



Hart
DISTRICT COUNCIL

SUMMONS

NOTICE IS HEREBY GIVEN THAT A MEETING OF THE HART DISTRICT COUNCIL WILL BE HELD IN THE COUNCIL CHAMBER, CIVIC OFFICES, HARLINGTON WAY, FLEET ON THURSDAY 25 APRIL 2013 AT 7.00 PM

Geoff Bonner
Chief Executive

CIVIC OFFICES, HARLINGTON WAY
FLEET, HAMPSHIRE GU51 4AE

AGENDA

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AND BRAILLE ON REQUEST**

PRAYERS

1 MINUTES OF PREVIOUS MEETING

To confirm the Minutes of the Meeting held on 28 March 2013. **Paper A**

2 APOLOGIES FOR ABSENCE

3 DECLARATIONS OF INTEREST

To declare disclosable pecuniary, and any other, interests.

4 BASINGSTOKE CANAL AUTHORITY

Presentation by Fiona Shipp and Phil Allen.

5 COUNCIL PROCEDURE RULE 12 – QUESTIONS BY THE PUBLIC

To receive any questions from members of the public submitted pursuant to Council Procedure Rule 12.

*Note: The text of any question under Council Procedure Rule 12 must be given to the Chief Executive not later than **Noon on Friday, 19 April 2013.***

6 COUNCIL PROCEDURE RULE 14 – QUESTIONS BY MEMBERS

To receive any questions from Members submitted pursuant to Council Procedure Rule 14.

Note: The text of any question under Council Procedure Rule 14.3 must be given to the Chief Executive not later than 5.00 pm on Monday, 22 April 2013.

The text of any question under Council Procedure Rule 14.4 must be submitted to the Chief Executive before 10.00 am on Thursday, 25 April 2013.

7 CHAIRMAN'S ANNOUNCEMENTS

8 CABINET MEMBERS' ANNOUNCEMENTS

9 CHIEF EXECUTIVE'S REPORT

10 MINUTES OF COMMITTEES

The Minutes of the following Committees, which met on the dates shown, are submitted.

In accordance with Council Procedure Rule 14.1, Members are allowed to put questions at Council without Notice in respect of any matters in the Minutes to the Leader of the Council or any Chairman of the relevant meeting at the time those Minutes are received by Council.

Meeting	Date	Minute Numbers	For Decision
Overview and Scrutiny	19 March	98-108	
Audit	26 March	26-34	
Cabinet	4 April	141-152	149 – Consultation on Possible Changes to the District Council's Electoral Cycle
Planning	10 April	73-77	Planning Application No 12/02427/MAJOR , St Marys Park, Dilly Lane, Hartley Wintney, Hook – Application for residential development comprising 158 dwellings. Departure to Local Plan (only if requested)

11 REVIEW OF CONSTITUTION – FINANCIAL REGULATIONS AND CONTRACT STANDING ORDERS

To seek approval to the revised Financial Regulations (FR's) and Contract Standing Orders (CSO's). **Paper B**

RECOMMENDATION

That the revised Financial Regulations and Contract Standing Orders be approved and adopted.

12 OUTSIDE BODIES – FEEDBACK FROM MEMBERS

To allow the Council's representatives on Outside Bodies to report back, and to allow questions of the representatives from other members. See list of Outside Bodies attached.

Members wanting to ask questions of representatives on Outside Bodies are requested to give advance notice of their questions by 5pm on the Monday preceding the meeting to allow responses to be prepared. Where advance notice is not given the member may still ask the questions, but the representative may choose not to answer at the meeting, but instead give a subsequent written answer.

Date of Despatch: 16 April 2013

HART REPRESENTATIVES ON OUTSIDE BODIES 2012/13

Outside Bodies	I. NO. OF REPRESENTATIVES	Nominee(s)
Age Concern	1 Councillor	Crookes
Basingstoke Canal Joint Management Committee	2 Councillor	1. Ambler 2. Kinnell
Blackbushe Airport Consultative Committee	2 Councillor 1 Reserve	1. Billings 2. Harward Reserve: Murphy
Blackbushe Metals Liaison Panel	2 Councillor	1. Billings 2. Harward
Blackwater Valley Advisory Committee for Public Transport	2 Councillors 1 Reserve Councillor	1. Glen 2. Appleton Reserve: Harward
Blackwater Valley Recreation & Countryside Management Committee	2 Councillors (1xCabinet Member)	1. Kinnell 2. Neighbour
Citizens Advice Hart	1 Councillor (1xCabinet Member)	Crookes
Community Safety Partnership	1 Councillor (1xCabinet Member)	Kennett
Crookham Almshouse Charity (Trustee)	1. Councillor	Butler
Farnborough Aerodrome Consultative Committee (FACC)	2 Councillors 1 Reserve Councillor	1. Simmons 2. Radley JE Reserve: Ambler
Fleet Hospital & Community Friends	1 Councillor	Barrell
Fleet Neighbourhood Watch	1 Councillor	Radley JR
Fleet Pond Society	1 Councillor 1 Reserve Councillor	1. Wheale Reserve: Lewis
Hampshire Buildings Preservation Trust	1 Councillor	Bennison
Hampshire Senate	1 Councillor, 1 Reserve (Leader & Deputy Leader)	1. Crookes Reserve: Parker
Hampshire Police and Crime Panel	1 Councillor	Kennett
Hart Access Group (representing interests of disabled in Hart)	1 Councillor	Butler
Hart Neighbourhood Centre Charity	1 Councillor	Crookes
Hart Voluntary Action	1 Councillor (1xCabinet Member)	Crookes

LGA General Assembly (Annual Event)	1 Councillor (Leader or Deputy Leader)	Crookes Deputy: Parker
Local Government Authorities Hants & IOW	1 Councillor 1 Reserve (Leader & Deputy Leader)	I. Crookes Reserve: Parker
North East Hampshire CPRE	1 Councillor (Observer)	Clarke
North Hampshire Road Safety Council	1 Councillor	Crampton
Project Integra Strategy Board	1 Councillor 1 Reserve Councillor (2xCabinet Members)	I. Glen Reserve: Crookes
Sentinel Housing Association	1 Councillor	I. Crampton Reserve: Crookes
South East England Councils (SEEC)	1 Councillor 1 Reserve Councillor	I. Crookes Reserve: Parker
Thames Basin Heaths – Joint Strategic Partnership	1 Councillor 1 Reserve Councillor	I. Radley JE Reserve: Parker
Thames Basin Heaths – Strategic Access Management and Monitoring Project Board	1 Councillor 1 Reserve Councillor	I. Parker Reserve: Radley JE

COUNCIL

DATE OF MEETING: 25 APRIL 2013

TITLE OF REPORT: REVIEW OF CONSTITUTION – FINANCIAL REGULATIONS AND CONTRACT STANDING ORDERS

Report of: Corporate Director

Cabinet Member: Councillor Ken Crookes, Leader of the Council

I PURPOSE OF REPORT

1.1 To seek approval to the revised Financial Regulations (FR's) and Contract Standing Orders (CSO's).

2 RECOMMENDATION

2.1 That the revised Financial Regulations and Contract Standing Orders be approved and adopted.

3 BACKGROUND INFORMATION

3.1 As part of the Annual Governance Statement 2011/12 reported to Audit Committee on the 26th September 2012, it was identified that during 2011/12 a number of significant governance issues were identified arising from the work of Internal and External Audit.

3.2 Recommendations were made to resolve these weaknesses including the need to update the FR's to reflect current working arrangements and structure of the council.

3.3 The current version of "Financial Procedure Rules" include a lot of supporting information not strictly relevant to a set of regulations intended to offer clear guidance to officers and members on how financial transactions and roles should be undertaken. This new set of FR's provides that clear guidance and is designed for easy reference and contain no fundamental changes to the nature of financial governance at Hart.

3.4 Associated with the FR's within the constitution are the Contract Standing Orders and it was also felt an opportune moment to review the Contract Standing Orders. The new CSO's reflect recent changes in legislation and guidance from the DCLG (procurement notes) however, the changes are broadly to improve clarity and readability. In common with the FR's, the new CSO's contain no fundamental changes to the nature of the contract management at Hart.

4 CONCLUSION

- 4.1 The proposed amendments to the Council's Constitution will be of benefit to the organisation in ensuring greater clarity and guidance to staff in the use of the financial regulations and during procurement processes.

CONTACT: Patricia Hughes – Corporate Director, Ext 4450, email:
patricia.hughes@hart.gov.uk

HART DISTRICT COUNCIL

FINANCIAL REGULATIONS

I. GENERAL

FRI

- I.1 These Financial Regulations are made pursuant to the Local Government Act 1972 Section 151 the Accounts and Audit Regulations 2003 (as amended) and all other enabling powers.
- I.2 These Financial Regulations shall come into force on 1 April 2013.
- I.3 In these Financial Regulations:
 - I.3.1 'approved' means either signed in writing or approved electronically by secure means;
 - I.3.2 'authorised officer' means an Officer authorised by the Head of Finance or Chief Executive, Director or Head of Service for the purposes of these Financial Regulations or such of them as may be determined;
 - I.3.3 'budget holder' means the relevant Head of Service, Chief Executive, Director or other officer authorised by such Head of Service to supervise a budget;
 - I.3.4 'Committee' means an ordinary committee of the Council
 - I.3.5 'Head of Service' means those officers so described in the Council's Constitution;
 - I.3.6 '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.
- I.4 The names of officers authorised to certify or sign documents, including electronic purchase orders, under these Financial Regulations shall be sent to the Head of Finance by each budget holder together with specimen signatures and shall be amended on the occasion of any change.
- I.5 Nothing in these Financial Regulations shall prejudice the validity of any actions taken before 1 April 2013 under any previous Financial Regulations.

2. BUDGET PREPARATION

FR2

- 2.1 Each year the Heads of Service, or other authorised officers, shall in accordance with a timetable prescribed by the Head of Finance commence the budget process by:
- 2.1.1 reviewing existing income and expenditure commitments;
 - 2.1.2 identifying any areas for budgetary growth or reduction;
 - 2.1.3 reviewing sources and projections of income; and proposing to the Head of Finance items for inclusion in the draft budget.
- 2.2 In proposing items for inclusion in the draft budget the Heads of Service shall have regard to:
- 2.2.1 any financial strategy adopted by the Council;
 - 2.2.2 any other strategies approved by the Council;
 - 2.2.3 prescriptions, restrictions or guidelines issued by Government Departments;
 - 2.2.4 guidelines issued by the Council, the Cabinet or the Head of Finance;
 - 2.2.5 any pay award to the Council's staff already made;
 - 2.2.6 any likely pay award to staff;
 - 2.2.7 any change in the level of members' allowances already sanctioned by the Council;
 - 2.2.8 any likely change in members' allowances;
 - 2.2.9 opportunities for reducing costs;
 - 2.2.10 opportunities for increasing income;
 - 2.2.11 changes in fee income already sanctioned or prescribed by statute or Government Department;
 - 2.2.12 changes in costs already established by statute or the action of Government Departments;
 - 2.2.13 the outcome of internal and external consultation;
 - 2.2.14 any timetable prescribed by the Head of Finance for the submission of items for inclusion in the draft budget.

3. DRAFT BUDGET

FR3

- 3.1 The Head of Finance shall produce a report for the Cabinet setting out proposals for a draft budget which shall include all items relating to revenue, capital and repairs and renewals, including an estimate of the revenue charge for the financial year to which the item relates and an indication of whether the item of income or expenditure is recurring.

FR4

- 4.1 Each year as part of the budget report the Head of Finance shall present a financial forecast for the budget year and the following year of the Council's commitments based on levels of service and efficiency and reflecting also decisions already taken on new commitments.

FR5

- 5.1 The Cabinet shall on or before the end of the first week in February in each year, consider and have regard to a report from the Head of Finance concerning the draft budget and submit to the Council:

- 5.1.1 its recommended draft budget;
- 5.1.2 its recommendations as to the Council tax necessary to meet the Council's expenditure;
- 5.1.3 its proposals for financing the Council's proposed capital expenditure;
- 5.1.4 a statement of the requirements of precepting authorities;
- 5.1.5 the statutory calculations.

6. APPROVAL OF BUDGET AND EXPENDITURE

FR6

- 6.1 The Council shall meet annually, not later than the 8th March, for the purposes of approving the draft budget as recommended by the Cabinet determining the Council tax to be levied for the ensuing financial year and the dates of instalments by which the Council tax is to be payable and the Council's borrowing and investment strategy.

FR7

- 7.1 Subject to FR8 or except where the Council otherwise determines (in accordance with FR9) the approval by the Council of the draft budget shall

entitle the Cabinet, relevant Committee, Chief Executive, Director or relevant Head of Service or budget holder to expend such approved sums.

FR8

- 8.1 Subject to FR8.2 no capital expenditure shall be incurred in respect of any item until specific approval has been given by the Cabinet to the purpose and amount of the expenditure following consideration of a report by the relevant Head of Service agreed with the Head of Finance including:
- 8.1.1 the estimated total cost of the project, including provision for inflation, fees, salaries and incidentals;
 - 8.1.2 the estimated annual cost of maintenance, debt charges (if any) and other revenue expenditure, and estimated annual income;
 - 8.1.3 details and the estimated cost of any consequential or incidental works;
 - 8.1.4 details of the proposed use and a scheme of management of the project after completion, including changes in the manpower establishment;
 - 8.1.5 details and the cost of any works to be superseded;
 - 8.1.6 details and estimates of any capital receipts which may be anticipated.
- 8.2 No specific approval shall be required under FR8.1 where:
- 8.2.1 the information specified in FR8.1.1 to 8.1.6 was taken into account when the budget was approved; or
 - 8.2.2 none of the information specified in FR8.1.1 to 8.1.6 is relevant to the capital expenditure proposed; or
 - 8.2.3 the only information specified in FR8.1.1 to 8.1.6 relevant to the capital expenditure proposed is loss of interest and that item was taken into account when the budget was approved.

FR9

- 9.1 The Council may determine that no expenditure shall be incurred in respect of an item until specific approval has been given by the Cabinet to the purpose and amount of the expenditure following consideration of a report by the relevant Head of Service including:
- 9.1.1 the estimated total cost of the project, including provision for inflation, fees, salaries and incidentals;

- 9.1.2 the estimated annual cost of maintenance, debt charges (if any) and other revenue expenditure, and estimated annual income;
- 9.1.3 details and the estimated cost of any consequential or incidental works;
- 9.1.4 details of the proposed use and a scheme of management of the project after completion, including changes in the manpower establishment;
- 9.1.5 details and the cost of any works to be superseded;
- 9.1.6 details and estimates of any capital receipts which may be anticipated.

10. VARIATION OF THE COUNCIL'S APPROVED BUDGET

FR10

- 10.1 Except as provided by FR10.2 and subject to FR10.3 the Cabinet, Committee or officer shall not incur unbudgeted expenditure or reduce budgeted income without the prior approval of the Council.
- 10.2 The exceptions referred to in FR10.1 are:
 - 10.2.1 authorised under FR12 to 15;
 - 10.2.2 as required by any decision of a recognised negotiating body, affecting the remuneration, rates of pay or other conditions of service or employment of the Council's officers or other employees;
 - 10.2.3 by any decision of the Council, the Cabinet with respect to merit awards and regrading;
 - 10.2.4 as required by any statutory amendment to rates or amounts of tax, duty, National Insurance Contributions, social security benefits or allowances or pension contributions.
- 10.3 Any proposal to vary the purposes of or amounts in the approved budget shall be referred to the Head of Finance before inclusion in any report to the Cabinet, a Committee or the Council.

FR11

- 11.1 Any proposal involving the extension of a service, the introduction of a new service, the inauguration of a new project or any matter not previously approved as Council policy shall be submitted to the Cabinet, together with a request for any necessary supplementary estimate.

12. VIREMENT

FR12

- 12.1 Corporate Directors and Heads of Service may approve the virement of budgeted expenditure not exceeding £10,000 between services after consultation with their Portfolio Holder and the Head of Finance.
- 12.1.1 such a transfer shall not be used to vary the establishment of employees;
- 12.1.2 such transfer would not impose a burden on the Council tax and revenues for future years;
- 12.2 The Cabinet may approve a transfer from one budget under its supervision to another in respect of sums not exceeding £50,000 revenue or £100,000 capital.
- 12.3 If the Cabinet wishes to increase the provision in any budget by way of transfer from another budget by a sum in excess of those referred to in FR12.2, it shall make a request to the Council.

13. SUPPLEMENTARY ESTIMATES

FR13

- 13.1 The Head of Paid Service may at the request of the relevant Head of Service and after having consulted the Cabinet member having responsibility for finance and the relevant Cabinet member or Committee chairman for the service concerned approve a supplementary revenue estimate by way of an increase of the provision in any budget under the Head of Service's supervision or for a purpose not included in the Head of Service's budget, not exceeding £10,000 provided that the supplementary estimate shall not:
- 13.1.1 be used to defray capital financing costs;
- 13.1.2 used to defray asset rents;
- 13.1.3 cause the establishment of employees to be varied;
- 13.1.4 impose a burden on the Council tax revenues of future years except where such a burden is consequent upon the approval by the Chief Executive under this FR14 of a supplementary estimate to meet the costs of regrading staff.
- 13.2 The Head of Finance shall report all supplementary estimates or salary increments approved under delegated authority to the following meeting of the Cabinet following such approval.

14. AUTHORISATION OF EXPENDITURE

FRI4

- 14.1 A Head of Service responsible for the implementation of a capital scheme or for the supervision of a revenue budget shall be authorised to expend the amounts provided in the budget for that scheme or purposes, subject to:
- 14.1.1 compliance with the Council's Constitution;
 - 14.1.2 Contract Standing Orders;
 - 14.1.3 these Financial Regulations;
 - 14.1.4 such specific limitations as may be prescribed by the Cabinet;
 - 14.1.5 such expenditure being defrayed only within the financial year for which budget was approved.

FRI5

- 15.1 Neither the Cabinet nor a Head of Service shall incur expenditure on capital account for any purpose for which no provision has been made in the budget, nor, except under the provisions of FRI8 exceed for any purpose the total approved capital cost of any project without prior approval of the Cabinet.

FRI6

- 16.1 As soon as a Head of Service becomes aware either that
- 16.1.1 the total capital cost of a scheme, as approved by the Council, is likely to be exceeded by:
 - (a) 10% in respect of an approved capital cost of £100,000 or less; or
 - (b) 5% in respect of an approved capital cost in excess of £100,000; or
 - 16.1.2 payments under the contract (excluding the effect of any fluctuations clause) are likely to exceed the contract sum by similar percentages then the Head of Service shall report to the appropriate Committee and obtain the approval of the Cabinet to a revised capital budget.

FRI7

- 17.1 A Head of Service proposing to make a report to the Council, the Cabinet or a Committee having financial implications shall submit a draft of such report to the Head of Finance in order that the Head of Finance may be satisfied

that all relevant financial information is contained including the effects on future years' budgets and alternative means of financing where appropriate.

- 17.2 A Head of Service proposing to make a report to the Council, the Cabinet or a Committee shall submit a draft of such report to the Monitoring Officer in order that the Monitoring Officer may be satisfied that all legally relevant information is contained.

18. ACCOUNTS

FR18

- 18.1 Each budget holder shall designate an officer to be responsible for financial and accounting work in respect of that budget holder's budget.

FR19

- 19.1 Each budget holder shall ensure that the same officer is not responsible for receiving or paying monies and rendering accounts or issuing receipts for the same.

FR20

- 20.1 Each budget holder shall consult the Head of Finance before introducing, amending or discontinuing any record or procedure related to accounting for cash, stores or equipment, or dealing with income, expenditure or other financial transactions in respect of the budgets under the budget holder's supervision.

FR21

- 21.1 Any officer who is required to account for any cash or funds belonging to the Council shall submit an account for the same to the Head of Finance as soon as possible after the close of the financial year, and in any case, not later than 1st May following.

FR22

- 22.1 The Head of Finance shall determine at the end of each year which revenue budgets can be slipped to cover essential expenditure unavoidably delayed from one year to the next.

FR23

- 23.1 The Head of Finance shall submit, no later than the 30 September following the close of the financial year, a full statement of accounts to the Audit Committee for approval.

24. AUDIT

FR24

- 24.1 The Head of Finance shall approve all accounting systems and shall maintain a continuous, comprehensive and up-to-date internal audit. For this purpose the Head of Finance shall have access to all records and persons which and whom he considers to be relevant and authority to apply such tests and checks as may be necessary. The Head of Finance shall report at least annually to the Audit Committee on the results of internal audit.

FR25

- 25.1 Each Head of Service and budget holder shall take steps to prevent and to detect irregularity and fraud concerning the income, expenditure, cash, stores or other assets of the Council or in the exercise of the functions of the Council and any employee of the Council who has any knowledge or well-founded suspicion of any irregularity shall forthwith inform the Head of Finance, the Head of Internal Audit and the Monitoring Officer who shall investigate, and report if necessary.

26. ORDERS AND PAYMENTS

FR26

- 26.1 The procurement of services, supplies and works shall comply with the Council's Contract Standing Orders and except where a formal contract is made, all orders for services supplies and works shall be issued or confirmed, where possible, only on the Council's purchase order form containing such information and according to such system as may be approved by the Head of Finance .

FR27

- 27.1 Oral orders shall be confirmed by formal purchase order prepared the same day.

FR28

- 28.1 All orders shall, so far as possible, be issued in sufficient detail to identify completely and accurately the services supplies or works required and shall specify where applicable the quotation and contractual arrangements.

FR29

- 29.1 Orders shall be approved by the appropriate Head of Service or other authorised officer provided that officers authorised to approve orders shall approve in their own names.

FR30

- 30.1 Any officer ordering services, supplies or works shall have regard to the use of central purchasing arrangements (if any) and to the possibilities of the standardisation of supplies.

FR31

- 31.1 All payments made on behalf of the Council shall be made in accordance with arrangements approved by the Head of Finance.

FR32

- 32.1 Each Head of Service and budget holder shall check and certify or require to be checked and certified in the manner and to the extent approved by the Head of Finance all relevant invoices, and accounts and shall be satisfied before payment that the liabilities represented have been properly incurred and not previously discharged.

FR33

- 33.1 Each Head of Service and budget holder shall ensure that payments are made within a time scale to comply with its contractual obligations, taking account of the need to maintain a good relationship with its suppliers.

FR34

- 34.1 All budget holders shall ensure that, when appropriate, VAT invoices are received from suppliers, contractors or service providers and that the VAT element is separately coded on all payment vouchers.
- 34.2 Where the Council is reimbursing a third party's costs or other disbursements, budget holders shall seek advice from the Head of Finance to ensure that the correct VAT procedures are followed.

FR35

- 35.1 All budget holders shall pay urgently and in sufficient time for the discount to be obtained all certified and checked invoices and accounts subject to discount for prompt payment.

FR36

- 36.1 Each budget holder shall give to the Head of Finance details of all orders for services supplies or works in respect of which bills have not been received at 31st March in each year, together with the estimated amounts payable by no later than 10 days after the conclusion of the relevant financial year. When such accounts are subsequently certified for payment, the budget holder concerned shall identify them accordingly.

37. PAYMENT OF SALARIES, WAGES AND OTHER EMOLUMENTS

FR37

- 37.1 Each Head of Service shall notify the Corporate Director (Services) as soon as possible and in the form prescribed, of all matters affecting the payment of salaries, wages and other emoluments to officers and other employees of the Council, and in particular concerning:
- 37.1.1 appointments, resignations, dismissals, suspensions, secondments and transfers;
 - 37.1.2 absences from duty for sickness or other reason, apart from annual leave;
 - 37.1.3 changes in remuneration, other than normal increments and pay awards and agreements of general application;
 - 37.1.4 information necessary to maintain records of service for pension, income tax, national insurance contributions, allowances and the like.
- 37.2 Heads of Service shall use reasonable endeavours to meet the timetable for next payroll following the action referred to in FR39.1.

FR38

- 38.1 Each Head of Service shall notify the Corporate Director (Services) promptly of starting and leaving dates of all casual staff and will process payments for such staff in the manner approved by the Head of Finance.

FR39

- 39.1 All time records or other pay documents shall be in a form prescribed or approved by the Head of Finance and shall be certified by the relevant Head of Service or authorised officer.

40. IMPREST ACCOUNTS - PETTY CASH

FR40

- 40.1 The Head of Finance shall decide, in consultation with the appropriate Head of Service, the imprest accounts to be operated, their value, and the arrangements to be made for advancing money to and accounting for expenditure from such accounts.

FR41

- 41.1 A Head of Service to whom an advance is made under FR42 shall be responsible for ensuring the proper use and safe custody of the money advanced.

FR42

- 42.1 Payments from imprest accounts shall be limited to such minor items of expenditure, and to such other items, as the Head of Finance may approve.

FR43

- 43.1 An officer responsible for, or operating an imprest account, shall, if so requested, give to the Head of Finance a certificate as to the state of the imprest account.

FR44

- 44.1 On leaving the employment of the Council or otherwise ceasing to be responsible for or to operate an imprest account, the officer shall account to the Head of Finance for imprest advance.

45. INCOME

FR45

- 45.1 The Head of Finance shall be responsible for all arrangements as to the collection, custody, control, disposal and prompt and proper accounting for all cash and remittances and for the system of accounting for all sums due to the Council.
- 45.2 Each budget holder shall ensure that cheques and other payment methods shall be made payable to the Council and not to individual officers.
- 45.3 Any payments taken by officers outside of the cash office shall be subject to the issue of an official receipt and must be promptly taken to the cash office for banking.

FR46

- 46.1 The Head of Finance shall be notified promptly of all contracts, other agreements and arrangements entered into which involve the receipt of money by the Council and the Head of Finance, the internal and external auditors and the Monitoring Officer shall have the right to inspect any documents or other evidence in this connection as they may decide and they shall further be given details by the budget holder concerned of all other monies becoming payable to the Council as the Head of Finance may require.

FR47

- 47.1 All money received by an officer on behalf of the Council shall without delay be paid to the Head of Finance or, if instructed by him or her, to the Council's banking account or to any other body or person entitled. No deduction may be made from such money save to the extent that the Head

of Finance may specifically authorise. Each officer who so banks money shall enter on the paying-in slip a reference to the related debt (such as the receipt number or the name of the debtor) or otherwise indicate the origin of the money on the reverse of each cheque the officer shall enter the name of the department, office or establishment.

- 47.2 Officers may not substitute personal cheques for cash payment received on behalf of the Council.

FR48

- 48.1 All postal remittances should be promptly entered in the post book by the post opener concerned. In departments where cash remittances are received, post should be opened by two post openers and remittances paid into the cash office without deduction.

FR49

- 49.1 Every transfer of money, held on behalf of the Council, from one officer to another shall be evidenced by the signature of the receiving officer.

FR50

- 50.1 All remittances in the form of negotiable instruments shall immediately on receipt be marked with a crossing stamp indicating the name of the bank nominated under FR56 followed by the words "A/Hart District Council - Not negotiable".

FR51

- 51.1 All official receipt forms, priced tickets, vouchers and similar documents shall be ordered, controlled and issued only by or in accordance with arrangements approved by the Head of Finance, and all receipting systems shall be under the direction of the Head of Finance

FR52

- 52.1 Every officer who receives money shall comply with any requirement of the Head of Finance with regard to the safe custody of such money.

53. EXCUSAL OF DEBTS

FR53

- 53.1 Debts up to the value of £5,000 may be written off on the authority of the Head of Finance where the debt is deemed irrecoverable or is unlikely to be recovered at economic cost. All write-offs must be reported to the next meeting of the Cabinet.
Debts over £5,000 must be referred to the Head of Finance who will seek approval from the Cabinet Member with responsibility for finance.

54. BANKING AND CHEQUES

FR54

- 54.1 The Head of Finance shall operate a bank account or accounts together with any associated credit card accounts, to carry out the Council's banking transactions at the bank nominated by the Cabinet and shall be responsible for the operation of all bank accounts and the issue of all cheques and electronic payments on behalf of or in the name of the Council.
- 54.2 No banking or credit card account shall be opened on behalf of or in the name of the Council at any bank, unless in accordance with the counter parties approved with the Council's Treasury Management Strategy.

FR55

- 55.1 Each budget holder shall ensure that wherever possible arrangements are made for payments to be made to the Council by electronic means.
- 55.2 Notwithstanding FR57.1 no officer shall make arrangements for recurrent payments to be made by direct debit or standing order without the prior approval of the Head of Finance.
- 55.3 No officer shall make arrangement for the payment on behalf of the Council by credit or debit card unless using an approved Council purchase card.

FR56

- 56.1 All cheque forms shall be ordered only on the authority of the Head of Finance. An officer nominated for the purpose by the Head of Finance shall be responsible for the control of all unused cheque forms, and shall make proper arrangements for their safe custody and shall issue only such cheque forms as are required to meet duly authorised orders for payment.

FR57

- 57.1 All cheques drawn on accounts of the Council shall bear the printed signature of the Head of Finance or such other officer as the Head of Finance may designate.

FR58

- 58.1 The Head of Finance shall be authorised to incur, on behalf of the Council, such overdraft at the Council's bank as may, from time to time, be authorised by the Cabinet.

59. PROPERTY HOLDINGS

FR59

- 59.1 The Corporate Director (Services) shall arrange for the maintenance of a terrier of all land owned by the Council recording the purpose for which held, including details of any appropriations, location, extent and plan reference, purchase details, particulars of nature of interest and rents receivable or payable, particulars of any tenancies granted and details of easements and other encumbrances, if any, to which the land is subject.
- 59.2 The Corporate Director (Services) shall have the custody of all title deeds under secure arrangements agreed with the Head of Finance.
- 59.3 Each Head of Service shall be responsible for maintaining in conjunction with the Head of Finance sufficient information to enable the Council to comply with the relevant Accounting Codes of Practice.

60. INSURANCE AND ASSESSMENT OF RISK

FR60

- 60.1 The Head of Finance shall promptly effect all necessary insurances and annually report to the Cabinet on the adequacy of the insurance arrangements made.
- 60.2 The Head of Internal Audit shall issue guidance to all Heads of Service on risk management and good practice and the Council's requirements in managing risks.

FR61

- 61.1 Each Head of Service shall notify the Head of Finance of the extent and nature of all insurable risks on new or newly acquired properties, assets, liabilities and rights in respect of which such risks can arise and of any material alterations in existing insurable risks on properties, assets, liabilities and rights in the control of his or her Department; and such information required to assess the amount of insurance cover which it is desirable to maintain.

FR62

- 62.1 The Head of Finance 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.

FR63

- 63.1 All appropriate officers and employees of the Council shall be included in a fidelity guarantee policy.

FR64

- 64.1 All 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 claim in the future.
- 64.2 All Heads of Service shall in proposing a course of action consider and document the risks arising from or in connection with such action including in particular the financial risks.

65. CLAIMS

FR65

- 65.1 The Head of Finance shall deal with claims against or on behalf of the Council arising from insured risks.

FR66

- 66.1 Where any claim is made against the Council which is recoverable under a policy of insurance, the Head of Finance shall be authorised to incur any necessary expenditure in meeting the claim subject to prior consultation with the Council's insurers.

67. CONTRACTS

FR67

- 67.1 Heads of Service shall comply with the Council's Contract Standing Orders concerning the letting of contracts.
- 67.2 Before entering into any contract other than for ordinary supplies or services and particularly with regard to contracts for works each Head of Service shall consult the Head of Finance concerning the VAT implications of the proposed contractual arrangements.
- 67.3 Before entering into any contract other than for ordinary services, supplies or works each Head of Service shall consult the Head of Finance concerning the methods of financing including in particular the use of leasing.
- 67.4 Immediately a contract has been entered into other than by way of an official order, the relevant Head of Service shall supply to the Head of Finance such information concerning the contract as the Head of Finance may require.
- 67.5 Immediately a contract having an aggregate consideration of £10,000 or more has been entered into the relevant Head of Service shall supply to the Corporate Director (Services) such information concerning the contract as the Corporate Director (Services) may require to enable the Corporate Director (Services) to maintain the central contracts register.

FR68

- 68.1 Each Head of Service shall keep a register of all contracts referred to in FR69 above showing the state of the account in respect of each such contract together with any related professional fees, and of all variations, additions or omissions and any other relevant details.
- 68.2 Any variation order to any such contract shall be authorised in writing by the relevant Head of Service or other person nominated by him or her in writing for that purpose and shall be numbered consecutively.

FR69

- 69.1 Payments in respect of contracts for supplies or works shall be made only on a certificate or invoice, the form of which shall be approved by the Head of Finance, signed by the relevant Head of Service or other person authorised by him or her and showing the total amount of the contract, the value of supplies or work received to date, the retention money, the amount previously certified and the amount now certified for payment.

FR70

- 70.1 Certificates for interim payments on account of contracts shall be dealt with promptly so that payment can be made in every case within the time prescribed in the contract in particular to avoid claims for breach of contract, interest charges or penalties.

FR71

- 71.1 The relevant Head of Service shall when issuing certificates under FR72 ensure the correctness of payments to which the certificates relate.

FR72

- 72.1 Before any final certificate for payment of monies or release of retention monies is issued under the contract, the contractor's final account, together with all relevant documents, shall be forwarded to the relevant Head of Service and no final certificate or release shall be granted until the relevant Head of Service has signified his or her approval of the amount to be so certified.
- 72.2 Claims from contractors shall be referred to the Corporate Director (Services), for consideration of the Council's legal liability and, where necessary, to the Head of Finance for financial consideration before a settlement is reached.

FR73

- 73.1 Any surpluses or deficiencies of stores revealed at any time shall be reported immediately to the Head of Finance who shall be empowered to authorise the Head of Service concerned to bring on charge or “write-off” stores up to a value not exceeding £100 in respect of any group of items in relation to any one store. Any surpluses or deficiencies in excess of these amounts shall be reported to the Cabinet for approval to the necessary adjustments in records.

FR74

- 74.1 Each Head of Service shall, with the approval of the Head of Finance, have authority to dispose of all materials, plant, fittings, equipment, stock or stores which are surplus to requirements or which by reason of damage, obsolescence or wear, are no longer serviceable for the purpose for which they are held, provided that:

74.1.1 they are disposed of at the best price reasonably obtainable;

74.1.2 at least three written quotations shall be obtained and a subsequent report shall be made to the Cabinet if the estimated value of all such surplus materials etc., to be disposed of exceeds £10,000 but does not exceed £50,000;

74.1.3 at least three tenders shall be invited by public advertisement if the estimated value of all such surplus materials etc., to be disposed of exceeds £50,000;

74.1.4 in the case of the disposal of surplus or obsolete vehicles, the appropriate Head of Service may, as an alternative to the procedure in FR76.1.2 and 76.1.3 above, with the approval of the Head of Finance, dispose of the vehicles through an established public car auction.

- 74.2 Contractual arrangements for the disposal of supplies shall be subject to the Council's Contract Standing Orders and terms agreed shall minimise the Council's liabilities.

75. TRAVELLING, SUBSISTENCE AND OTHER ALLOWANCES

FR75

- 75.1 Employees' claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be submitted promptly to the Corporate Director (Services), duly certified by the relevant Head of Service or authorised officer in a form approved by the Head of Finance and made up to a specified day of each month.

FR76

- 76.1 Members of the Council and co-optees entitled to receive allowances under the scheme of members' allowances shall comply with the requirements of the scheme of members' allowances.
- 76.2 Payments to Members of the Council and co-optees who are entitled to claim allowances, shall be made by the Corporate Director (Services) upon receipt of the prescribed form duly completed. All claims for a financial year shall be submitted within one month of the 31st March.

FR77

- 77.1 The certification by the relevant Head of Service or authorised officer shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the Council.

FR78

- 78.1 All recipients of car allowances and other officers and Members of the Council who use their vehicles for Council business shall indemnify the Council against claims from third parties and shall produce insurance policies and/or renewal receipts as required by the Head of Finance.

79. INVENTORIES

FR79

- 79.1 Each Head of Service shall be responsible for the plant, vehicles, machinery, equipment, tools, furniture and other moveable property, for maintaining suitable records and for ensuring that so far as is expedient to do so all items are effectively marked as Council property.

FR80

- 80.1 Each Head of Service shall maintain an inventory, in a form approved by the Head of Finance of all plant, vehicles, machinery, equipment, tools, furniture and other moveable property.

FR81

- 81.1 Each Head of Service shall arrange a stocktaking of items on the inventory records so that all items are checked at least once in each year. Any deficiency shall be reported to the Head of Finance who may authorise the adjustment of the inventory to take account of the deficiency if he or she is satisfied that the item or items deficient cannot be found or recovered and provided the estimated value of the deficiency does not exceed £100. In excess of that sum the facts of the deficiency shall be reported to the Cabinet for approval to amend the records.

FR82

- 82.1 The Council's property shall not be removed otherwise than in accordance with the ordinary course of the Council's business or used otherwise than for the Council's purposes except in accordance with directions issued by the Head of Service concerned.

83. BORROWING AND INVESTMENTS

FR83

- 83.1 All investment and borrowing activity shall be undertaken in a manner which complies with the statutory requirements, the Prudential Code approved under the Local Government Act 2003, CIPFA Code of Practice and the Council's Treasury Management Policy Statement, including those parameters agreed annually within the Treasury Strategy Report.

FR84

- 84.1 The Head of Finance shall submit a report twice yearly to the Cabinet detailing the investment and borrowing activity on behalf of the Council for that period and demonstrating compliance with the Treasury Management Policy 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 Finance.

Contract Standing Orders

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Appendix A Land Disposals

Appendix B Definitions

I. Introduction

I.1 These Contract Standing Orders (CSOs) form part of the Council's Constitution. Compliance by all staff is therefore mandatory and contravention is a serious matter which could lead to disciplinary action.

These CSOs apply to all contracts (except contracts of employment) for the supply of services, goods and works entered into by the Council, with some exceptions (see paragraphs 1.7, 1.9 and 1.14).

I.2 These CSOs have three main purposes:

- (a) to ensure that the Council obtains value for money from procurement, so that in turn it may offer best value services to the public;
- (b) to comply with the laws that govern the spending of public money; and
- (c) to ensure procurement is carried out fairly and transparently.

I.3 All Contracts must comply with:

- These CSOs;
- The Council's Financial Regulations;
- The Council's Scheme of Delegation;
- Any other applicable part of the Council's Constitution;
- Any Statutory Provision;
- Government regulations, including Regulations issued by the Commission of the European Union;
- Directives and Decisions issued by the Commission of the European Union; and
- The established and applicable Case Law of the English Courts, including the settled jurisprudence of the European Court of Justice, the European Court of First Instance and of the European Court of Human Rights.

I.4 The Head of Finance is responsible for keeping these CSOs under review. If the CSOs conflict with EU Directives or any other legislation then the legislation takes precedence.

I.5 All matters connected with quotations, tenders and contractors prior to contract award should, subject to Freedom of Information (FOI) be treated as "commercially sensitive" including the correction of error/omissions and any clarifications required. Discussion or correspondence entered into should be confined to those persons who are directly concerned.

I.6 The amount or value of any quotation or tender which is to be considered by Head of Service/Manager or Cabinet shall not be made public before any meeting at which

it is to be reported and shall be omitted from any written report on the subject which may be circulated before any such meeting unless contained within a confidential appendix.

- I.7 **Sharing or Delegation of Services:** Where there is an opportunity to deliver services via a shared working or delegation of service arrangement with another public sector organisation, the requirement to seek quotations/tenders in accordance with these CSOs may not apply and Legal Services advice shall be sought.
- I.8 Where a procurement process is managed by another third party e.g. consultant, on behalf of the Council, the consultant must be provided with copies of these CSOs and required that they are adhered to.
- I.9 Where procurement is led by another council e.g. as lead of a consortium, that Council's procurement process can be relied upon in place of these CSOs.
- I.10 The CSOs should be read in conjunction with the Constitution, the Code of Conduct (including obligations to declare any interests in a contract) other relevant policies with regard to sustainability and equalities.
- I.11 **Contract Thresholds:** The procurement of all contracts will be based on the following thresholds as set for contracts with different values (all amounts are exclusive of VAT):

Values Threshold	Tender Requirement
Low-value contracts – under £50,000	obtain three written quotations, use suitable framework agreement or select list. A detailed brief/specification should be issued as required
Medium-value contracts – over £50,000 but below EU threshold	use suitable framework, select list or full tender (consider using in that order) with at least four tenders invited (or as provided by framework rules)
Above EU threshold Thresholds effective on 1/1/12 Works Contracts - £4,348,350 Supplies Contracts - £173,934	Compliance with EU procurement directives

- I.12 **Aggregation:** On no account should any requirement to procure goods or services be split in an attempt to avoid using the proper procedure under these CSOs or EU procurement rules (based on the figures provided above). Procuring based on the total requirement (including total number of years required or including ancillary items) is called aggregation and must be used in all procurements. Where there is prospect of similar supplies, services or works being required elsewhere within the council, the Head of Service/Manager must establish if similar procurement is happening or planned. If so, the spend must be aggregated to achieve value for money for the Council.
- I.13 The estimated value of a contract shall be the total sum estimated to be payable over the full term of the contract (including any option to extend the contract beyond the initial term) by the Council to the contractor. Where the contract period is

indefinite or uncertain, the estimated value shall be calculated on the basis that the contract period will be for four years.

If the value of the procurement is uncertain and there is doubt which value threshold (as set out above) the procurement may fall into, soft market testing (as explained in 2.10) should be considered. If there is concern that a procurement might exceed a higher threshold, then the procedure for the higher threshold should be followed.

- 1.14 Exceptions to Standing Orders :** The requirements of these CSOs may be waived in exceptional circumstances where it can be demonstrated that:
- (a) there is an urgent requirement to secure the provision of works, services or supplies and it is not practical to seek competitive quotations or tenders; or
 - (b) by applying the CSOs, it would not be possible to obtain genuine competition; or
 - (c) the works, services or supplies required are of a specialist nature, such that competitive prices cannot be obtained; or
 - (d) professional services, such as Legal Counsel, are required urgently; or
 - (e) by extending the term (either by exercising an option within the contract or otherwise), or varying and/or extending the scope an existing contract, it is in the best interests of the Council; or
 - (f) by appointing a contractor to carry out further work in connection with a main project following provision by such contractor of feasibility work, it would be advantageous to the successful delivery of the main project; or
 - (g) by applying the CSOs, it would not be possible to satisfy the best interests of the Council.
- 1.15 CSOs cannot be waived where the contract value is in excess of the relevant EU threshold, unless it can be demonstrated to be essential for reasons of responding to a civil emergency, business continuity incident or in recovery.
- 1.16 All decisions to waive CSOs must be confirmed in writing prior to entering into a contract (except where identified as urgent such as in 1.14 a, 1.14d and 1.15) accompanied by full reasons as to why the waiver was required, together with evidence and supporting information to demonstrate that the issue of the waiver did not prevent the purposes set out in paragraph 1.2 being satisfied.
- 1.17 Approvals of exceptions to standing orders will be in accordance with the table as set out in 2.1.1 and 2.1.2 below.
- 1.18 **Restrictions on contracts with certain persons:** The council shall not knowingly award contracts to companies, partnerships or other businesses in which any Councillor or employee of the Council:
- is a director, or, in the case of partnerships is a partner: or
 - holds 20% or more of the shares or interest in the business
- 1.19 However, Cabinet may resolve to award a contract to such companies, partnerships or other businesses where it decides that it is in the best interests of the Council to do so, taking into account the type of work, goods or services provided and value of the contract.

2 Stage I Pre-contract procedures

2.1 **Project approval** - Before starting a procurement process, appropriate budgeting provision should be in place, together with the relevant delegated authority or approval to incur expenditure according to whether the cost of the contract is being met from a revenue or capital budget as set out below:

2.1.1. **Capital Spend**

In accordance with Part 3B (Delegation to Individual Cabinet Members), procurement of all contracts for capital spend will be based on the following thresholds.

Contract Value	Authorised Person
Less than £50,000 and appropriate Capital Programme Provision in place	Budget Holder
More than £50,000	Cabinet

2.1.2 **Revenue Spend**

In accordance with Part 3C (Scheme of Delegation to Officers) procurement for all contracts for revenue spend will be based on the following thresholds

Contract value	Authorised person
Less than £50,000	Head of Service
More than £50,000	Cabinet

2.2 Prior to incurring or seeking approval to incur expenditure, the Head of Service should establish the business case for the procurement including

- Evidence of the need to continue provision
- Evidence regarding current and future anticipated customer needs
- Evidence regarding the market (refer to 2.10 for soft marketing)
- Evidence of any requirements to change the service, how or where it is delivered.
- what procurement method is legally required and most likely to achieve the purchasing objectives and select the most appropriate method;
- identify any required and legally permitted duration of contract;
- use a formal evidence based analysis to consider the options for delivery; and
- evaluate those options and identify a preferred option.

2.3 All procurement should be managed in accordance with the complexity of the project and this will normally include:

- identifying key stakeholders including Member involvement
- the identification of all risks to enable them to be minimised.
- The designation of a project manager and other key roles at the outset of the project
- The creation of a project plan establishing key stages, milestones, gateways (stop/go decision points) and resources required (financial and officer time).

- A mechanism for monitoring and reporting on the project

2.4 **Award Criteria:** The basis upon which a tender or quote will be awarded to a supplier (known as the award criteria) must be defined and included in the invitation to submit a quotation/tender documentation. The criteria must be designed to secure an outcome giving best value for money for the Council. One of the following approaches should be used:

- (a) “Most economically advantageous” offer (where the Council needs to ensure that an appropriate and/or minimum level of expertise/quality is provided. This will usually (but not exclusively) apply to Medium-value contracts, i.e., exceeding £50,000, and refer to a 60/40 split between cost and quality; or
- (b) “Lowest price” offer (where price is the key consideration). This will usually (but not exclusively) apply to Low-value contracts (below £50,000), i.e. where only three quotations are required and the contract is made via a Council purchase order; or
- (c) “Highest price” if payment is to be received by the Council.

In accordance with the Public Services (Social Value) Act 2012, whilst not legally required (except for OJEU procurement), it is good practice to consider how the procurement might improve the economic, social and environmental well-being of the District and how the process of procurement, might help secure that improvement

2.5 For contracts which are to be evaluated using the “most economically advantageous” approach, the evaluation criteria must be established and provided to tenderers in advance. These criteria should

- (a) be pre-determined to meet the objectives of the services, goods or works required in the order of importance; and
- (b) be ranked/weighted by relative importance; and
- (c) be capable of objective assessment and not be biased towards a particular supplier; and
- (d) be strictly observed at all times during the tender process; and
- (e) be listed in the invitation to tender documentation; and

2.6 If the “most economically advantageous” approach is adopted (for Medium-value contracts but, in appropriate cases, also for Low-value contracts), it must be further defined where relevant to the subject matter, such as:

- (a) quality and price (including whole life cost);
- (b) technical merit including business continuity (for relevant contracts)
- (c) aesthetic and functional characteristics
- (d) environmental, social and economic characteristics
- (e) running costs and cost effectiveness
- (f) after sales service and technical assistance
- (g) delivery date/delivery period/period of completion

2.7 Where this evaluation methodology is used, any resulting contract must be awarded to the tenderer who submits the most economically advantageous tender, i.e. the tender that achieves the highest score in the objective assessment.

- 2.8 **Pricing Schedule / Bill of Quantities** - To help with the evaluation of tenders, to ensure that tenders are submitted in a like-for-like format, tenderers should normally be provided with a Pricing Schedule or a Bill of Quantities.
- 2.9 When preparing Conditions of Contract documentation, particularly those including Bills of Quantities, a sheet or summary page shall be provided, headed by the title of the project and on which the contractor may enter the company name and address, the total tender or contract sum and may sign. Additionally each sheet of any Bills of Quantities shall be numbered, headed by the title of the project and space provided for the contractor to enter the company name. This procedure should avoid confusion if sheets become detached.
- 2.10 **Soft Market Testing** may be appropriate in instances where the council is unsure of the supply market and/or market interest in a project. Soft Market Testing can also be used to see whether plans are realistic and affordable. Soft Market Testing can help define the options, and enable any resulting tender evaluation process to be robust and well informed.
- 2.11 In the event of a procurement process following a Soft Market Testing exercise, the contractors involved in the Soft Market Testing will be notified of the opportunity and invited to submit an expression of interest in accordance with CSOs.
- 2.12 **Alterations to the project content** may occur as a result of unforeseen circumstances or as a result of receiving information not known at the time of approval but which the Head of Service/Manager considers necessary to ensure a successful outcome to the contract. Alterations are possible providing that:
- a) any alterations that fundamentally alter the scope of the project shall be reported to the Head of Finance before submission.
 - b) the budget approval will not be exceeded
 - c) it is otherwise in line with Financial Regulations and CSO's

3 Stage 2 – Procedures for Obtaining Tenders

3.1 Framework Agreements and Select Lists

- 3.1.1 Frameworks or select lists are normally used for medium and high value contracts where it would be useful to have a pool of pre-selected contractors to draw from, as the contractor quality assessment procedure has already taken place, it can also reduce the administrative costs and time take for the procurement.
- 3.1.2 The use of a Framework Agreement or Select List should be considered following on from the initial Pre-contract procedures and used where possible in preference to carrying out a full tender process. A Framework Agreement may also be used for low-value contracts if considered that it will produce best value.
- 3.1.3 For any procurement, the Head of Finance/Chief Executive/Corporate Director may prescribe the use of a Framework Agreement or Select List where considered appropriate.

- 3.2 Framework Agreements:** are an agreement with one or more contractors that sets out the terms and conditions under which specific purchases can be made (or 'called off') throughout the term of the agreement. Framework Agreements may be established by the Council, or by other public bodies or public sector buying consortia.
- 3.2.1 For contracts of a value above £50,000, where a suitable Framework Agreement is available, this should be used, where appropriate, in preference to a Select List or tendering. Where there is no suitable Framework Agreement, a Select List, if available, may (providing the contract value is not above EU thresholds) be used and at least four tenders invited. Use of a Framework Agreement or creation of a new Framework Agreement by the Council will be subject to the approval of the Head of Finance.
- 3.2.2 The terms of the particular call off agreement shall not be substantially amended from the terms laid down in the Framework Agreement. Where a call off is made from another public body's framework, the rules and terms and condition of the framework shall prevail over the council's CSO's.
- 3.3 Select Lists:** are lists of contractors for the supply of services, goods or works, who have been assessed as meeting specific criteria. The criteria are designed to ensure the competence and suitability of each Contractor. In each case, where tenders are invited from Contractors who are included on a Select List, it is not then necessary for their competence and suitability to be investigated afresh, thus making for more efficient use of time and resources in purchasing.
- 3.3.1 A service may establish a Select List for supplies, goods or works in their area of responsibility. For services, goods or works that are used by more than one service Select Lists should be open for use across the Council.
- 3.3.2 A Select List shall be established following an advertised selection process, which shall follow the procedure for the restricted procedure set out at paragraph 4.5.2(b and c).
- 3.3.3 A Select List shall contain the names and addresses of all providers who meet the Select List criteria, and shall indicate the nature and value of contracts for which the Contractors may be used. The value of the contract entered into may not exceed the relevant EU threshold.
- 3.3.4 When a Head of Service/Manager wishes to use a Select List, for values under £50,000, **a minimum of three quotations are** required of which
- a maximum of 1 may be a contractor who have demonstrated good performance on previous contracts awarded using the relevant select list.
 - The two other contractors must be taken from the select list on rotation.
- For Medium value contracts (over £50,000) **a minimum of four quotations** are required, of which
- a maximum of 2 may be contractors who have demonstrated good performance on previous contracts awarded using the relevant select list.

- The two others contractors must be taken from the select list on rotation
- 3.3.5 If there are no contractors to source by performance, then additional contractors will be sourced by rotation, to ensure the correct number of quotations are requested.
- 3.3.6 A Select List will be reviewed and re-established every two years. At any time, a contractor may be removed from a Select List should their circumstances change, to the extent that they are no longer able to meet the criteria for inclusion in the Select List.
- 3.4 **For contracts below £50,000: Where a framework agreement/select list is not being used.** For contracts of valued under £50,000 obtain three quotations. It is expected that all quotations will be in writing from the contractor, however, where verbal quotations are received for lower value procurements, a written record should be made of the description of works, name of supplier, quotation date and value.
- 3.5 **For contracts above £50,000: Where a framework agreement/select list is not being used:** Where no Framework Agreement or Select List is available, at least four tenders shall be invited, using either the 'open' or 'restricted' procedure. An advert should always be placed on the Hampshire Portal and South East Business Portal www.businessportal.southeastiep.gov.uk and tenders shall be invited from short-listed contractors using an Invitation to Tender (ITT).
- 3.6 **Open procedure:** is where anyone can submit a tender. This would normally be used where there are a relatively small number of potential contractors who can provide the subject matter of the contract. The open procedure requires public notice/advertising and an invitation to tender to be sent to all parties who have expressed an interest. The open procedure does not allow for any prior 'screening' of contractors to determine their suitability or to control the number of tenders submitted for evaluation.
- 3.7 **Restricted procedure:** is where a number of tenderers are selected from those who express an interest in response to a notice/advert. It is similar to the open procedure, except that:
- (a) The public notice/advert states a restricted tendering procedure will be used;
 - (b) The public notice/advert specifies the information to be provided by interested parties for the short listing process, either by specifying the information required in the public notice/advert or by their completion and return of a pre-qualification questionnaire (PQQ). This should include up to date evidence of technical competence and financial standing.
 - (c) Independent third party supplier assessments and monitoring services (such as Constructionline, Exor etc.) may be used to assist in the pre-qualification process. Applicants should be informed of the outcome of the PQQ.
 - (d) At the end of the period specified in the public notice/advert an invitation to tender (ITT) shall be issued to no less than four tenderers selected by means of predetermined, objective selection criteria. The invitation to tender should specify a period of not less than 4 weeks for the return of tenders and can be extended to reflect the complexity of the tender document.

- 3.8 **Negotiated and Competitive Dialogue procedure:** Procedures permitting pre and post tender negotiation are available but due to their complexity should normally only be used for contracts over £50,000 or EU threshold contracts, and must only be used with the prior agreement of the Head of Finance or Chief Executive and subject to Legal advice.
- 3.9 **Tendering under EU directives :** Where the estimated value of the contract is in excess of the relevant EU threshold, the procedures set out in the EU Public Procurement Directives as well as CSO's must be followed. In most cases, the open or restricted procedure will be used, but in certain specialist cases the negotiated or competitive dialogue procedure may be used.
- 3.10 Advice on which procedure is appropriate to the specific procurement must be sought from the Head of Finance, as well as the tender evaluation procedure for awarding the contract and establishing the financial standing of the contractor.
- 3.11 **Advertising requirements:** The requirement for advertising opportunities is summarised in the table below:

<u>Total Contract Value</u>	<u>Hampshire Portal/ South East Business Portal (SEBP)</u>	<u>Publication / Trade Journal</u>	<u>OJEU*</u>
Below EU threshold	Mandatory	Optional	Optional
Above EU Threshold	Mandatory	Optional	Mandatory

- 3.12 Public advertisements should include
- Details of the work the council wishes undertaken
 - The person and address to whom applications should be sent including contact telephone number, email address to whom applicants can raise queries
 - Last date and time for receipt of applications (PQQ's or tenders)
 - The information to be provided by the applicants
- For all matters relating to procurement where anticipated spend exceeds OJEU thresholds, seek further guidance from Legal.
- 3.13 **Contractor quality:** For all contracts, a contractor must be selected who:
- (a) can confirm a business contact address and telephone number;
 - (b) has an acceptable level of relevant insurance e.g. Public Liability ;
 - (c) can demonstrate a level of expertise and experience appropriate to the services, goods or works required; and
 - (d) is registered for tax and holds a valid certificate (where appropriate).

- 3.14 **Additionally, for contracts with an estimated value in excess of £50,000 a contractor must be selected who also:**

- a) can evidence sufficient financial stability; and
- b) where requested, is able to provide two independent referees from whom a reference may be sought for contracts completed within the last three years

3.15 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, as a result of an existing in-house service being contracted-out or an existing outsourced service being re-let, the Head of Service shall inform Human Resources in order that, where applicable, the requirements of the Transfer of Undertaking (Protection of Employment) Regulations 2006 (and any amendments thereof) can be considered and managed correctly.

3.16 Bonds

A bond may be required in the following circumstances:

- The value of the contract is over £500,000 or,
- The service is critical to the operation of the Council

Guidance on the requirement to levy a bond, and the value of that bond, should be sought from the Head of Finance on a case by case basis. If a bond is to be levied, Legal advice should be sought on the provisions of that bond, for its release.

3.17 Parent Company Guarantee may be sought for any contractor if it is not possible to carry out a financial appraisal for the company tendering for the contract because accounts are only available from the parent company. The purpose of a parent company guarantee is to secure continuity of the contract and/or indemnify the Council against any losses.

3.18 Where the performance of the contract will rely upon the performance of sub-contractors or suppliers who will not be in a direct contractual relationship with the Council, Heads of Service should consider whether those sub-contractors or suppliers should be required to offer a warranty as to their performance directly with the Council.

Stage 3 Evaluation and acceptance of tenders and confirmation of contracts

4.1 Receipt and opening of Tenders

4.1.1 Paper Tenders: Every invitation to tender that is to be returned by post should state

- that no tender will be considered unless it is enclosed in a plain, sealed packet addressed to the Hart District Council and endorsed with the words “Tender for.....” followed by the subject to which it relates and the latest time and day for the receipt of the tender
- the packet should bear no mark that identifies the tenderer; and
- faxed or e-mailed tenders will not be considered.

Requests for extensions of the tender return date/time will not be considered, unless exceptional circumstances prevail. Seek advice from the Head of Finance.

- 4.1.2 Committee Services will arrange for tender packets to be date & time stamped upon receipt and will keep the tender packets locked away until the time specified for their opening. Two appropriate officers (and a member of Committee Services staff) must open all tenders at the same time in the presence of a Member of the Scrutiny Committee. The opened tenders must be recorded against a list of tenders invited in the central tender receipt book and the prices recorded. The receipt book must be signed by the Officer that collects the tenders.
- 4.1.3 Tenders received after the latest time and date may, in exceptional circumstances, and at the discretion of the Head of Finance, be considered provided that the other tenders have not been opened
- 4.2 **Electronic Tenders (E-Tendering):** If an approved e-tendering system is used to conduct the tender process, the tenderer will be invited to send their electronic tender documents to an identified email address which will be used as a 'locked box', with the email account only being opened in the presence of two appropriate officers and a Member of the Scrutiny Committee. The opened tenders must be recorded. A note should be made that the submissions were via an electronic system and a note of the e-tendering system, tender reference number and prices recorded.
- 4.3 **Evaluation of Quotations and Tenders**
- 4.3.1 All quotations and tenders shall be checked for arithmetical errors, errors/omissions or discrepancies and any failures to comply with the instructions for submissions of quotations or tenders.
- (a) Where an error or omission is identified, the Head of Service concerned shall provide the tenderer with written details of the errors/omissions and afford them the opportunity to confirm their offer or amend it to correct genuine errors/omissions. All amendments or confirmation of tender must be confirmed in writing by the tenderer.
- In these circumstances, the tender can continue to be considered unless the error casts doubt on his ability to perform the contract, for that price.
- 4.4 Tenders will be disregarded (and the decision recorded) if
- They do not fulfil a mandatory or pass/fail requirement.
 - The tender contains qualifications that conflict with the tender invitation instructions.
- 4.5 Tenders must be evaluated in line with the award criteria as set out in 2.7.
- 4.6 **Tender clarifications:** Irrespective whether a tender contains any errors/omissions, the Head of Service concerned may also conduct post-tender

clarifications with tenderers in writing upon the non-financial details of a formal tender following its opening.

4.7 Re-tendering - Where a better method for the provision of the tendered requirement becomes known, perhaps because a contractor submits additional information or proposals with his tender, the Head of Service concerned, bearing in mind any delay and associated cost, should consider the option of rejecting all of the tenders received and inviting further tenders based on the revised method.

4.8 In the event that all of the quotations or tenders received are not acceptable (on financial or other grounds), the Head of Service concerned shall review the scope and content of the project and if necessary either;

- (a) invite new quotations or tenders based on revised project content, either by the entire original list of contractors or, if deemed appropriate, re-advertising the project.
- (b) invite all of the original list of contractors to submit revised quotations or tenders based on amended contract details; or
- (c) subject to advice from Legal, invite not less than two of the original contractors to submit revised quotations or tenders based on amended contract details – contractors who submitted an uncompetitive or non-compliant bid in response to the original invitation may be excluded in appropriate cases.

4.9 Acceptance of Quotations and Tenders

4.9.1. 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 to do so under the scheme of delegation in the constitution.

4.9.2 Contracts procured under the EU procurement directives have a special award procedure which must be adhered to. Guidance on this can be obtained from Legal Services.

4.9.3 Once a contract has been awarded Finance Services must be notified by e-mail of the following so that the Corporate Contract Register can be updated:

- (a) Contract Title
- (b) Supplier Name
- (c) Contract term including details of any provisions for extension
- (d) Contract Start Date
- (e) Total contract value
- (f) Name of Contract Manager within the contracting company and the client manager within the Council

4.9.4 If an existing framework agreement is utilised Finance Services must be notified of the following so that a record can be held:

- (a) Framework title and Reference Number (if applicable)
- (b) Lead buying organisation's name

- (c) Supplier Name
- (d) Details of services / supplies purchased
- (e) Value of services / supplies purchased

4.9.5 Following completion of the tender award process, all tenderers must be notified in writing of the results. This should include:

- (a) Where based on price alone, unsuccessful tenderers should be informed of the winning price; or
- (b) Where based on the “most economically advantageous” offer, tenderers should be given sufficient information to explain how the Council applied its selection and award criteria to select the list of candidates to be invited to tender and how the final award decision was made.

Further guidance should be sought from Legal where the OJEU process is being used.

4.10 **Contents of orders and contracts:**

4.10.1 **Purchase Orders:** Purchase Orders should be raised for all types of procurement above £150 unless a formal contract is used. For the purchase of services, goods or works estimated at a value of less than £50,000, a Purchase Order should be sufficient without the need for Conditions of Contract. Exceptions to this requirement may include regular payments to utilities, credit card payments or purchases carried out over the internet. Officers should seek guidance from the Head of Finance on the use of these exceptions.

4.10.2 **Contracts:** For contracts with an estimated value over £50,000 and/or for any contract of an unusual or complex nature Legal Services should be consulted to produce suitable conditions of contract, and the full tender document submitted by the contractor shall be provided to Legal.

4.11 All purchase orders and contracts should state clearly and carefully

- the purpose of the contract, specifying the services, goods or works to be supplied;
- the agreed programme for delivery, including certain duration of the contract, and that the contractor may not assign the contract to a third party;
- the price and terms for payment together with all other terms and conditions that are agreed such as deductions, discounts, penalties plus the method and consequences of determination of the contract;
- The requirement for employers, public liability, product liability or any other form of insurance, and the level of insurance required.
- every contract must be made in writing¹, under English Law and, unless under seal, must be signed by a person authorised to do so under the scheme of delegation; and

¹ This includes via email and e-procurement systems

- every contract should also include certain clauses to protect the Council's legal position, e.g., prevention from fraud, compliance with statutory obligations, and to ensure that contractors are fully aware of the Council's responsibilities when acting on its behalf. Failure to comply with these or commission of an offence under the Local Government Act 1972 or Bribery Act 2010 will lead to the contract being terminated immediately and the contractor will be liable for consequential damages.
- 4.12 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/Business Unit Manager concerned or Legal (if so instructed by the relevant Head of Service/Business Unit Manager) may send a letter of intent or similar.
- 4.13 A tender that cannot be contained within approved budgets (capital or revenue) shall not be accepted until the Head of Finance/Chief Executive/Corporate Director and /or Cabinet has considered a report from the relevant Head of Service and the required additional funds have been properly authorised.
- 4.14 **Managing contracts**
- 4.15 For each medium-value contract, i.e. over £50,000, the Head of Service must designate an appropriate lead officer as primary contact and Contract Manager.
- 4.16 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.
- 4.17 **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.
- 4.18 **Surplus Goods** - Online auction and informal routes for disposal are appropriate where the anticipated value of the goods does not exceed £2,500.
- 4.19 **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.

Appendix A Land disposals

Introduction

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)”
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.

Definition

3. Land means any freehold disposal, by sale or exchange, of Council owned land or buildings and any disposal by the granting of a lease.
4. This excludes:
 - (a) the granting of licences, easements, rights of way, wayleaves,
 - (b) tenancies-at-will, periodic hiring arrangements,
 - (c) the renewal of leases under the Landlord and Tenant Act 1954,
5. 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.

How will the disposal be valued?

6. This will be arranged by the Head of Technical Services in consultation with Capita Symonds (who are retained for this purpose), and/or a specialist Valuer in accordance with the Royal Institute of Chartered Surveyors guidelines.
7. 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.

What methods of disposal will be utilised?

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

Disposals by Formal Tender

9. With a formal tender, potential purchasers have to make binding offers in a specified form, by a specified date and within a specified deposit.

10. 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.
11. 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.

Disposal by Informal Tender – with post tender negotiations

12. With such an informal tender, non-binding offers are secured by a specified date and a preferred bidder is selected with whom to negotiate actual terms which may include the nature of development proposals. This method also allows for the use of conditional contracts, including clauses linked to planning permission.
13. 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.
14. 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.

Disposal by Informal Tender – without post tender negotiations

15. 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 less complex transactions.
16. 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.

Disposal by Public Auction

17. Sale by public auction may be appropriate in certain cases to achieve best consideration and where speed and certainty is required.
18. 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.
19. The contract for sale or auction has to 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.

Disposal by Private Treaty – through Open Marketing

20. 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.
21. 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.

Disposal by Private Treaty – off Market

22. 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:

- (a) the land is small in size/value
 - (b) the purchaser is an adjoining or closely located landowner, and the only potential or likely purchaser
 - (c) the nature of the Council's land ownership is such that the land must be sold to adjoining or surrounding land owners if best consideration is to be obtained
 - (d) 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
 - (e) where Council objectives would be best met by undertaking private treaty negotiations with a single party who would bring social environmental or economic benefit
 - (f) where the proposed transaction involves a party who already had a property interest in the land in question
23. 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.

Negotiations with Prospective Developers/Purchasers/Tenants

24. Generally these will take place either at the Council's offices, on site, at an agents 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. 217 of 281
25. Prior to completion of legal documentation all proposed transaction details and negotiation details will remain confidential.

Dealing with late bids

26. 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.
27. 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).
28. The Council’s approach to late bids is as follows:
 - (a) Where land is disposed of by way of formal tender, bids received after the deadline for tenders, will not be considered.
 - (b) Late bids cannot be considered where land is being disposed of by public auction after a successful bid has been accepted.
 - (c) Except as provided in 28 (a) & (b) above, until the Council has entered a legally binding contract or 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.
29. 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 (eg previous bidders) to submit their last and final bids in a sealed envelope by a set deadline.
30. 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

Public Open Space

31. 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.

The Crichel Down Rules

32. 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.

Works in Lieu of Payment

33. 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.
34. 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.

Disposals for Less than Best Consideration

35. 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.
36. 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:
 - (a) 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.
 - (b) 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.
37. 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.
38. All disposals covered by the definition of less than best consideration must be referred to Cabinet for approval.
39. The General Consent does not override restrictions on state aid arising under European Legislation.

Appendix B Definitions

Term	Definition
Approved/Select list	A list of Contractors, who have been approved by the Full Council, or any properly authorised Committee of the Council, or an officer acting under delegated powers, to supply generic types of goods or services within a specified Contract Limit applicable to these goods and services from which limited lists of tenders can be drawn.

Best Value	Getting the best combination of value, quality and cost.
Bond	Any security for the due performance of a Contract
Commission of the European Union	Shall include any previous supranational organ whose powers have been subsumed into that of the Commission of the European Union.
Consortium	A venture in which a number of parties including the Council join together to jointly purchase or supply goods and services.
Contract	Any voluntary but legally binding agreement entered into by the Council and any other party. This shall therefore but not be limited to Contracts recognised by common law
Contract Sum	The amount of expenditure or income specified in the Contract or Order
Contract Value	The estimated total value of an individual Contract or series of connected Contracts (either income generative or incurring expenditure or both).
Corporate Director	The Corporate Director responsible for the Contract, this responsibility may be devolved in accordance with the Scheme of Delegation.
EU Threshold	The European Union threshold values for advertisement under the EU Procurement Rules. The current values of these are shown in the CSO's . It shall be the responsibility of the s151 officer to update these as required.
Head of Service/ Manager	The Head or Service of Manager with responsibility for the Contract, or an officer with authority, under the Scheme of Delegation to act on behalf of that Head of Service in relation to the Contract.
Land Acquisition	Any acquisition of a legal or equitable interest in land or fixtures attached to land
Land Disposal	Any disposal of a legal interest in land or fixtures by way of freehold, or lease for a term in excess of seven years
Most Economically Advantageous Offer	A tender which provides Best Value for the Council having regard to both cost and any other evaluation criteria determined by to be relevant to the Contract
Negotiated procedure	A procedure whereby the Council negotiates with one or more potential providers of goods or services.
Order	A written, priced and signed document authorised and signed in accordance with these Rules whereby the Council enters into a Contract with an outside party for the provision of specified goods or services.
Open Tender	A procedure whereby all potential, qualifying contractors responding to advertisement are invited to tender for the contract
Preferred Bidder	A contractor who having submitted a tender for a contract has been selected by the Council for final negotiation of a contract
Select list	A limited list of tenders for a contract selected following advertisement, expression of interest, application and evaluation
Tender	A sealed bid submitted by a Contractor by a specified date and time in accordance with the contract terms

COUNCIL

Date and Time: Thursday, 25 April 2013 at 7.00 pm

Place: Council Chamber, Civic Offices, Fleet

Present:

COUNCILLORS –

Axam - (Chairman)

Ambler	Collett (7.05 pm)	Lewis
Appleton	Crampton	Lit
Bailey	Crookes	Morris
Barrell	Evans	Neighbour
Bennison	Gani	Oliver
Billings	Glen	Parker
Blewett	Gorys	Radley JR (7.05 pm)
Burchfield	Harward (7.13 pm)	Simmons (7.25 pm)
Butler G	Ive	Southern
Clarke	Kennett	Wheale (7.45 pm)
Cockarill	Kinnell	

Officers Present:

Geoff Bonner	Chief Executive
Patricia Hughes	Corporate Director
Tony Higgins	Head of Finance
Gill Chapman	Business Support - Committee Services

PRAYERS

The Chairman led a short prayer.

I 14 MINUTES OF PREVIOUS MEETING

It was noted that Councillor Oliver's presence at the previous meeting had been omitted. With this amendment the Minutes of the Meeting held on 28 March 2013 were confirmed and signed as a correct record.

I 15 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Murphy, Ive, Radley JE

I 16 DECLARATIONS OF INTEREST

No declarations were made.

117 PRESENTATION: BASINGSTOKE CANAL AUTHORITY

Fiona Shipp and Phil Allen presented information on the work of the Basingstoke Canal Authority. The Canal had been reopened in 1991 after restoration, with further work over the last 20 years to open it up for navigation and recreation.

The Authority is the managing agent of the Canal, which is owned by Hampshire and Surrey County Councils, with funding coming from local councils for maintenance.

Conservation and recreation and travel are the highest priorities. Duties include water management, inspections, conservation and volunteer management, and licensing and fees. Many works were being done in the Hart area to improve the waterway.

Discussion centred around how to increase revenue, conservation issues, moorings, the balance between conservation and recreation, the Greywell tunnel and bats and the current problem in Dogmersfield regarding the landslip.

Members thanked Fiona and Phil for their very informative presentation, reiterating that the canal is a very important part of the Hart district.

118 COUNCIL PROCEDURE RULE 12 – QUESTIONS BY THE PUBLIC

No questions received.

119 COUNCIL PROCEDURE RULE 14 – QUESTIONS BY MEMBERS

Questions put by Councillors are detailed in Appendix A attached to these Minutes.

120 CHAIRMAN'S ANNOUNCEMENTS

The Chairman had attended the following events on behalf of the Council:

- 12 April Hart District Council - Fleet Rock Choir at the Harlington Centre
- 15 April Hart District Council – Charity Dinner at WE in Fleet
- 17 April Eastleigh Civic Day, Eastleigh
- 17 April Chairman of HCC Reception - Queens Award for Voluntary Service 2013 nominees at Winchester
- 18 April Surrey and Borders Partnership NHS Staff Achievement and Recognition Awards – Epsom Downs Racecourse
- 19 April Mayor of Fareham Charity Ball, Fareham
- 21 April The Hampshire HOG – North Hants Golf Club lunch

The Vice-Chairman had attended:

- 13 April Hook Choral Society Concert, St Bede's Church Basingstoke
- 15 April Hart District Council – Charity Dinner at WE in Fleet

The Chairman thanked members for their attendance at his fundraising events in April, adding that the profit for his charities was running close to £4000 for these two events.

The Chairman also reported that, at the event on 17 April regarding the Queens Awards, he had noted that the Friends of Oakley Park were in a prime position to receive an award.

121 CABINET MEMBERS' ANNOUNCEMENTS

The Leader of the Council, **Councillor Crookes**, had no announcements.

The Cabinet Member for Planning, **Councillor Parker**, reported:

I am happy to give members an update on progress of the Local Plan: Core Strategy.

An Inspector has been appointed; it is Mr Kevin Ward. He has been supplied with all remaining elements of the evidence base which the council planned to supply. The Inspector has asked for some items of clarification which officers are assembling. No date has yet been set for the Examination in Public.

The Cabinet Member for Housing & Health, **Councillor Crampton**, announced:

Sentinel Housing are holding a home SWAP SHOP. Those who wish to downsize can meet those who need more space. There is to be a SWAP SHOP event in Fleet at their offices at 11 Church Road on Thursday 2nd May 3-7pm. To find out more call 0800 195 5515 from a landline or 0300 666 5515 from a mobile.

Switch Hampshire are launching a Collective Switching Scheme backed by all Hampshire Local Authorities to try to help residents save money on their energy bills. The scheme uses collective bargaining power to negotiate lower tariffs with energy companies.

From 3rd May residents will be able to register for the Switch Hampshire scheme at www.hants.gov.uk/switch. Registration takes about 10 minutes and only requires residents to have a copy of their most recent energy bill, it is free with no obligation to switch. Registration will close on 4th June. Residents will be sent an e-mail or letter a few weeks later with information on how much they will save if they switch. They are under no obligation to switch and ask so have a 7 day cooling off period if they do decide to switch. Although they do not guarantee a saving they aim to make savings for as many people as possible. The more people who register, the greater the collective bargaining power will be and the lower the offered tariffs. The scheme covers residents who use gas or electricity or both and also those who use pre payment meters. While they encourage the use of the on line registration they can register over the phone on 01962 846828 lines are open 9am-5pm Monday to Friday.

The Cabinet Member for Leisure & Recreation, **Councillor Kinnell**, had no announcements.

The Cabinet Member for Environment, **Councillor Glen**, announced two new additions to the Project Integra team: Tara Fitzgerald had joined as Admin Officer, and Chris Noble will join on 29 April as Director.

The Cabinet Member for Community Safety, **Councillor Kennett**, announced:

I am pleased to be able to inform members that the new joint Hart / Rushmoor CCTV control room went live two day ago on Tuesday of this week, which for the record was 23rd April . Since then, the images from all of Hart's CCTV cameras are being monitored through the new combined control room which is located in the Rushmoor Council offices. Just along the corridor is a small Police office so that it is easy for officers to come and view events and liaise with their colleagues in the main police station and out on patrol.

As previously reported, the project has been completed comfortably under budget and I know you would like to join with me in thanking John Elson for all the work he has put into it. Now that the new control room is up and running successfully, the next stage will be to consider how best to upgrade our camera network.

There are many advantages and economies in the new arrangements, including better monitoring during the day as well as at night, stopping the big bills for air conditioning our own roomful of old and heat emitting equipment and also savings in capital costs and staffing costs. There will be no redundancies and Hart staff will TUPE over to Rushmoor on 1st May.

All in all, I commend this project to members as another example of how combining resources with a neighbouring authority can deliver service improvements. So that members can see this for themselves, a viewing tour or tours will be organised in the near future.

The Cabinet Member for Corporate Services, **Councillor Burchfield**, had no announcements.

The Cabinet Member for Fleet Town Centre, **Councillor Evans**, announced Fleet Town Council had held the annual Fleet residents meeting at the Harlington on Monday. The meeting was well attended and included a presentation from Fleet Future, who gave an update on their progress. Their presentation included the results of a survey from Action for Market Towns, which looked at how Fleet compares to other small towns. We are expecting our own Retail Study to have been completed by early May and will be able to use both sets of data to get a picture of how Fleet high street compares to other towns and what improvements or initiatives would be more likely to make a difference.

Fleet Future are going to draw on this information to formulate a vision, which would reflect the sort of town residents want Fleet to be in terms of high street retailers, the night-time economy, parking, leisure and transport amongst other things. This vision won't be a prescriptive plan, rather a framework within which any organisation, including the County, District and Town councils, can evaluate any proposals that come forward, such as planning applications, transport initiatives or changes of use for units in the high street. This would help ensure everyone is working towards the same goal and we have an integrated approach to improving our town.

122 CHIEF EXECUTIVE'S REPORT

The Chief Executive reported that the Head of Housing post was now being advertised and that the Corporate Communications Officer, Amy McCarton, had joined the staff.

123 MINUTES OF COMMITTEES

Meeting	Date
Overview and Scrutiny Councillor Appleton asked that the reason for an item being deferred be included in the Minutes.	19 March
Audit No questions asked.	26 March
Cabinet	4 April
Minute No, 149 – Consultation on Possible Changes to the District Council's Electoral Cycle	

RECOMMENDATION

- 1 That Council resolve to consult on "whole Council" elections in the September 2013 Hart News.
- 2 That the consultation consists of a table in Hart News setting out the advantages and disadvantages similar in form to this paper and a means to collect responses from the electorate.

Councillor Crookes introduced the item, stressing that the recommendation was to agree to public consultation in Hart News in September, with a view to returning to Cabinet with further recommendations in November/December. Councillor Parker seconded the resolution.

Councillor Clarke, seconded by Councillor Neighbour, moved an amendment. He explained that in his view the election cycle issue was a political one and leaving an explanation of the issues to officers was not sufficient. He proposed as an amendment:

"That the article in Hart News be accompanied by the opinion of two members, one from each side of the debate, and that these two members be given the same maximum number of words (suggested 500) to express their personal reasoning as to what residents might like to consider about the consequences of the question that they are being asked."

Councillor Crookes did not accept this amendment. After lengthy debate the amendment was put to the vote .

With 17 members for and 15 members against the amendment was CARRIED.

The amended resolution was then put to the vote and AGREED.

RESOLVED

- 1 That Council resolve to consult on “whole Council” elections in the September 2013 Hart News.
- 2 That the consultation consists of a table in Hart News setting out the advantages and disadvantages similar in form to this paper and a means to collect responses from the electorate.
- 3 That the article in Hart News be accompanied by the opinion of two members, one from each side of the debate, and that these two members be given the same maximum number of words (suggested 500) to express their personal reasoning as to what residents might like to consider about the consequences of the question that they are being asked.

Planning Committee

13 March

Planning Application No 12/02427/MAJOR, St Marys Park, Dilly Lane, Hartley Wintney, Hook – Application for residential development comprising 158 dwellings.

Departure to Local Plan

Since no request to debate had been received this Departure to the Local Plan was deemed to be ACCEPTED.

No questions asked.

124 REVIEW OF CONSTITUTION – FINANCIAL REGULATIONS AND CONTRACT STANDING ORDERS

Council was asked to approve the revised Financial Regulations (FR's) and Contract Standing Orders (CSO's).

In answer to a question, the Head of Finance confirmed that there had been no material changes to the Financial Regulations but that the exercise had been one of clarifying and reformatting the documents in order to be more 'user friendly'. The Corporate Director confirmed that this had also been the case with the Contract Standing Orders, with the additional mention of Purchase Orders, which had not been included earlier.

Councillor Collett suggested an amendment to Page 13, FR53. to clarify that debts over £5000 would also be reported back to Cabinet. The Head of Finance agreed the clarification, and with this amendment the resolution was agreed.

RESOLVED

That the revised Financial Regulations and Contract Standing Orders be approved and adopted.

I25 OUTSIDE BODIES – FEEDBACK FROM MEMBERS

No reports or questions.

The meeting closed at 8.45 pm

COUNCIL PROCEDURE RULE 14

QUESTIONS BY MEMBERS

Councillor Appleton asked:

Is the Council's recording, storage and monitoring of s106 agreements, leases and other legal documentation of a satisfactory standard?

Councillor Parker responded:

I believe that the processes are pretty robust, but I am not complacent and will be happy to hear any suggestions for improvement.

Following the review of S106 recording particularly with regard to monitoring of contributions received and any clawback terms which included an audit of old NEHTS transport contributions under the term of office of the questioner, the process has been tightened over the past months to improve monitoring. In simple terms, S106 planning agreements that we sign and are party to are recorded on the Uniform system, the original copies of S106 agreement are stored in the Deed Room, and copies of S106 agreements are downloaded onto the web site. The commencement of development is monitored through monthly monitoring of building control starts which triggers pursuit of any outstanding obligations by the Planning Enforcement team.

The receipt of any contributions received is recorded both on Uniform and the Council's corporate finance system which is then internally monitored monthly by Officers and Capital Board. Update Reports identifying funds held for parish councils are given to the quarterly Hart Association of Town and Parish Council meetings and this includes information on commitments identified in any S106 funds collected including claw backs.

Other legal documents such as leases and title deeds are stored as originals in the deed room, and copies are held by Shared Legal for such administration as may be necessary. Documents of title to land interests are also registered at the Land Registry.

Councillor Appleton asked a supplementary question:

Thank you and I hope that you can provide illumination regarding two recent local issues that have concerned me. Firstly FTC have faced problems with repairs to the Ancells Farm community centre car park as HDC could not provide all of the legal documentation.

Secondly, provision of a much needed childrens' play area on Lea Green has been held up as the transfer of the land to Crookham Village Parish Council has not yet happened as HDC cannot find the required legal documentation.

Is it acceptable for a childrens' play area to be stopped by failings in HDC's legal services, and if not what are you going to do about it?

Councillor Parker responded:

The trouble with this sort of bland question followed by a detailed supplementary is that you are guaranteed not to get the answer on the evening.

However, I can answer the issue regarding the Ancells car park matter. I am not surprised that officers have not been able to locate documents as Hart does not have and has never had ownership of this car park; on being constructed it was in the ownership of the then supermarket operators and has been in private ownership ever since. All Hart interests were passed to Blackwater & Hawley Town Council in (from memory) 1994 or thereabouts and then passed on to Fleet Town Council three years ago.

As for the playground issue, if Cllr. Appleton lets me have the details I will get it investigated. If he had done so a week ago, we could have the answer by now.