be required if approval was obtained in the annual budget process.
- 5.19. No specific approval is required for property transactions pursuant to the [Commercialisation Strategy](#). The streamlined approval process was designed to assist the asset purchase programme by making the Council competitive in the open market whilst still giving the appropriate controls for decision making.

Budget monitoring and control

- 5.20. Regular budget monitoring is an important process in how the Council ensures that its services or capital expenditure operate within the limits of its budget. It also enables budget managers to take appropriate and timely action when variances are forecast.
- 5.21. Heads of Service may delegate budget monitoring activities to function managers. Functional Budget responsibility is defined in individual job descriptions. Delegation is activated via the Financial Accounting system ensuring transparency and appropriate control.
- 5.22. The Head of Corporate Services will publish a budget monitoring timetable so that timely consideration of the numbers can be planned.
- 5.23. The Head of Corporate Services will ensure that each delegated budget manager is adequately trained in the process and purpose of budget monitoring.
- 5.24. The Head of Corporate Services will present a consolidated budget monitoring report to the Senior Leadership Team and Cabinet at the end of each quarter, or more frequently if appropriate. The report will outline any areas of material overspends or income shortfall along with explanations from Heads of Service as to the actions that are recommended to address the concerns.
- 5.25. There should be minimal delay between the period to which the performance information relates and the reporting of this information to the leadership team. This may require the authority to streamline the way in which it collects, collates, analyses and reports performance information.

Capital Monitoring

- 5.26. The principles and framework for managing the revenue budget apply equally with regards to the monitoring and management of individual capital projects.

6. INTERNAL CONTROL AND AUDIT

Internal Control

- 6.1. Internal control refers to the systems of controls devised by management to ensure the Council's objectives are achieved in a manner which promotes effective, efficient, and economical use of resources and the Council's assets and interests are safe-guarded.
- 6.2. For the Leadership Team to demonstrate responsibility for governance and internal control, consideration should be given to the effectiveness of the arrangements in place including:
- 6.2.1. establishing a clear framework for governance and internal control across the Council, including for those entities with which the Council works in partnership
 - 6.2.2. establishing clear arrangements for accountability and assurance. Any behaviour that falls short of the required standards of governance and internal control shall be dealt with promptly and effectively.
 - 6.2.3. espousing high standards of governance and internal control in its own activities
 - 6.2.4. creating, maintaining, and nurturing a culture in which governance and internal control are embedded into the way in which the Council works.

Internal Audit

- 6.3. The role of Internal Audit is to provide assurance that the Council's risk management, governance and internal control processes are operating effectively. The Internal Audit function should conform to the Public Sector Internal Audit Standards.
- 6.4. Internal audit should work to an agreed plan, which is based on a robust analysis of the Council's governance and internal control arrangements, the environment within which the Council operates and the risks and challenges that it faces. Internal audit should be adequately resourced and report to the Audit Committee.
- 6.5. The Audit Committee is responsible for reporting to Cabinet and Council on matters arising from its review of internal control and governance and the Annual Governance Statement.

7. FINANCIAL SYSTEMS AND PROCEDURES

Accounting System

- 7.1. An accounting system is an organized set of manual and computerised accounting methods, procedures and controls established to gather, record, classify, analyse, summarise, interpret and present accurate and timely financial data which can be retrieved for decision making.
- 7.2. The Head of Corporate Services must ensure that all accounting and other financial systems, and procedures adopted by the Council adhere to published standards and codes of practice and are acceptable to the Council's external Auditor.
- 7.3. All accounting and financial systems in use must provide a comprehensive, consistent, and accurate record of the Council's financial transactions. They should be sufficient to show and explain the Council's transactions and enable accurate recording of income, expenditure, statement of balances and documentary evidence of adherence to scheme of delegation.
- 7.4. Financial systems of control must be designed so that no one individual is solely responsible for an entire process. They must be designed to prevent and detect inaccuracy and fraud.
- 7.5. Financial reports must be timely, clear, accurate, relevant, reliable, consistent. They should be complete, free from deliberate or systematic bias and material error.

Accounting Policy and Statement of Accounts

- 7.6. The Head of Corporate Services is responsible for the following:
 - 7.6.1. determining the Council's accounting policies and ensuring that they are applied consistently.
 - 7.6.2. issuing guidelines on reporting standards to ensure that the annual Statement of Accounts is produced accurately, in line with published standards, within statutory time limits and that good documentation is available to support the Statement.
 - 7.6.3. Reporting to audit committee on the annual accounts and publishing the Statement of Accounts in line with Statutory requirements
 - 7.6.4. Liaising with external audit on the completion of the Statement of Accounts and the arrangements for their audit.

8. TREASURY MANAGEMENT

- 8.1. Treasury Management is the management of all money and capital market transactions in connection with cash and funding resources of the Council. It does not include management of Pension Fund money.
- 8.2. All investment and borrowing activity shall be undertaken in a manner which complies with statutory requirements, the CIPFA Prudential Code for Capital Finance in Local Authorities and the Council's Treasury Management Policy Statement including those parameters agreed annually within the Treasury Strategy Report.
- 8.3. CIPFA's Prudential Code provides a framework for the self-regulation of the Council's capital financing arrangements. It requires local authorities to determine that capital expenditure and investment decisions are affordable, prudent, and sustainable, and to set limits on the amount they can afford to borrow in the context of wider capital planning.
- 8.4. The Head of Corporate Services shall submit a report bi-annually to Cabinet detailing the investment and borrowing activity on behalf of the Council for that period and demonstrating compliance with the Treasury Management Statement. All investments shall be made in the name Constitution of the Council. The investment of available funds shall be the responsibility of the Head of Corporate Services.
- 8.5. The Head of Corporate Services is responsible for the operation of bank account(s) necessary to carry out the Council's day to day banking transactions. All bank accounts shall be in the name of Hart District Council. An officer can be nominated by The Head of Corporate Services to administer the bank accounts including ordering and safe keeping of cheque books. Administration does not grant access to funds but facilitates, for example the issue and withdrawal of bank cards, credit cards and the set-up of extraordinary payments for dual authorisation in line with policy.
- 8.6. No banking or credit card account shall be opened on behalf of or in the name of the Council at any bank or financial institution unless in accordance with dual signature requirements of the Treasury Management Policy.

9. EXTERNAL ARRANGEMENTS

- 9.1. The Council must act to achieve the promotion or improvement of the economic, social, and environmental well-being of its area.
- 9.2. All partnerships and joint working arrangements with outside bodies must be properly evaluated for risk before they are executed, and be supported by clear governance, accounting, and audit arrangements.
- 9.3. External funding can prove an important source of income, but funding conditions must be carefully examined before any agreement is entered into to ensure they are compatible with the aims and objectives of Council.
- 9.4. Legislation enables the Council to trade and provide services to third parties. All such work must be within the legal powers of the council (intra vires) and the respective risks and financial benefits associated with such work must be properly considered and a business case approved before any trading activities take place.
- 9.5. Cabinet is the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs. Contractual arrangements with any third parties or external bodies shall adhere to the scheme of delegation.
- 9.6. The Head of Corporate Services must ensure that the accounting and auditing arrangements to be adopted relating to partnerships, joint ventures and accountable bodies are satisfactory. They must also consider the overall corporate governance arrangements when arranging contracts with external bodies. They must ensure that the risks have been fully appraised before agreements are entered into with external bodies.
- 9.7. Budget Holders are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

10. OTHER FINANCIAL REGULATIONS

Orders and Payments

- 10.1. The procurement of services, supplies and works shall comply with the Council's Contract Standing Orders.
- 10.2. Except as provided for in clause 5.13 no member, officer, employee, or anyone acting on the Council's behalf shall incur unbudgeted expenditure or reduce budgeted income without prior approval of the Council.
- 10.3. Purchase Orders should be raised for all procurement unless an exemption applies. Exceptions include regular payments to utilities, or purchases made by Corporate Credit Card (separate rules apply)
- 10.4. Invoices received that do not quote a valid purchase order will be rejected.
- 10.5. Each budget holder shall check and certify that optimum payments terms are agreed, taking account of the need to maintain a good relationship with its suppliers and to secure any discounted payment options.
- 10.6. Each budget holder shall ensure that, when appropriate, VAT is included on invoices.
- 10.7. Each budget holder will be required to document expenses which relate to expenses which are invoiced after the 31st March year end but relate to periods prior to this. The Head of Corporate Services will ensure that these values are accrued.

Payment of Salaries, Wages and Other Emoluments

- 10.8. The payment of all salaries and other payments to employees shall be made under arrangements approved by the Head of Corporate Services.
- 10.9. Responsible Officers must follow any corporate processes put in place to control changes made to their employee establishment or salary and allowance payments associated with a post, seeking guidance from finance and Human Resources as needed.
- 10.10. Responsible Officers must follow any corporate processes in place to manage appointments, resignations, dismissals, absences from duty and other such information required in connection with the calculation and payment of salaries and wages. These must be done promptly to avoid unnecessary salary corrections after payment is made.
- 10.11. Responsible Officers must ensure proper financial control of their employee budgets in accordance with their revenue expenditure responsibilities.

Employee Expenses and Deductions

- 10.12. Expense Claims made must contain all necessary information, be made promptly, and be authorised by an appropriate manager before being considered for payment. Corporate processes are in place to ensure these requirements are met.
- 10.13. VAT receipts as proof of expenditure must be obtained and submitted with the claim form before reimbursement is made. Car park tickets are acceptable for proof of parking expenditure.
- 10.14. An authorising officer certifying a claim must be satisfied that:
- 10.14.1. the time or expenditure claimed is reasonable and accurate.
 - 10.14.2. the duties or activities described have been performed
 - 10.14.3. payment is in accordance with the employee's contract of employment
- 10.15. Deductions from salaries must be in accordance with the Wages Act 1986, which requires specific written employee authorisation before any deduction can be made, unless covered by statute or other legal order. These should then be appropriately accounted for and paid promptly to the receiving bodies.
- 10.16. Travel Claims: Individuals are responsible for establishing the most economical and feasible method of transport to make work related journeys.
- 10.17. Any use of personal cars for work related travel be adequately insured for business use.
- 10.18. When travelling from home, claims should only be made for expenditure above that which would normally be incurred by an employee travelling from home to the normal place of duty.
- 10.19. Rail Warrant Books: Rail warrants should only be used for authorised work-related journeys. All books of rail warrants must be accounted for and records maintained of their use.

Payments to Members

- 10.20. Allowances and expenses paid to members shall be in accordance with the Council's approved scheme.
- 10.21. Payments to members will be paid in accordance with the procedure approved by the Council.
- 10.22. VAT receipts as proof of expenditure must be obtained and submitted with the claim form before reimbursement is made. Car park tickets are acceptable for proof of parking expenditure

Income Collection and Banking

- 10.23. Except where the Council has no discretion, all fees and charges should be reviewed at least annually and approved by Cabinet.
- 10.24. The income collection methods employed should ensure the efficient and prompt collection of income due and comply with the Council's Collection and Recovery Policy.
- 10.25. There should be more than one person involved in the process for raising accounts, receiving, and banking the income and reconciling or verifying the reconciliation of income collected.
- 10.26. All arrangements for the collection of income are subject to the approval of the Head of Corporate Services. Budget holders are responsible for ensuring that all income due is collected in accordance with Council policy.
- 10.27. Income should be collected in advance wherever possible and appropriate, or at the point of sale.
- 10.28. Appropriate arrangements must be made for all income collected to safeguard against loss or theft.
- 10.29. Where cash is collected, appropriate consideration should be given to the security arrangements for both the cash and the personnel involved.
- 10.30. All income received should be banked in full as soon as practical and within 5 working days. All income received should be processed promptly into the Council's financial accounting systems.
- 10.31. Appropriate arrangements should be used to confirm that all monies collected have been accounted for.
- 10.32. Officers may not substitute personal cheques for cash payment received on behalf of the Council.

Excusal of Debts

- 10.33. Debts up to the value of £5,000 may be written off on the authority of the Head of Corporate Services where the debt is deemed irrecoverable or is unlikely to be recovered at economic cost.
- 10.34. Debts over £5,000 must be referred to the Head of Corporate Services who will seek approval from the Cabinet Member with responsibility for Finance. All write-offs must be reported to the next meeting of Cabinet.
- 10.35. Sufficient information about the debt and recovery action taken must be provided and documented before authorisation for write-off can be given.

Physical Assets

- 10.36. The Head of Corporate Services will maintain the Asset Register' which contains details of all assets leased or owned by the Council which exceed the Capital de-minimis levels. This must be maintained in accordance with the accounting policies of the Council.
- 10.37. The Head of Service, responsible for land shall maintain an up to date terrier of all land owned, leased, or licensed by the Council and of land sold or leased off. The terrier must
- record the purpose for which the land is held and
 - record the location, extent, and plan reference of the land
- 10.38. Heads of Service shall supply any information required to maintain these registers.
- 10.39. Heads of Service are responsible for maintaining proper security, care and protection of all building, equipment, vehicles, stocks, stores and cash under their control. This includes minimising the risks of natural hazards, theft, damage and misuse.
- 10.40. The Head of Corporate Services shall be informed, as soon as possible, of any break-in, theft or attempt at such, and any loss otherwise suffered.

FINANCIAL REGULATIONS



Insurance and Assessment of Risk

- 10.41. The Head of Corporate Services shall establish appropriate insurance cover for the Council and review it annually in consultation with relevant managers. Responsibility for managing insurance can be delegated to a nominated Officer.
- 10.42. Managers should give notification to the nominated insurance officer of any circumstances, risks, purchases, or disposals which may affect the insurance cover required.
- 10.43. The Head of Corporate Services shall be notified immediately in writing by the relevant Head of Service of any loss, liability or damage suffered by or occasioned to any person, property or thing.
- 10.44. Heads of Service shall bring to the attention of their staff any situation where they think the Council may be at risk from an insurance claim or where immediate action may minimise the risk of such a future claim.
- 10.45. The Head of Corporate Services shall deal with claims against or on behalf of the Council arising from insured risk. Where any claim is made against the Council and is recoverable under a policy of insurance, the Head of Corporate Services is authorised to incur any necessary expenditure in meeting the claim subject to prior consultation with the Council's insurers.
- 10.46. Managers should ensure that suppliers, contractors, consultants or agents engaged must have insurance arrangements that adequately protect the Council's interests.
- 10.47. The Council is responsible for putting in place arrangements for the management of risk. The Council will annually review the Council's Corporate Risk Assessment policy.
- 10.48. A corporate risk assessment will be prepared detailing those risks which may adversely impact on the achievement of the Council's objectives and the controls in place and planned to mitigate them. The corporate risk assessment will be annually reviewed by the Council.
- 10.49. All project plans and business cases that consider major financial investment by the Council must be subject to a sufficiently robust and documented risk assessment that is reviewed as part of their appraisal by the appropriate Committee or Council. No commitment may be entered into until the appraisal is completed and reviewed.

OVERVIEW AND SCRUTINY COMMITTEE

DATE OF MEETING: 20 OCTOBER 2020

TITLE OF REPORT: **REVISED DRAFT UPDATE TO CONTRACT
STANDING ORDERS**

Report of: **Head of Corporate Services**

Cabinet member: **Councillor James Radley, Deputy Leader and Finance**

I PURPOSE OF REPORT

- 1.1 To present the draft revised draft update to Contract Standing Orders to Members for discussion and consideration.

2 OFFICER RECOMMENDATION

- 2.1 That the Committee considers any recommendations it wishes to make to Cabinet in respect of the draft update to Contract Standing Orders.

3 BACKGROUND

- 3.1 The purpose of Contract Standing Orders (CSO) is to set clear rules for the procurement of goods, works and services for the Council. The rules should ensure that the Council is fair and accountable in its dealings with contractors and suppliers. Contract Standing Orders are also intended to ensure that the Council obtains value for money and that it is taking good care of public funds.

- 3.2 Purchasing decisions and processes are important because the money involved is public money. The purpose of these Contract Standing Orders (CSOs) is to provide a structure within which purchasing decisions are made and implemented. These Contract Standing Orders are made in accordance with the requirements of Section 135 of the Local Government Act 1972. The previous Contract Standing Orders had been in place for some time without formal review. There is no substantial change to the regulations previously in place, these have purely been updated to be easily understandable and reflect changes in the structure of the organisation.

- 3.3 The revised draft Contract Standing Orders are set out in Appendix I.

CONTACT: Emma Foy, Head of Corporate Services, Emma.Foy@hart.gov.uk

APPENDICES

Appendix I – Draft Contract Standing Orders.

CONTRACT STANDING ORDERS



Version	Details	Responsible Officer	Date
1.0	New CSOs replacing version dated April 2013	Ashley Grist	June 2020

Appendix 1

Contents

SECTION 1 INTRODUCTION AND SCOPE	2
1. Purpose	2
2. Scope	3
3. Principles	4
4. Responsibilities and Conduct	5
SECTION 2 – PURCHASING PROCESS	6
1. Value of Contract	6
2. Pre-procurement Checks	7
3. Quotation and Tender Procedures	8
4. Medium Value Contracts	9
5. High Value Contracts	9
6. EU Procurement Procedures	10
7. Evaluation of Tenders for High Value Contracts in excess of £75,000	11
8. Acceptance of Quotations and Tenders	12
9. Contents of orders and Contracts	13
10. Managing Contracts	14
ANNEX A – Scheme of Delegation	15
ANNEX B – Land Disposals	16

CONTRACT STANDING ORDERS



SECTION 1 INTRODUCTION AND SCOPE

1. Purpose

- 1.1. The purpose of Contract Standing Orders (CSOs) is to set clear rules for the procurement of Supplies, Services and Works for the Council, and the disposal of land.
- 1.2. Following the rules should ensure that the Council:
 - i) is fair and accountable in its dealings with Contractors and in the award of Contracts.
 - ii) obtains value for money for the Council taxpayer. Value for money is defined as the optimum combination of whole life cost and quality (or fitness for purpose) to meet the end users' requirements.
 - iii) maintains the highest standards of integrity
 - iv) complies with all legal requirements
- 1.3. By law (Section 135 of the Local Government Act 1972) the Council must have CSOs which guide the letting of contracts and which cover securing competition and regulating the Tender process.
- 1.4. The CSOs are set within the context of EU and UK legislation and EC Treaty provisions and principles, such as non-discrimination, equal treatment and transparency, which apply generally in the award of public contracts, including those below the EU threshold values. It is therefore important to ensure in all the Council's procurements that nothing is done which is discriminatory or distorts competition, and that there is a clear audit trail to evidence the decision-making process.
- 1.5. The Contracts and Procurement Officer will provide advice to Officers on CSO considerations as well as best practice procurement relative to the specific project being planned.
- 1.6 The proposed contract standing orders require that consideration is given to carbon reduction factors at the pre-procurement stage of any procurement process for a contract with a value of at least £75,000.

CONTRACT STANDING ORDERS



2. Scope

2.1. CSOs apply to procurements and contracts entered by, or on behalf of, the Council for:

- v) the provision of goods, services and works regardless of their value,
- vi) concession contracts, (these are subject to the Concession Contracts Regulations 2016).
- vii) the disposal of land, property, or other assets (including surplus goods),
- viii) involvement by the Council in partnerships and other joint working where the money, including external funding, passes through the Council's accounts.

2.2. CSOs do not apply to:

- i) Goods, services or works purchased through an existing, valid Corporate Contract
- ii) Contracts of employment
- iii) The purchase or hire of property
- iv) To grants given by the Council
- v) In exceptional circumstances where it can be demonstrated that there is an urgent and immediate requirement to secure the provisions of works, services, or supplies.
- vi) To works, services or supplies required that are of a specialist nature such that competitive quotations are not possible.
- vii) When there are justifiable technical, specialist or supply market reasons and the works, goods, materials, or services can only be obtained from one firm, and no reasonably satisfactory alternative is available.
- viii) You are requested to purchase something by the Chief Executive making an emergency decision under special powers.
- ix) Services procured through a shared services arrangement e.g. 5 Councils.

If you are procuring any of the above; please seek approval for your route of purchasing from either the Contracts and Procurement Manager or Section 151 Officer.

CONTRACT STANDING ORDERS



3. Principles

- 3.1. All monetary values referred to in these rules are total contract values, not annual values, and exclude VAT unless otherwise stated. They cover expenditure contracts and income generating contracts.
- 3.2. These Rules apply to all procurement decisions, regardless of the source of funding, or the status of the contractor (i.e. they apply equally to selection of both main contractors and nominated sub-contractors or suppliers).
- 3.3. Every contract must be let in compliance with The Public Contracts Regulations 2015 with applicable European and domestic legal requirements.
- 3.4. Any person procuring on behalf of the Council must ensure that procurements undertaken comply with the requirements of the Council's Scheme of Delegation and Financial Procedure Rules.
 - 3.4.1. The Section 151 Officer maintains a list of authorisation limits. This list specifies a maximum financial limit for each transaction for each authorised person. These limits must not be exceeded (**See Annex A**).
- 3.5. Officers must ensure that procurement is undertaken by persons who can demonstrate knowledge and understanding of these Rules and have the skills appropriate to the task. These Persons should already have authority under the list of authorisation limits and, if not, must be granted authority by the Responsible Officer or such person who has been delegated with the authority before undertaking any procurement. These limits are provided in the Constitution.
- 3.6. There must be funds available and all the necessary approvals in place prior to commencing a procurement procedure. This will need to be evidenced.
- 3.7. Contracts will typically be awarded on the most "advantageous value for money basis", assuming all specified criteria are met.

CONTRACT STANDING ORDERS



4. Responsibilities and Conduct

- 4.1. These CSOs apply to every Member, Officer, Consultant, or other external Agents appointed to act on behalf of the Council in procurement matters.
- 4.2. Any personal interest which may affect or be seen by others to affect a procurement must be declared. It is expected that the highest standards of honesty, integrity, impartiality, and objectivity are maintained.
- 4.3. The appropriate procurement route, determined by the value and nature of the goods, service or works being purchased must be followed.
- 4.4. Officers are expected to manage contracts to cost, quality, time, and budget
- 4.5. Compliance with the rules is mandatory. Failure to follow these rules and/or failure to enter a Contract in accordance with them could lead to disciplinary actions.

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CONTRACT STANDING ORDERS



SECTION 2 – PURCHASING PROCESS

1. Value of Contract

- 1.1. The financial values stated throughout these CSOs represent the total value of the Contract over its whole life and are not, for example, the estimated annual value of the Contract. Where the duration of the contract is indeterminate, the contract value should be the estimated value of the contract over a period of four years
- 1.2. Where the Contract is for Supplies or Services, the value of the Contract shall include all options under the Contract. For example, if the Contract allows the Council to either purchase additional Supplies or Services, or to extend the Contract beyond its original term, the financial implications of these must be included in the value of the Contract, even if the likelihood of taking up these options is small.
- 1.3. The value of contracts must not be deliberately or artificially underestimated, split or disaggregated to avoid the application of the financial thresholds in these CSOs or the Regulations.

CONTRACT STANDING ORDERS



2. Pre-procurement Checks

- 2.1. Appraise the need for the expenditure and its priority
- 2.2. Assess if a Data Protection Impact Assessment is required (DPIA). A [quick checklist](#) is available to evaluate if a full [DPIA](#) is required. Refer to the Data Protection Officer for assistance.
- 2.3. Ensure there is budgetary provision for the goods/services
- 2.4. Check the authorisation route for the procurement. Some procurement will need Member approval before starting, some procurement will only need Member approval when any tendering process is complete and the financial impact is known. You will need to check before starting what authority or delegation you do, or don't have.

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CONTRACT STANDING ORDERS



3. Quotation and Tender Procedures

3.1. The Quotation and Tender Procedures vary according to the value of the contract, with stricter more rigorous procedures for higher value transactions. This is to ensure that the benefits of a more thorough, complex process are not outweighed by the cost relative to the value of supplies, services or works in question.

3.2. The table below indicates the relevant procedure to be followed for different levels of contract value:

Estimated Contract Value	Section	Procedure
<u>Low value contracts</u> Below £5000		Check if an existing supply contract is appropriate to use. If not obtain at least one quotation, three if possible. Follow value for money criteria and be transparent and fair Retain documentation to evidence adherence to policy
<u>Medium value contracts</u> Between £5000 & £75,000		Use Procurement Framework or the Capita Procurement service
<u>High Value contracts</u> Between £75,000 and EU threshold for Services, Supplies and Works,		Use Open Tender Process or Capita Procurement service
Above EU threshold for Services, Supplies and Works		Use EU Procurement procedures Involve Legal Services

4. Medium Value Contracts

4.1. A Procurement Framework is an agreement put in place with a provider or range of providers that enables buyers to place orders without running a tendering process. These suppliers would have already been assessed for quality and terms and conditions agreed. These agreements may have been established by the Council, by other public bodies or by public buying consortia.

4.1.1. Hart District Council (HDC) have established frameworks for frequently purchased goods/services. The Contracts and Procurement Officer can advise.

4.2. HDC have a framework agreement with Capita who offer a procurement service. Capita will manage the advertising process and provide guidance to ensure that [requests for quotations](#) are issued effectively.

4.3. Alternatively, this process can be run in-house. A pre-defined [template](#) is available. Any contracts worth over £10,000 should be advertised on <https://www.gov.uk/contracts-finder>. The Contracts and Procurement Officer manages this process.

5. High Value Contracts

5.1. Open tendering is a competitive public procurement process.

5.2. The HDC framework agreement with Capita offers a request for [tender service](#). Capita will manage the advertising process and provide guidance to ensure that tender requests are issued effectively.

5.3. Alternatively, this process can be run in-house. A pre-defined [template](#) is available. Any contracts worth over £10,000 should be advertised on <https://www.gov.uk/contracts-finder>. The Contracts and Procurement Officer manages this process

6. EU Procurement Procedures

- 6.1. Where the estimated value of the contract is more than the relevant EU threshold, the procedures set out in the EU Public Procurement Directives as well as CSO's must be followed.
- 6.2. For current EU procurement procedures refer to [GOV.UK](https://www.gov.uk).

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CONTRACT STANDING ORDERS



7. Evaluation of Tenders for High Value Contracts in excess of £75,000

- 7.1. It is expected that tenders will be submitted electronically. The submitted tenders will be held securely in a 'locked box' identified by a unique email address.
- 7.2. Late tender submissions will not be accepted unless exceptional circumstances prevail. Seek advice from the Contracts and Procurement Officer.
- 7.3. All Tenders will be opened at the same time, by a suitably trained Officer (and observed by at least one other suitably trained officer) or appointed agent. This process must be recorded
- 7.4. Tenders will be evaluated against the criteria defined in the tender documentation.
- 7.5. An assessment of contractor suitability will form part of the evaluation, including but not limited to:
 - 7.5.1. Valid business address and contact details
 - 7.5.2. minimum insurance provision
 - 7.5.3. demonstratable expertise and experience
 - 7.5.4. registered for VAT with a valid VAT certificate
- 7.6. **Transfer of Undertakings (Protection of Employment) Regulations (TUPE):** Where the letting of a contract will affect any employee, either of the Council or of a contractor, the Head of Service shall inform Human Resources in order that, where applicable, the requirements of TUPE can be considered and managed correctly.
- 7.7. **Parent Company Guarantees** may be sought if the risk of using a contractor warrants additional security against loss.
- 7.8. **Climate Emergency** ; Consideration is given to carbon reduction factors at the pre-procurement stage of any procurement process for a contract with a value of at least £75,000.

CONTRACT STANDING ORDERS



8. Acceptance of Quotations and Tenders

- 8.1. The results of the tender/quotation award process must be recorded. A contract may only be awarded by a Head of service or other nominated Officer(s), as authorised under the scheme of delegation.
- 8.2. Contracts procured under the EU Procurement Directives have a specific award procedure. For current guidelines refer to [GOV.UK](https://gov.uk).
- 8.3. Once a contract has been awarded the [Corporate Contract Register](#) must be updated.
- 8.4. If an existing Framework Agreement is utilised inform the Contracts and Procurement Officer.
- 8.5. Following completion of the tender award process, all tenderers must be notified in writing of the results. This should include:
 - 8.5.1. Where based on price alone, unsuccessful tenderers should be informed of the winning price; or
 - 8.5.2. Where based on the “value for money criteria”, tenderers should be given sufficient information to explain how the Council applied its selection and how the final award decision was made.
 - 8.5.3. Further guidance can be sought from the Contracts and Procurement officer.

CONTRACT STANDING ORDERS



9. Contents of orders and Contracts

- 9.1. Purchase Orders should be raised for all procurement unless an exemption applies. Exceptions include regular payments to utilities, or purchases made by Corporate Credit Card (separate rules apply).
- 9.2. In addition, procurement of goods, services or works which are complex and carry a level of risk must be supported by a suitably drafted set of terms and conditions. Consult Legal Services for guidance.
- 9.3. All purchase orders and contracts should be state clearly and carefully:
- Purpose of the contract, specifying the services, goods or works to be supplied.
 - Agreed programme of delivery and terms for any sub-contracting.
 - Price and terms for payment including but not limited to agreed deductions, discounts, or penalties.
 - The requirement for employers, public liability, product liability or any other form of insurance, and the level of insurance required.
 - Contracts must be written, subject to English Law and, unless under seal, signed by a person authorised to do so under the scheme of delegation
 - Every contract should seek to protect the Council's legal and financial position and reputation.
- 9.4. The Officer managing the Contract must ensure that contractors are fully aware of the Council's responsibilities when acting on its behalf. Failure to comply will lead to the contract being terminated immediately and the contractor liable for consequential damages.
- 9.5. Where, prior to completion of the contract acceptance documentation, it is considered advantageous to advise a contractor of the Council's intention to enter into a contract, perhaps to reserve resources or to allow a sufficient lead-in period before commencement of works, the Head of Service concerned or Legal (if so instructed by the relevant Head of Service) may send a letter of intent or similar.
- 9.6. A tender that cannot be contained within approved budgets (capital or revenue) shall not be accepted until the Head of Finance/Chief Executive and /or Cabinet has considered a report from the relevant Head of Service and the required additional funds have been properly authorised.
- 9.7. The individual managing and procuring the contract must ensure that any contractual terms include where necessary reference to GDPR, Security, Climate Change, Safeguarding and Social and Economic wellbeing; the Data Protection Officer, S.151 Officer and Contracts and Procurement Manager can provide further guidance on this.

CONTRACT STANDING ORDERS



10. Managing Contracts

- 10.1. For each medium-value contract, e.g. over £50,000, the Head of Service must designate an appropriate lead officer as primary contact and Contract Manager.
- 10.2. For particularly large and/or strategically important contracts, the Head of Service should consider the appointment of a dedicated project manager, who should be supported by other professional disciplines, prior to the award of the contract.
- 10.3. Liquidated Damages – where appropriate the contractor shall be required to pay liquidated damages to the Council if the contract is not completed within the specified period. The amount to be included for liquidated damages in a contract must represent the anticipated loss or expense likely to be incurred by the council as result of any delay in completion of the contract, rather than a penalty payment. Examples of expenses likely to be incurred by the Council include cost of capital used; loss of income; additional staff or consultant fees.
- 10.4. Surplus Goods - Online auction and informal routes for disposal are appropriate where the anticipated value of the goods does not exceed £2,500.
- 10.5. Disclosure As part of the Council's commitment to be open and transparent with its residents, a list of all payments over [£500](#) made to suppliers and contractors will be published monthly on the Council website. In addition, disclosure of expenditure details may be required under the Freedom of Information Act.

CONTRACT STANDING ORDERS



ANNEX A – Scheme of Delegation

Maximum Authorisation Value	Role	
Up to £20,000	Budget Manager List of authorisers available in Integra: "REQNPTAUTHLEVELS"	Role responsibility defined In Job Description.
£20,000 to £100,000	Heads of Service	
Over £100,000	S151 Officer and Chief Executive Officer	

ANNEX B – Land Disposals

1. Introduction

- 1.1. Council decisions to dispose of land are subject to statutory provisions; in particular, under section 123 of the Local Government Act 1972, to obtain the best consideration that can be reasonably obtained for the disposal of land. This duty is subject to certain exceptions that are set out in a government document, referred to as “the [General Disposal Consent \(England 2003\)](#)”
- 1.2. If the Council wishes to dispose of land for less than best consideration, and it is not covered by the General Disposal Consent, the Council can resolve to do so, but will require the formal consent of the Secretary of State. The General Disposal consent allows the Council to dispose of sites at an under value of up to £2m in the interests of social, economic, and environmental well-being of the community.

2. Definition

- 2.1. Land means any freehold disposal, by sale or exchange, of Council owned land or buildings and any disposal by the granting of a lease.
- 2.2. This excludes:
 - 2.2.1. the granting of licences, easements, rights of way, wayleaves,
 - 2.2.2. tenancies-at-will, periodic hiring arrangements
 - 2.2.3. the renewal of leases under the Landlord and Tenant Act 1954,
- 2.3. A decision to dispose of land or property and the terms for that disposal will be determined depending upon the Delegation Scheme set out in the Constitution.

3. Valuation

- 3.1. This will be arranged by the Head of Technical Services who will engage a specialist Valuer in accordance with the Royal Institute of Chartered Surveyors guidelines.
- 3.2. Where there is likely to be a delay in completing a sale/lease, such that the Council may be in danger of not obtaining the best consideration, the Head of Technical Services will ensure that prior to finalisation, a current valuation is undertaken.

4. Methods of Disposal

- 4.1. Disposals shall normally be by formal tender, informal tender, public auction, or private treaty.

5. Formal Tender

- 5.1. With a formal tender, potential purchasers must make binding offers in a specified form, by a specified date and within a specified deposit.
- 5.2. Sale of land by formal tender is likely to be appropriate in the case of freehold land disposals and where the land ownership and corporate sale objectives are not complex.
- 5.3. The Council will place a public advertisement seeking expressions of interest and publicise the selection criteria by which it will assess tenders. The tender process will be carried out in accordance with the Council's CSO's.

6. Informal Tender – with post tender negotiations

- 6.1. With an informal tender, non-binding offers are secured by a specified date and preferred bidder(s) is/are selected. Terms are negotiated with selected bidder(s) which may include the nature of development proposals. This method also allows for the use of conditional contracts, including clauses linked to planning permission.
- 6.2. This method is likely to be particularly useful for freehold land disposals for large or complex development or regeneration sites where the proposals need to be developed in co-operation with the preferred bidder to meet the Council's corporate objectives and to achieve the best consideration that can be reasonably obtained.
- 6.3. The Council will ensure a competitive process is followed and participants will be informed in advance of the procedures and criteria for assessing proposals. Tender bids will be invited in accordance with the Council's CSO's adapted and recorded, as necessary.

7. Disposal by Informal Tender – without post tender negotiations

- 7.1. With such an informal tender, non-binding offers are secured by a specified date and a preferred bidder is selected. This can be on a conditional basis, including obtaining planning consent as well as being subject to contract. This method is likely to be particularly useful for freehold land disposals which are simpler.
- 7.2. The Council will ensure a competitive process is followed to seek expressions of interest and participants will be informed in advance of the procedures and criteria for assessing proposals. Tender bids will be invited in accordance with the CSO's adapted and recorded, as necessary.

CONTRACT STANDING ORDERS



8. Disposal by Public Auction

- 8.1. Sale by public auction may be appropriate in certain cases to achieve best consideration and where speed and certainty is required.
- 8.2. In the event of a disposal by auction, a reserve price, based on the Head of Technical Services valuation, will be imposed, which must first be approved within the Scheme of Delegation.
- 8.3. The contract for sale or auction must be ready for exchange at the auction where a binding contract will be made on acceptance of the highest bid providing it has reached any reserve price.

9. Disposal by Private Treaty – through Open Marketing

- 9.1. With such a private treaty sale the property is first marketed, including advertising to generate interest, normally with an asking or guide price, with the aim of achieving a bid (without there being a need to have a specified time limit for obtaining bids) representing the best consideration that can be reasonably obtained. The Council may as part of this process and after the commencement of marketing, request best and final offers be made by a specified date. This method is applicable to freehold disposals of lower value, or non-development property.
- 9.2. Negotiations will take place between the Council and the prospective purchasers (or their respective agents). A letting/sale by this method will only take place once the terms have been approved within the Council's Scheme of Delegation.

CONTRACT STANDING ORDERS



10. Disposal by Private Treaty – off Market

10.1. With such a private treaty sale the land is not offered on the open market as a first stage, but negotiations will take place between the Council and one party.

This may be justified where:

- i) The land is small in size/value
- ii) The purchaser is an adjoining or closely located landowner, and the only potential or likely purchaser
- iii) the nature of the Council's land ownership is such that the land must be sold to adjoining or surrounding landowners if best consideration is to be obtained
- iv) where there is a special purchaser for whom the land has a higher value than anyone else e.g. ransom strips, or where there is marriage value
- v) where Council objectives would be best met by undertaking private treaty negotiations with a single party who would bring social environmental or economic benefit
- vi) where the proposed transaction involves a party who already had a property interest in the land in question

10.2. The reasons justifying an off market private treaty sale must be recorded in writing and must be approved by the authorising party under the Scheme of Delegation.

11. Negotiations with Prospective Developers/Purchasers/Tenants

11.1. Generally, these will take place either at the Council's offices, on site, at an agent's office, or at the purchasers/tenants office, within normal office hours. Where possible, in relation to higher value disposals, two officers should be present. However, it is accepted that this will not always be possible / a sensible use of resource. File notes are kept of all negotiations with prospective developers / purchasers or tenants. The progress of negotiations will, where appropriate, be reported to relevant Members, however, Councillors will not be directly involved in negotiating the disposal of land.

11.2. Prior to completion of legal documentation all proposed transaction details and negotiation details will remain confidential.

12. Late Bids

12.1. The Council discourages the submission of late bids in all cases when it is disposing of land. It will attempt to minimise problems by aiming for early exchange of contracts.

12.2. Each "late bid" must be considered in the context of the individual circumstances at the time. The Council's approach to "late bids" will vary depending upon the method of land disposal used. In each case the overriding duty will be to obtain the best consideration that can reasonably be obtained (subject to any exceptions in the General Disposal Consent).

CONTRACT STANDING ORDERS



12.3. Late bid approach:

- i) Where land is disposed of by way of formal tender, bids received after the deadline for tenders, will not be considered.
- ii) Late bids cannot be considered where land is being disposed of by public auction after a successful bid has been accepted.
- iii) Except as provided in points (i) & (ii) above, until the Council has entered into legally binding agreement with another party, it will consider late bids unless there are good commercial reasons for not doing so. This must be explained to any purchaser when disposal by private treaty or informal tender is agreed.

12.4. The Council may, in appropriate circumstances, ask both the late bidder, the person to whom the land was previously to have been sold, and any other relevant interested parties (e.g. previous bidders) to submit their last and final bids in a sealed envelope by a set deadline.

12.5. A decision on whether to accept a late bid for a private treaty sale or informal tender will be made based on the value of the land and within the Scheme of Delegation as appropriate

13. Public Open Space

- 13.1. Land which is designated as public open space will not be sold/leased by the Council until the applicant has first obtained the necessary planning consent, the proposal has been advertised and local Ward Members have been consulted, and observations/objections received have been considered.

14. The Crichel Down Rules

- 14.1. When disposing of land which has been acquired by the Council by use of Compulsory Purchase powers, the Cabinet will consider the Crichel Down Rules which state that former owners or their successors should be given first opportunity to repurchase the land, provided that it has not been materially changed in character since acquisition.

15. Works in Lieu of Payment

- 15.1. In some cases it may be appropriate for the purchaser to be required to provide replacement facilities or other works such as highways or landscaping as part consideration for the land/property.
- 15.2. Any proposed works in lieu of payment should be thoroughly examined at the option appraisal stage to ensure value for money and the Head of Finance (s151) should be consulted to determine the accounting treatment. The works required should be clearly specified in any marketing package in order that there is competition between bidders in relation to procurement of the works.

16. Disposals for Less than Best Consideration

- 16.1. In certain circumstances, the Council may dispose of land for less than the full market value. Those circumstances are clearly defined by law and in any other cases specific consent is needed from the Secretary of State. General Disposal Consents have been given by the Secretary of State for certain transactions.
- 16.2. The General Disposal Consent makes provision for the Council to dispose of land at less than full market value, known as “under-value”. Specified circumstances must apply as follows:
- i) The Council considers that the purpose for which the land is to be disposed of is likely to contribute to the promotion or improvement of the economic, social or environmental wellbeing of the whole or part of its area, or any person resident or present in its area.
 - ii) The difference between the unrestricted or market value of the land to be disposed of and the consideration for the disposal does not exceed £2million.
- 16.3. The Council must still comply with its duty to obtain best consideration for the restricted value and must also comply with normal and prudent commercial practices including obtaining professional valuer advice on the likely amount of any under-value.
- 16.4. All disposals covered by the definition of less than best consideration must be referred to Cabinet for approval.
- 16.5. The General Consent does not override restrictions on state aid arising under European Legislation

OVERVIEW AND SCRUTINY COMMITTEE

DATE OF MEETING: 20 OCTOBER 2020

TITLE OF REPORT: CORPORATE RISK REGISTER

Report of: Internal Audit Manager

Cabinet member: Councillor James Radley, Finance and Corporate Services

1. PURPOSE OF REPORT

- 1.1 As part of the Council's governance framework it is essential that it identifies and manages risk that it is exposed to.
- 1.2 The Council has a Corporate Risk Register which should be reviewed by management on a regular basis and reported to members to provide assurance that appropriate arrangements are in place to mitigate identified risks.

2. OFFICER RECOMMENDATION

- 2.1 That the Committee reviews the content of the Corporate Risk Register.

3. BACKGROUND

- 3.1 This report provides members with an update on the content of the Corporate Risk Register for the Committee to review. A report on the effectiveness of the risk management framework in place is reported to the Audit Committee.
- 3.2 It is important to recognise that responsibility for risk management lies with management. Internal Audit will facilitate the process which will include reporting on both the content of the Corporate Risk Register and the effectiveness of the framework.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no financial implications directly associated with this report.

Contact: Neil Carpenter, Ext 4140, neil.carpenter@hart.gov.uk

Appendices:

Appendix 1 - Corporate Risk Register

Ref Number	Group	Description	Impact	Source of Risk	Prior Assessment			Existing Controls	Effectiveness of Controls	Current Assessment			Further Mitigations	Risk Owner	Notes
					Likelihood	Consequence	Risk Rating			Likelihood	Consequence	Residual Risk			
Fin01	Financial	Changes to Local Government Funding. Awaiting results from Local Government Funding Review.	Reduction in overall income.	Local Government Funding Review has been delayed but is still almost certain to happen in the medium term.	4 - Likely	4 - Critical	16	Medium Term Financial Strategy is in place. Commercialisation strategy due for renewal in November.	Satisfactory	4 - Likely	3 - Major	12	Review diversified, increased sources of income and cost reduction. Lobby via LGA for clarity of funding review outcome and improvements via LGF outcomes.	Head of Corporate Services	
Fin02	Financial	Loss of key income stream and subsequent budget implications. (For example Leisure Concession and loss of recycling income)	Reduction in overall income.	Poor financial performance of key partners, resulting in either a reduction or loss of concession payment. A change of policy from Hampshire County Council on recycling credits.	5 - Almost Certain	3 - Major	15	Ongoing monitoring of financial performance of key contractors. Maintain good working relationships with partners. Early consideration of financial impact of the loss of recycling income. Revised budgets to take into account Leisure Concession reduction	Satisfactory	4 - Likely	3 - Major	12	Consideration of new income streams	Head of Corporate Services	
Fin 03	Financial	Loss of New Homes Bonus from 21-22 onwards and subsequent budget implications as the council places reliance on the New Homes Bonus for its revenue budget. Changes to the calculation of New Homes Bonus.	Reduction in overall income.	The government has stated that there will be changes to the calculation of the New Homes Bonus.	4 - Likely	4 - Critical	16	Plan for reduced income, including service cost reductions. Plan to bridge this gap via Commercialisation may be impacted by Covid-19	Satisfactory	4 - Likely	4 - Critical	16	Lobbying for improved arrangements	Head of Corporate Services	Triggering of this risk is outside the control of the council.
Fin04	Financial	Loss of Grant Funding, e.g. Disabled Facilities Grant.	Ability to fund services to customers.	Central Government funding reductions.	3 - Possible	2 - Moderate	6	Will be taken into account as part of budget process, cost & service reductions may be considered.	Satisfactory	3 - Possible	2 - Moderate	6	Lobbying for improved arrangements Cost reduction options	Head of Community Services	Cost reduction actions within Fin01

Fin 05	Financial	Demand for services increases with less funding to provide them.	Quality of services is reduced Potential delays in service provision Other KPIs not met	Population of Hart is increasing, demand for services will also increase, it is likely that funding won't match	5 - Almost Certain	4 - Critical	20	Effective budget setting process in place. Statutory and priority services are identified. Aim to encourage our residents to use the most cost effective ways to gain service delivery (via our website)	Substantial	5 - Almost Certain	2 - Moderate	10	Investigate options to reduce costs, Explore other ways to provide services	All Heads of Service	
Fin 06	Financial	Lack of up to date guidance and rules on financial management	Inconsistent approach to financial management. Fraud and error Up to date good practice is not promoted	Up to date Financial Regulations and Contract Standing Orders are not in place.	5 - Almost Certain	2 - Moderate	10	Reliance on knowledge Draft Financial Rules are now subject to internal consultation ahead of presentation to Members. Draft CSO's to go through the same approval process.	Satisfactory	5 - Almost Certain	2 - Moderate	10		Head of Corporate Services	
Gov01	Governance	Failure in governance framework, resulting in poor decisions or not complying with the law, policies or procedure	Loss of reputation Poor Decisions Financial penalties	Non-compliance with constitution, one of the statutory officers not being in post.	2 - Unlikely	3 - Major	6	Committee Structure in place. All Statutory Officers are in post, Shared Legal Services Team in place, compliance with the law, Member and Officer Codes of Conduct in place.	Substantial	2 - Unlikely	2 - Moderate	4	Improved processes and more standardised approaches	Joint Chief Executives	
Gov02	Governance	Governance arrangements for outsourced and shared services are not always robust. Decisions are made outside of the control of the council for services we provide. Complex governance arrangements are in place for some services, particularly the 5 Councils Contract.	Poor performance for shared and outsourced services with no consequences. Potential financial implications resulting from contract disputes.	Governance frameworks for shared or outsourced services are not always effective.	3 - Possible	3 - Major	9	Client monitoring roles in place. Level of risk is reducing as elements of services are removed from the 5C's contract Joint Service Group meetings with Basingstoke and Rushmoor, 5 Councils Joint Client Team in place.	Satisfactory	3 - Possible	3 - Major	9	Shared Services Review has been carried out, actions to be taken from report. Finance and Payroll workstreams are being taken out of the 5c's Contract.	Joint Chief Executives	Transitions will introduce whole new sets of risks that should be managed within the transition process.

Gov03	Governance	Political risks. New members and succession planning for members. Political uncertainties.	Decision reversals, less informed or slower	Political pressure, limited experience and knowledge	3 - Possible	2 - Moderate	6	Manage political relationships. Political Awareness Training provided to management. New member briefings. No Elections in May 2020 due to Covid-19	Satisfactory	3 - Possible	2 - Moderate	6	Encourage political groups to manage their own training to ensure Cllrs are effective on day 1.	Joint Chief Executives	
Emp01	Employee	Single Points of failure/Expertise.	Service continuity, delays in service provision to customers both external and internal.	Capacity and resilience issues. Cost and practicality limitations on multiple people and processes.	4 - Likely	2 - Moderate	8	Sharing Knowledge, Opportunities to leverage expertise from other councils. Robust policies/procedures and guidance notes in place for some areas.	Satisfactory	4 - Likely	2 - Moderate	8	Need to ensure controls in place are consistent. More use of automated systems (eg, case management) that enable smoother handover and resource levelling across the organisation.	Joint Chief Executives	Wider and better succession planning?
Emp02	Employee	Resilience issues. Capacity for additional duties. Unable to respond to customer needs in a timely manner increasing risk under Covid-19 (see below)	Adverse impact of service delivery. Reputational risk	Budget and inconsistent sharing of knowlegde.	4 - Likely	3 - Major	12	Robust policies/procedures and guidance notes in place for some areas.	Satisfactory	4 - Likely	3 - Major	12	Improve sharing of knowledge. Embed Organisational Development Plan.	Joint Chief Executives	Progress on Organisation Review may reduce the risk by March 20.
Emp03	Employee	Resources are not allocated appropriately. Ability to respond to customer needs, resource is insufficient in some areas.	Poor customer service.	Capacity and resilience issues.	4 - Likely	2 - Moderate	8	Cabinet approves Corporate Plan. Service Plans approved by O&S. Individual PDR's to align employee objectives. Organisational Review has started. Resources are allocated to front line and priority services.	Satisfactory	4 - Likely	2 - Moderate	8	Consideration of matrix management approaches	Joint Chief Executives	Progress on Organisation Review may reduce the risk by March 20.

Emp04	Employee	Pressure. Risk of error due to less time to carry out tasks. Possibility that the quality of service provided to customers and partners may reduce and work may not be carried out in a timely manner.	Risk of error Poor decisions Customer dissatisfaction	Capacity insufficient to work comfortably and limited resilience to staff or equipment gaps	4 - Likely	3 - Major	12	Priorities are focused on statutory services. Services are delivered in accordance with Corporate Plan and Service Plans. Organisation Development Review has now started.	Satisfactory	4 - Likely	2 - Moderate	8	More flexible working and tasking arrangements.	Joint Chief Executives	Balance to be struck between availability, experience and knowledge to provide service continuity.
Emp05	Employee	Staff morale. Risk of poor retention and wellbeing of staff including stress which has been identified as an issue from a recent wellbeing survey. Poor staff morale will also have an impact on performance. Increasing risk under Covid-19 and the requirement for staff generally to be working from home	Impact on performance Quality of services provided to customers reduces Employee wellbeing Cost of cover or replacements	Capacity and pressure. The benefits of good practice linked to the wellbeing of employees is not consistently applied.	4 - Likely	3 - Major	12	Health & Wellbeing Officer is in place. The culture encourages open discussion on employment issues, soft opportunities such as volunteering being explored.	Limited	4 - Likely	3 - Major	12	Survey to really understand the core issues Adopt good ideas when relevant and helpful Recognise and reward success	Joint Chief Executives	Will always be a sensitive issue and may be closely linked to key staff.
Corp01	Corporate	5 Councils Risk. Workstreams within the contract are not performing as expected. Central Client Team is not properly embedded and does not meet the needs of the council.	Performance and quality issues (missed KPIs) Quality of service to both internal and external customers reduces Increased costs and statutory failings	The transition to the target operating models has not been made for all workstreams within the 5 Councils Contract. On-going operational issues exist with a number of workstreams that have had an impact on service delivery both internally and externally.	5 - Almost Certain	4 - Critical	20	Governance framework is in place, which includes: The Inter Authority Agreement Joint Committee Strategic Board Operational Management Board Joint Client Team Hart Client Team Transition in progress to in-house service provision onservices that were considered to be performing below expectations.	Limited	4 - Likely	3 - Major	12	Considering all options to improve. In-source and shared arrangements with key councils.	Joint Chief Executives	Governance arrangements do not meet the needs of the council. Contract managed for KPIs that don't reflect real needs.

Corp02	Corporate	Performance of key partners, robust governance arrangements are not always in place for all outsourced and shared services. Client roles are not always sufficient, particularly for the 5 Councils Contract.		Performance has not been sufficient to meet the council's needs. The transition to the target operational models for the 5 Councils workstreams has required a significant resource, from an already stretched team.	3 - Possible	3 - Major	9	Monitor financial performance of key partners. Financial due diligence checks on key partners. Regular meetings with key partners to discuss performance. Performance reporting to O&S. Client Teams are in place to monitor contracts.	Satisfactory	3 - Possible	3 - Major	9	Improve negotiation training.	Joint Chief Executives	Largely historic for 5Cs, but similar issues to addresses for transition to new solutions.
Corp03	Corporate	Options to take services out of the 5 Councils Contract. Financial impact of providing in-house and time scales required to establish and resource in-house services are tight. Lack of capacity and project management resource to deliver transition.	Service continuity and business as usual.	On-going performance issues with some workstreams within the 5 Councils Contract.	5 - Almost Certain	3 - Major	15	Discussions taking place with Mendip on Finance function transition and set up of new working relationship. Project Group set up for Exchequer Services Transition from Capoitá to In-house.	Satisfactory	5 - Almost Certain	3 - Major	15	Project Plan to be established Identify resource required to potentially bring services back in-house	Joint Chief Executives	On-going contractual negotiations with Capita are taking place.
Corp05	Corporate	Cyber Security risks are increasing as everybody makes More use of technology as a way of managing sensitive data and business critical functions. Organised crime and opportunists are continually looking for control weaknesses to use our sensitive data for a wide range of criminal activities or ransom.	Security of data Reputation risk Data Breach Non-compliance with GDPR Fraud and extortion risks	Increased use of technology to manage and share data, exposes the council to cyber risks and threats.	3 - Possible	3 - Major	9	Cyber Security Training provided to all employees and members Network security controls Personnel management	Satisfactory	3 - Possible	3 - Major	9	Increased briefing and training Disaster recovery exercises	Head of Corporate Services	May link to sub-set of more specific cyber risks.

Corp06	Corporate	Data Management Risk. The council holds a significant amount of personal data which we need to protect, some of which is held by partner organisations such as Capita. Compliance with GDPR. Risk of data breach and data misuse.	Unauthorised release of data Non-compliance with GDPR Personal risk to vulnerable individuals	Inherent risk. Significant amount of data held on O and X drives that need to be migrated to SharePoint Local (machine) storage of sensitive data Unauthorised exfiltration via data stick or similar means. 3rd party suppliers don't manage data effectively	3 - Possible	3 - Major	9	Data Management Plan has been put in place. Resource has been agreed to assist with data migration Data Protection Officer in place and active GDPR Training provided during 2019/20 to all employees and members. Oversight of 3rd parties Transfer of data from Fileservers to Sharepoint to enable older servers to be closed down.	Satisfactory	3 - Possible	3 - Major	9	Audit for unauthorised data (especially in archives) Further use of propriety products to manage personal data.	Joint Chief Executives	More specific actions with DPO.
Corp07	Corporate	Potential changes to Shared Waste Contract, introduces a range of new risks	Reduced performance Higher costs Data management issues	Potential changes to partnership, new contractors, different equipment and processes.	3 - Possible	3 - Major	9	Discussions with partners based on existing frame contracts.	Satisfactory	3 - Possible	3 - Major	9	Specific review of risks and mitigation actions	Head of Environment & Technical Services	
COVID 01	COVID-19	Financial Financial impact to the council due to COVID-19 could result in significant shortfalls in income and the ability of the council to effectively fund current services. In addition, reduced income to residents and businesses will affect Collection Fund recovery and surplus. Finally, an uncertain economy may result in volatility around our commercial income and treasury	Reduced recovery of income, reduced levels of income, volatility of financial markets and delays in delivery of Commercial Strategy.	COVID-19	5 - Almost Certain	3 - Major	15	Revised Budget agreed Cashflow being monitored	Satisfactory	5 - Almost Certain	3 - Major	15	Stress testing of MTFS and revised MTFS presented to Members. Revised budget built on lower income levels and cloth cut accordingly. Commercial Strategy being re-worked currently along with Treasury Management Strategy to maximise investment income.	Head of Corporate Services	

COVID 02	COVID-19	Services The council implemented its Business Continuity Plan to respond to the impact of COVID-19. Most of the councils services are not being provided as they normally would be, however our residents are still able to access the full suite of services, albeit with an impact on 'in premises visits'. The council has focussed resources on priority and new functions required by	Service provision is reduced during the response to COVID-19. Customer contact is reduced as offices are not open to the public. Potential increase in customer complaints during the period where reduced or no service is provided.	COVID-19	5 - Almost Certain	2 - Moderate	10	All front line services are being provided, albeit at a reduced level in some areas. Report to Cabinet in July on the Councils response to Covid-19 and a further report being considered by Cabinet in October 2020	Satisfactory	5 - Almost Certain	2 - Moderate	10	Recovery Plan is being established.		
COVID 03	COVID-19	Employees Employees are encouraged to work from home. Staff wellbeing during the COVID-19 lockdown period Some employees are not carrying out their normal role	Some services are operating at reduced levels. In particular non priority services. New Health and Safety requirement for the Civic Offices to take into account social distancing. Employees have not been able to work under normal working conditions. Staff have not been able to access some of the systems and information that would normally be available to them in the office. There is the potential for some	COVID-19	5 - Almost Certain	2 - Moderate	10	Weekly Newsletter being used to update all staff on what the Council is doing. Monthly virtual staff briefing for all staff Regular catchups between managers and team members. Use of Staff Survey to feed into the overall recovery plan. Building an office environment to take into account COVID-19 health and safety requirements. Changes being made to IT environment to enable better home working.	Satisfactory	5 - Almost Certain	2 - Moderate	10		Joint Chief Executives	

COVID 04	COVID-19	Community	Potential change in demographics of the district, which may mean a change in people's needs. Potential of an increase in the number of vulnerable people within the community.	COVID-19	4 - Likely	2 - Moderate	8	Recovery Plan is in place and is under on-going review and updating. Continue to monitor support for vulnerable people.	Satisfactory	3 - Possible	2 - Moderate	6		Joint Chief Executives	
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OVERVIEW AND SCRUTINY COMMITTEE

DATE OF MEETING: 20 OCTOBER 2020

TITLE OF REPORT: CIVIC QUARTER REGENERATION - UPDATE

Report of: JOINT CHIEF EXECUTIVE

Cabinet member: Councillor Quarterman

1 PURPOSE OF THE REPORT

- 1.1 To provide Overview & Scrutiny Committee with an update regarding progress of the Civic Quarter regeneration project and key future milestones. The objective of the Working Group (WG) is to deliver a formal report to Cabinet in February 2021 providing an overview of the process, work undertaken, findings and recommendation for next steps.

2 RECOMMENDATIONS

The report is an update report only and so contains no specific recommendations. Committee should note however, that the proposal is to bring a further report to Overview and Scrutiny Committee early in the new year with the Working Group's final conclusions and recommendations.

3 BACKGROUND

- 3.1 The Hart District Corporate Plan 2017-2022, which was subject to public consultation ahead of adoption in January 2018 includes a requirement for the Council to become a more efficient and effective Council. Within this it specifically identifies
- Maximising income opportunities, and identifying new opportunities for income generation
 - Maximising Council income through effective asset management and collection services
- 3.2 Specifically in relation to the Civic campus, it also includes a priority to
- Work with Fleet Town Council to deliver a new or refurbished Harlington
- 3.3 The Civic campus represents the largest opportunity to the Council to maximise income through effective asset management.
- 3.4 In August 2019, Cabinet approved the setting up of a cross party Cabinet WG to investigate potential redevelopment options of the Civic Campus site (Terms of reference and Area subject to search identified in Appendices 1 and 2 respectively). [The Fleet Neighbourhood Plan](#) (adopted Nov 2019) was stated as a key reference document and a draft list of stakeholders was approved also.

4 PROGRESS TO DATE

- 4.1 As a Cabinet Working Group, all Agendas and Minutes are reported to Cabinet at the meeting following the WG meeting. The table below provides a high level summary of the approach and progress of the WG to date.

Date	Comment
1 August 2019	<ul style="list-style-type: none"> • Cabinet approve setting up of cross-party Civic Campus regeneration Working Group. • Proposed governance framework approved • Terms of Reference approved • Cabinet report included draft key stakeholder list
3 October 2019	<ul style="list-style-type: none"> • First meeting after Commercialisation Manager (CM) appointed • WG approved updated governance and confidentiality procedure • The reporting procedure from CM approved • Frequency of meetings set to monthly • Fleet Neighbourhood Plan confirmed by WG as key reference document
14 October 2019	<ul style="list-style-type: none"> • Updated Terms of Reference approved by WG
5 November 2019	<ul style="list-style-type: none"> • No meeting due to various absences
10 December 2019	<ul style="list-style-type: none"> • WG reviewed the ownership map and discussed the various implications associated with varied ownership • WG agreed that all occupiers currently on the site should be included in stakeholder group • WG agreed the CM should draft a tendering plan for consideration of procuring external advice
16 January 2020	<ul style="list-style-type: none"> • The CM provided an overview of approach to securing a viability study • WG requested CM draft a 'requirements brief document' to give external advisors opportunity to provide fee estimates • WG agreed on the approach to engage external advice prior to investigating land options
13 February 2020	<ul style="list-style-type: none"> • CM & Chairman met with Fleet Town Council and meeting with Hampshire County Council due on 1/04/2020 to engage with key stakeholders • WG discussed recent Harlington survey • CM provided overview of the 'requirements brief' • WG requested amendments to timeframe & requested updated document for approval by email • WG approved briefing document for issue to potential providers
26 March 2020	<ul style="list-style-type: none"> • Meeting cancelled due to Covid-19 lockdown
14 April 2020	<ul style="list-style-type: none"> • Meeting cancelled due to Covid-19 lockdown • CM continued progress through lockdown. Tender responses were received from all providers by end of April 2020

May 2020	<ul style="list-style-type: none"> • No meeting
9 June 2020	<ul style="list-style-type: none"> • CM provided a verbal overview of each tender received, sharing the documents with WG virtually. • WG discussed the merits of each proposal and unanimously decided on shortlisting three companies for interview • WG requested CM provide an overview of 'Joint Venture partnerships'
7 July 2020	<ul style="list-style-type: none"> • WG virtual interviews with three shortlisted companies
14 July 2020	<ul style="list-style-type: none"> • WG approved the minutes from the interviews on 7 July 2020 including WG choice on preferred bidder. • CM provided an overview of the draft Terms of Engagement from the preferred bidder • WG considered CM 'Joint Venture partnerships' paper.
4 August 2020	<ul style="list-style-type: none"> • The Appointed advisory group introduced to WG via virtual call • Project team asked WG questions to begin research stage • WG requested advice on communications strategy, viable solutions for any development and a community 'place making' focus
25/26/27 August 2020	<ul style="list-style-type: none"> • Advisory team carried out 'One to One' interviews with WG members to discuss and learn views on challenges and opportunities with the project
1 September 2020	<ul style="list-style-type: none"> • CM & Chairman reported on conversation with HCC with a representative being invited to join the working group • Draft communications plan requires more thought, advisors to deliver at next WG meeting • WG approved 'One to One' minutes • Advisors outlined their approach to date, key constraints and opportunities with the site
6 October 2020	<ul style="list-style-type: none"> • Advisory team presented feedback on the key constraints on the site and the sort of opportunities the site may offer • The draft engagement strategy was discussed but due to a lack of time, WG asked for further amendments and consideration at the next meeting • WG were asked to outline their views based on the information provided on the constraints, the opportunities which provided the best outcome for the space, however, ran out of time. • WG members to provide further feedback to CM by email if required
FUTURE MEETINGS	
November 2020	<ul style="list-style-type: none"> • WG to consider advisory team ideas of opportunities the site may offer • Draft engagement strategy to be reviewed by WG
December 2020	<ul style="list-style-type: none"> • Dependent on the outcome of Nov 2020 WG meeting • Update on draft engagement strategy

January / February 2021	• WG report to Cabinet outlining approach and progress of the project
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5 SUMMARY

- 5.1 The WG have spent time and energy in approaching this project with an open mind whilst maintaining the core values of Community, Viability and positivity for the future of Fleet.
- 5.2 The Covid-19 pandemic has posed logistical issues but the group continued their work, scrutinised tender submissions and have engaged with external advisors to review every possible option for the site.

Contact Details: Glyn Lloyd, Commercialisation Manager, glyn.lloyd@hart.gov.uk

Appendix 1 Civic Campus Regeneration Working Group Terms of Reference

Appendix 2 Landownership Map.

Civic Campus Regeneration Working Group Terms of Reference

1. Purpose

The Civic Campus Regeneration Working Group is a forum for Members to discuss and explore a range of strategic matters that might provide opportunities

- for the civic centre regeneration
- for the effective and efficient use of Council assets associated with the civic campus, including commercialisation and other income generation.
- Ensuring effective use of the existing facilities (including but not exclusive to consideration of short or long term lease agreements on the Harlington)
- The underpinning philosophy for any future use of these facilities.

2. Membership

The Group is not required to be democratically representative of the current electoral membership of the Council but will comprise a maximum of two representatives from each party consisting of::

- Portfolio Holder for Commercialisation (Chairman)
- Group Leaders of the respective political groups
- One Ward Member
- Officer representation: Commercialisation Manager supported by Andrew Valance, Patricia Hughes or other officers from finance or legal, as required.

The group is considered quorate if three Members are available.

3. Meetings

Meeting will be held broadly every six weeks to two months or ahead of key project deadlines/reporting timelines.

Any documents for consideration should be circulated to all participants 5 working days in advance of the meeting.

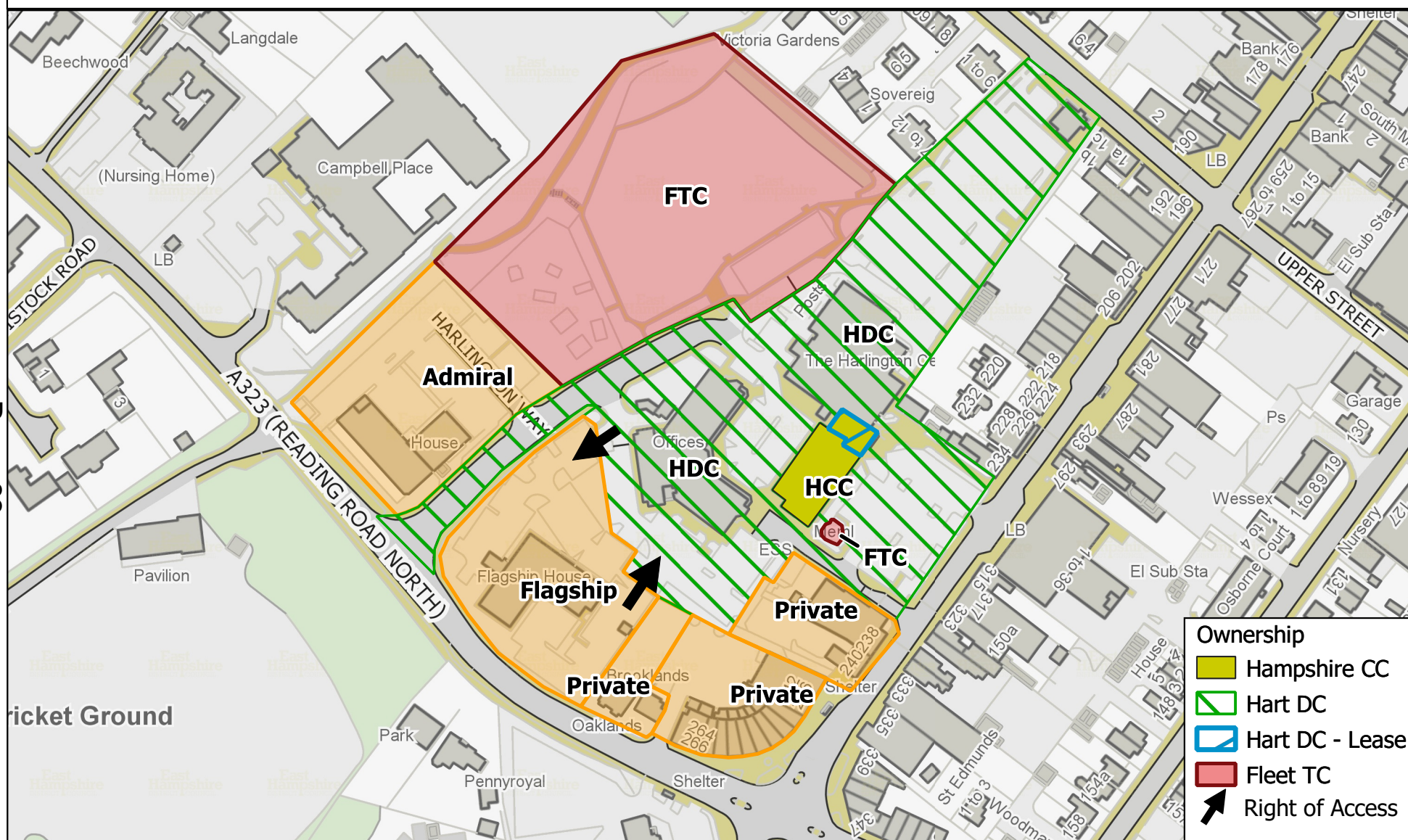
4. Reporting

Minutes of the meetings will be reported to Cabinet and recommendations of the Working Group made to Cabinet for consideration and approval as appropriate.

5. Key Stakeholders

- Hampshire County Council (Library Services)
- Fleet Town Council
- Charities based in the Harlington
- Charities and volunteer organisations based in the Civic offices
- Fleet Business Improvement District
- Other Ward Member

Civic Quarter Ownership Map



- Ownership**
- Hampshire CC
 - Hart DC
 - Hart DC - Lease
 - Fleet TC
 - Right of Access

0 10 20 30 40 50 m

Map scale 1:2000



CABINET

KEY DECISIONS/ WORK PROGRAMME, AND EXECUTIVE DECISIONS MADE

November 2020

Cabinet is required to publish its Key Decisions and forward work programme to inform the public of issues on which it intends to make policy or decisions. The Overview and Scrutiny Committee also notes the Programme, which is subject to regular revision.

Report Title	Date item agreed for report	Outline/Reason for Report/Comments	Original Due Date	Revised Due Date	Key Decision Y? Note 1	Cabinet Member (Note 2)	Service (Note 3)	* This item may contain Exempt Information
Harlington Roof Repairs	Jul 20	Post consideration by Cabinet in August for updates to future works	Sep 20	Nov 20	Y	RQ	CS	
Updated Financial Regulations and Procurement Regulations	Oct 20	Review and update of the Financial Regulations and the Procurement Regulations.	Nov 20			JR	F	
Car Boot Sales	Sep 20	To update Cabinet on car boot sales	Dec 20			RQ	JCX	
Budget Monitoring	Quarterly	Post consideration by Overview & Scrutiny Committee, to consider a report on Quarterly Budget Monitoring	Dec 20 Mar 21 Jun 21			JR	F	
Planning Management Development Peer Review	Aug 19	Post consideration by Overview and Scrutiny in November to consider the Action Plan for	Feb 20	Dec 20		GC	P	

Report Title	Date item agreed for report	Outline/Reason for Report/Comments	Original Due Date	Revised Due Date	Key Decision Y? Note 1	Cabinet Member (Note 2)	Service (Note 3)	* This item may contain Exempt Information
		Planning Management post the Peer Review						
Treasury Management 2020/21 (Half Year Report)	Annual	Post consideration by Overview & Scrutiny Committee, to consider a Half Year review report on Treasury Management Strategy 2020/21	Dec 20			JR	F	
Next Steps in COVID-19 Recovery	Jul 20	To provide an update on work to support the district since last July	Jan 21			JR	JCX	
Civic Regeneration Working Group	Jan 21	To update on the discussions of the Working Group	Jan 21			RQ	CS	
Draft 2021/22 Revenue Budget, Capital Programme and Council Tax Proposals	Annual	Post consideration by Overview & Scrutiny Committee, to agree to recommend to Council the 2021/22 Revenue Budget, Capital Programme and Council Tax Proposals	Feb 21			JR	F	
Draft 2021/22 Capital Strategy, Treasury Management Strategy Statement and Asset Management Plan	Annual	Post consideration by Overview & Scrutiny Committee, to agree to recommend to Council the 2021/22 draft Capital Strategy, the 2021/22 Treasury Management Strategy	Feb 21			JR	F	

Report Title	Date item agreed for report	Outline/Reason for Report/Comments	Original Due Date	Revised Due Date	Key Decision Y? Note 1	Cabinet Member (Note 2)	Service (Note 3)	* This item may contain Exempt Information
		Statement and Asset Management Plan						
Housing Re-Procurement	Sep 20	To inform Cabinet of new software to manage the allocations, choice-based lettings, housing options and homelessness aspects of Housing Services	Feb 21			SB	H	
Service Plans	Annual	Post consideration by Overview & Scrutiny Committee, agree the 2021/22 Service Plans	Apr 21			DN	All	
Outside Bodies	Annual	Post consideration by Overview & Scrutiny of the effectiveness of the Council's involvement with outside bodies.	Jun 21			DN	JCX	
Food and Health and Safety Service Plan	Annual	Recommend to Council that the annual Food Safety Plan be adopted	Jul 21			SK	P	
Revenue and Capital Outturn 2020/2021	Annual	Post consideration by Overview & Scrutiny Committee, to consider the Annual report on outturn	Aug 21			JR	F	

Report Title	Date item agreed for report	Outline/Reason for Report/Comments	Original Due Date	Revised Due Date	Key Decision Y? Note 1	Cabinet Member (Note 2)	Service (Note 3)	* This item may contain Exempt Information
Treasury Management 2020/2021 (Annual Report)	Annual	Post consideration by Overview & Scrutiny Committee, to consider the Annual report on Treasury Management Activities 2020/21	Aug 21			JR	F	

Note 1

A “key decision” means an executive decision which, is likely to -

- a) result in Council incurring expenditure or the making of savings which amount to £30,000 or 25% (whichever is the larger) of the budget for the service or function to which the decision relates; or
- b) be significant in terms of its effects on communities living or working in an area comprising two or more wards within the area of the district of Hart.

Note 2**Cabinet Members**

DN	Leader	SA	Digital	RQ	Commercialisation (Cn)	SB	Community (Cy)
SK	Regulatory	AO	Environment	JR	Finance and Corporate Services	GC	Place

Note 3**Service:**

JCX	Joint Chief Executive	CS	Corporate Services	P	Place Services
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CSF	Community Safety	PP	Planning Policy	TS	Environmental & Technical Services
F	Finance	H	Community Services		
SLS	Shared Legal Services	MO	Monitoring Officer		

Note 4

* **This item may contain Exempt Information** - Regulation 5 of the Local Authority (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

EXECUTIVE DECISIONS

12/10/20	Cllr Neighbour	Release of S106 funding for the provision of 'goal posts' at South Warnborough	

OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME – Oct 2020						
Issue and Description of Topic	Current Position Objective	Original Due Date	Revised Due Date	Resources Required	Contact	*This item may contain Exempt Information
Updated Financial Regulations and Procurement Regulations	Review and update of the Financial Regulations and the Procurement Regulations.	Oct 20		Report	Head of Corporate Services	
Civic Regeneration Working Group	To update on the Civic Regeneration Working Group.	Oct 20		Update	Portfolio Holder for Commercialisation and Commercialisation Manager	
Corporate Risk Register	Half-yearly update on corporate risk profile.	Sep 20	Oct 20	Report	Audit Manager	
Treasury Management 2020/21	To consider a Half Year review report on Treasury Management Strategy 2020/21 prior to consideration by Cabinet.	Nov 20		Report	Head of Corporate Services	
Medium Term Financial Strategy	Annual report setting out the Council's Medium-Term Financial Strategy position, prior to consideration by Cabinet.	Oct 20	Nov 20	Report	Head of Corporate Services	

Fleet Road Pedestrianisation	To update on the progress of pedestrianisation of the High Street.	Nov 20		Report	Head of Place	
Commercialisation Strategy – review of improving efficiency of services, decreasing current or future costs	Review the current position about improving efficiency of services and decreasing current or future costs e.g. through digitalisation and demand reduction. To include an update on the implementation of Modern.Gov. (Portfolio Holder for Digitalisation to be invited to attend).	Oct 20	Nov 20	Presentation	Portfolio Holder for Digitalisation and Change and Digital Manager	
Planning Development Management Peer Review	To consider the draft Action Plan for Planning Development Management improvement	Nov 20		Report	Portfolio Holder for Place and Head of Place	
Climate Change Working Group	Minutes of Meeting held in October.	Nov 20		Minutes of Meeting only	Head of Environment & Technical	
Crime & Disorder Committee	Minutes of Meeting held in September.	Nov 20		Minutes of meeting only	Joint Chief Executive	
Flooding	Update from twice yearly meeting of Agencies and Parish Flood Forums.	Nov 20		Minutes of meeting only	Head of Environment & Technical	
IT Acceptable Use Policy	To update on IT requirements and policies.	Nov 20		Report	Joint Chief Executive	

IT Security Policy	To update on the IT Security Policy.	Nov 20		Report	Joint Chief Executive	
Quarterly Budget Monitoring	Quarterly update on budget position.	Nov 20 Feb 21		Report	Head of Corporate Services	
COVID19 Update	To provide an update on the Council's work to support the District since July 2020 (COVID 19).	Dec 20		Report	Joint Chief Executive	
Car Parking Charges	The Portfolio Holder for Technical Services to be invited to update Committee on progress to agree with parish and town councils any localisation of car park charges	Jan 21		Update.	Portfolio Holder	
Capital Strategy, Treasury Management Strategy Statement and Asset Management Plan	To comment on the annual report setting out the future Capital Strategy, Treasury Management Strategy Statement and Asset Management Plan, prior to consideration by Cabinet.	Annual	Jan 21	Report	Head of Corporate	
Draft Budget	To make comments on the draft 2021/22 Budget prior to consideration by Cabinet.	Annual	Jan 21	Report	Head of Corporate	
Service Plans	To make recommendations to draft 2021/22 Service Plans prior to consideration by Cabinet.	Annual	Mar 21	Report	Joint Chief Executive	

Chairman's Annual Review of the Work of the Committee.	To consider the Chairman's draft report to Annual Council on a review of the work carried out in the past year by Overview and Scrutiny Committee.	Annual	April 21	Report	Chairman of Overview & Scrutiny Committee.	
Waste Management Contract	To seek Committee's input if material changes to the contract are brought forward for decision.	TBC			Portfolio Holder	
Heads of Service Attendance	Once a quarter the respective Heads of Service (in rotation) each be invited to attend Committee to update on performance, targets, and delivery against Service Plans. Oct – Head of Community Nov - Head of Place Dec – Head of Corporate Jan – Head of Environment & Technical Feb – Head of Community Mar – Head of Place Apr – Head of Corporate May – Head of Environment & Technical				Heads of Service	