

Governance Committee

Monday, 15th February,
2021
at 5.00 pm

PLEASE NOTE TIME OF MEETING

Virtual Meeting

This meeting is open to the public

Members of the Committee

Councillor Keogh (Chair)
Councillor Kataria (Vice-Chair)
Councillor G Galton
Councillor Harwood
Councillor Professor Margetts
Councillor White
Councillor Windle

Contacts

Service Director – Legal and Business Operations
Richard Ivory
Tel. 023 8083 2794
Email: richard.ivory@southampton.gov.uk

Democratic Support Officer
Emily Goodwin/Pat Wood
Tel. 023 8083 2302
Email: Emily.goodwin@southampton.gov.uk
Email: pat.wood@southampton.gov.uk

PUBLIC INFORMATION

Role of the Governance Committee

Information regarding the role of the Committee's is contained in Part 2 (Articles) of the Council's Constitution.

[02 Part 2 - Articles](#)

It includes at least one Councillor from each of the political groups represented on the Council, and at least one independent person, without voting rights, who is not a Councillor or an Officer of the Council.

Access – Access is available for disabled people. Please contact the Democratic Support Officer who will help to make any necessary arrangements.

Public Representations At the discretion of the Chair, members of the public may address the meeting on any report included on the agenda in which they have a relevant interest. Any member of the public wishing to address the meeting should advise the Democratic Support Officer (DSO) whose contact details are on the front sheet of the agenda

Southampton: Corporate Plan 2020-2025 sets out the four key outcomes:

- Communities, culture & homes - Celebrating the diversity of cultures within Southampton; enhancing our cultural and historical offer and using these to help transform our communities.
- Green City - Providing a sustainable, clean, healthy and safe environment for everyone. Nurturing green spaces and embracing our waterfront.
- Place shaping - Delivering a city for future generations. Using data, insight and vision to meet the current and future needs of the city.
- Wellbeing - Start well, live well, age well, die well; working with other partners and other services to make sure that customers get the right help at the right time

Smoking policy – The Council operates a no-smoking policy in all civic buildings.

Mobile Telephones:- Please switch your mobile telephones to silent whilst in the meeting

Use of Social Media:- The Council supports the video or audio recording of meetings open to the public, for either live or subsequent broadcast. However, if, in the Chair's opinion, a person filming or recording a meeting or taking photographs is interrupting proceedings or causing a disturbance, under the Council's Standing Orders the person can be ordered to stop their activity, or to leave the meeting. By entering the meeting room you are consenting to being recorded and to the use of those images and recordings for broadcasting and or/training purposes. The meeting may be recorded by the press or members of the public.

Any person or organisation filming, recording or broadcasting any meeting of the Council is responsible for any claims or other liability resulting from them doing so.

Details of the Council's Guidance on the recording of meetings is available on the Council's website.

Dates of Meetings: Municipal Year 2019/20

2020	2021
15 June	15 February
27 July	19 April
28 September	
16 November	
14 December	

CONDUCT OF MEETING

Terms of Reference

The terms of reference of the Governance Committee are contained in Part 3 of the Council's Constitution.

[03 - Part 3 - Responsibility for Functions](#)

Rules of Procedure

The meeting is governed by the Council Procedure Rules as set out in Part 4 of the Constitution.

Business to be discussed

Only those items listed on the attached agenda may be considered at this meeting.

Quorum

The minimum number of appointed Members required to be in attendance to hold the meeting is 3.

DISCLOSURE OF INTERESTS

Members are required to disclose, in accordance with the Members' Code of Conduct, **both** the existence **and** nature of any "Disclosable Pecuniary Interest" or "Other Interest" they may have in relation to matters for consideration on this Agenda.

DISCLOSABLE PECUNIARY INTERESTS

A Member must regard himself or herself as having a Disclosable Pecuniary Interest in any matter that they or their spouse, partner, a person they are living with as husband or wife, or a person with whom they are living as if they were a civil partner in relation to:

- (i) Any employment, office, trade, profession or vocation carried on for profit or gain.
- (ii) Sponsorship:

Any payment or provision of any other financial benefit (other than from Southampton City Council) made or provided within the relevant period in respect of any expense incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

(iii) Any contract which is made between you / your spouse etc (or a body in which the you / your spouse etc has a beneficial interest) and Southampton City Council under which goods or services are to be provided or works are to be executed, and which has not been fully discharged.

(iv) Any beneficial interest in land which is within the area of Southampton.

(v) Any license (held alone or jointly with others) to occupy land in the area of Southampton for a month or longer.

(vi) Any tenancy where (to your knowledge) the landlord is Southampton City Council and the tenant is a body in which you / your spouse etc has a beneficial interests.

(vii) Any beneficial interest in securities of a body where that body (to your knowledge) has a place of business or land in the area of Southampton, and either:

- a) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body, or
- b) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you / your spouse etc has a beneficial interest that exceeds one hundredth of the total issued share capital of that class.

Other Interests

A Member must regard himself or herself as having an, 'Other Interest' in any membership of, or occupation of a position of general control or management in:

Any body to which they have been appointed or nominated by Southampton City Council

Any public authority or body exercising functions of a public nature

Any body directed to charitable purposes

Any body whose principal purpose includes the influence of public opinion or policy

Principles of Decision Making

All decisions of the Council will be made in accordance with the following principles:-

- proportionality (i.e. the action must be proportionate to the desired outcome);
- due consultation and the taking of professional advice from officers;
- respect for human rights;
- a presumption in favour of openness, accountability and transparency;
- setting out what options have been considered;
- setting out reasons for the decision; and
- clarity of aims and desired outcomes.

In exercising discretion, the decision maker must:

- understand the law that regulates the decision making power and gives effect to it. The decision-maker must direct itself properly in law;
- take into account all relevant matters (those matters which the law requires the authority as a matter of legal obligation to take into account);
- leave out of account irrelevant considerations;
- act for a proper purpose, exercising its powers for the public good;
- not reach a decision which no authority acting reasonably could reach, (also known as the "rationality" or "taking leave of your senses" principle);
- comply with the rule that local government finance is to be conducted on an annual basis. Save to the extent authorised by Parliament, 'live now, pay later' and forward funding are unlawful; and
- act with procedural propriety in accordance with the rules of fairness.

AGENDA

1 **APOLOGIES**

To receive any apologies.

2 **DISCLOSURE OF PERSONAL AND PECUNIARY INTERESTS**

In accordance with the Localism Act 2011, and the Council's Code of Conduct, Members to disclose any personal or pecuniary interests in any matter included on the agenda for this meeting.

NOTE: Members are reminded that, where applicable, they must complete the appropriate form recording details of any such interests and hand it to the Democratic Support Officer.

3 **STATEMENT FROM THE CHAIR**

4 **MINUTES OF PREVIOUS MEETING (INCLUDING MATTERS ARISING)** (Pages 1 - 2)

To approve and sign as a correct record the Minutes of the meeting held on 14 December 2020 and to deal with any matters arising, attached.

5 **ANNUAL GOVERNANCE STATEMENT 2020-21** (Pages 3 - 8)

Report of the Chief Financial Officer seeking approval of the assurance gathering process to support development of the 2020-21 Annual Governance Statement

6 **TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL LIMITS 2021/22 TO 2024/25** (Pages 9 - 54)

Report of the Service Director Finance seeking approval of the Council's Treasury Management Strategy and Prudential Limits 2021/22 to 2024/25.

7 **PROJECT & PROGRAMMES 6 MONTHLY REPORT** (Pages 55 - 66)

Report of the Deputy Chief Executive outlining the latest governance position regarding projects and programmes outlined in the Corporate Plan 2020-25.

8 **EXTERNAL AUDIT ANNUAL AUDIT LETTER** (Pages 67 - 104)

Report of the External Auditor detailing the Annual Letter 2019/20.

9 AMENDMENT TO THE CONTRACT PROCEDURE RULES - FEB 21 (Pages 105 - 220)

Report of Service Director - Legal and Governance outlining proposed changes to the current Contract Procedure Rules and Officer Scheme of Delegation. The report is going to Governance Committee prior to approval by Full Council.

Friday, 5 February 2021

Service Director, Legal & Governance

GOVERNANCE COMMITTEE

MINUTES OF THE MEETING HELD ON 14 DECEMBER 2020

Present: Councillors Keogh (Chair), Kataria (Vice-Chair), G Galton, Professor Margetts, White and Windle

Apologies: Councillors Harwood

25. **APOLOGIES**

Apologies were received from Councillor Harwood.

26. **MINUTES OF PREVIOUS MEETING (INCLUDING MATTERS ARISING)**

RESOLVED: that the minutes for the Committee meeting on 16 November 2020 be approved and signed as a correct record.

27. **HUMAN RESOURCES QUARTERLY REPORT ABSENCE DATA**

The Committee received and noted the report of the Service Director, Human Resources and Organisational Development detailing staff employment data for September, October and November 2020.

The Committee noted that whilst the figures for general illnesses had decreased with the introduction of staff working from home, some members of staff had contracted Covid 19 and it was therefore difficult to compare overall sickness figures with the previous year. There was a need for a valid comparison of overall figures going forward, together with a better understanding of movement and trends, and it was agreed that the data should be expressed in different ways for future reports to aid this issue.

28. **ANNUAL REPORT ON INTERNAL AND LOCAL GOVERNMENT OMBUDSMAN COMPLAINTS 2019/2020**

The Committee received and noted the report of the Service Director, Legal and Governance detailing the Annual Report on Internal Complaints/Local Government Ombudsman Complaints 2019/20.

The Committee particularly noted that good communication with the public regarding complaints was crucial and that many steps had been taken in this direction including streamlining of leaflets, changes to the Council's website and the introduction of further robust policies.

29. **INTERNAL AUDIT PROGRESS REPORT 2020/21**

The Committee received and noted the report of the Chief Internal Auditor detailing the Internal Audit Progress report for the period 15 September to 30 November 2020.

The Committee noted that the audit plan was required to be more flexible this year due to the additional work created by the pandemic. The Committee further noted that there were no areas of "no assurance". The Internal Audit team was thanked for their work in such exceptional circumstances.

30. **TAX EVASION POLICY**

The Committee considered the report of the Chief Internal Auditor seeking approval of the tax evasion policy.

The Committee noted that relevant staff would go on a training programme in order to provide complete clarity of the policy.

RESOLVED: that approval be given to the Tax Evasion Policy.

31. **ANNUAL REVIEW OF HEALTH AND SOCIAL CARE CONTRACTS MANAGED BY THE ICU**

The Committee considered and noted the report of the Director of Quality and Integration detailing the annual review of health and social care contracts managed by the Integrated Commissioning Unit.

The Committee noted that whilst details of any contract could be sought from officers, in future it would be reassuring to receive more written detail in the report and suggested that two or three contract case studies, which demonstrated best value for money/good quality, be attached as appendices to future annual reports.

RESOLVED:

- (i) That the report's contents and work of the Integrated Commissioning Unit ensuring contracts with external agencies were properly managed, provide good quality and best value for money be noted;
- (ii) That the contract and procurement-related actions taken to date by the ICU in response to the Covid 19 emergency be noted; and
- (iii) That future annual reports include two or three contract case studies which demonstrated good quality and best value for money.

Agenda Item 5

DECISION-MAKER:	Governance Committee
SUBJECT:	Annual Governance Statement 2020-21
DATE OF DECISION:	15 th February 2021
REPORT OF:	COUNCILLOR BARNES-ANDREWS CABINET MEMBER FOR FINANCE & INCOME GENERATION

<u>CONTACT DETAILS</u>			
Executive Director	Title	Finance and Commercialism	
	Name:	John Harrison	Tel: 023 8083 4897
	E-mail	john.harrison@southampton.gov.uk	
Author:	Title	Risk and Insurance Manager	
	Name:	Peter Rogers	Tel: 023 8083 2835
	E-mail	peter.rogers@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
None	
BRIEF SUMMARY	
<p>In accordance with the Accounts and Audit Regulations the Council is required to conduct a review, at least once a year, of the effectiveness of its system of internal control and to prepare a statement on internal control in accordance with proper practices. The purpose of the Annual Governance Statement ('AGS'), which is published with the Statement of Accounts ('SoA'), is to provide an accurate representation of the corporate governance arrangements in place during the year and to identify or highlight those areas where there are significant gaps or where improvements are required</p>	
RECOMMENDATIONS:	
	(i) To note and approve the assurance gathering process to support the development of the 2020-21 AGS (Appendix 1).
REASONS FOR REPORT RECOMMENDATIONS	
1.	The Governance Committee has responsibility to provide independent assurance on the adequacy of the risk management framework and the internal control and reporting environment, including (but not limited to) the reliability of the financial reporting process and the annual governance statement.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	No alternative options have been considered - the development and publication of an AGS is a requirement under the Accounts and Audit Regulations
DETAIL (Including consultation carried out)	

3.	Regulation 6 (1) of the Accounts and Audit (England) Regulations 2015, as amended by the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, requires that the relevant body must conduct a review at least once a year of the effectiveness of its system of internal control and to prepare a statement on internal control in accordance with proper practices.
4.	The purpose of the AGS, which is published with the SoA, is to provide an accurate representation of the corporate governance arrangements in place during the year and to identify or highlight those areas where there are significant gaps or where improvements are required.
5.	The AGS is produced following a review of the Council's governance arrangements. The review requires the systems and processes that comprise the Council's corporate governance arrangements to be brought together and reviewed.
6.	The 'assurance gathering process' to support development of the 2020-21 AGS remains largely unchanged from the previous year. This reflects that it is aligned with good practice and that the council's external auditors, Ernst & Young, review the AGS for completeness of disclosures, consistency with other information from their work, and whether it complies with relevant guidance. They did not identify any areas of concern and this was reflected in their 'Annual Audit Results Report for the year ended 31 March 2020' that was presented to the Governance Committee at the November 2020 meeting.
7.	The key elements of the assurance gathering process comprise completion of the updated 'Assurance Framework' document together with 'Annual Governance - Self Assessment Statements'. Both the documents cover the key processes and systems that comprise the Council's governance arrangements and are intended to identify any areas where improvement or further development is required. In respect of the latter, input will be sought from both Executive Directors and their Heads of Service.
8.	<p>The Council has in place a 'Controls Assurance Management Group' (comprising the Section 151 Officer, Chair of the Governance Committee, Monitoring Officer, Executive Director Business Services and the Chief Internal Auditor) which is responsible for evaluating the assurances and supporting evidence provided, and for drafting the AGS. This reflects CIPFA/Solace guidance which confirms that authorities should nominate an individual or group of individuals within the authority who have appropriate knowledge and expertise and levels of seniority to:</p> <ul style="list-style-type: none"> ▪ Consider the extent to which the authority complies with the principles of good governance; ▪ Identify systems, processes and documentation that provide evidence of compliance; ▪ Identify the individuals and committees responsible for monitoring and reviewing the systems, processes and documentation identified; ▪ Identify issues that have not been addressed in the authority and consider how they should be addressed; and ▪ Identify the individuals who would be responsible for undertaking the actions that are required.
9.	The normal timeline for completing and approving the AGS is 31st July, however last year amended deadlines applied due to coronavirus and the 2019-20 AGS was not signed until end November 2020 which was when the

	Statement of Accounts were signed off by the external auditors. It is anticipated that a revised deadline of end of September 2021 will apply this year in respect of the Statement of Accounts and the AGS however, this is still to be confirmed. This is reflected in the alternative dates that appear in the relevant sections of Appendix 1.
10.	As per Appendix 1, the draft AGS is intended to be presented to the Governance Committee on two occasions for review and approval prior to being forwarded to the Chief Executive and Leader of the Council for signing.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
11.	None
<u>Property/Other</u>	
12.	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
13.	The Accounts and Audit (England) Regulations 2015, as amended by the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 require that the Council must each financial year conduct a review of the effectiveness of the system of internal control and prepare an AGS for approval by a committee or members of the authority. The AGS must be approved in advance of the relevant authority approving the statement of accounts.
<u>Other Legal Implications:</u>	
14.	None
RISK MANAGEMENT IMPLICATIONS	
15.	The assurance gathering process as detailed in the body of the report together with process and timelines document (Appendix 1) manage the risk in terms of compliance with the Accounts and Audit Regulations.
POLICY FRAMEWORK IMPLICATIONS	
16.	None

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	n/a
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	AGS 2020-21: Process and Timelines
Documents In Members' Rooms	
1.	N/A
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and	No

Safety Impact Assessment (ESIA) to be carried out.		
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
1.		

Agenda Item 5

Annual Governance Statement 2020/21 - Process and timeline Appendix 1

Action	Meeting / Target Date	Lead/Responsible body
Review of the council's Code of Corporate Governance against current CIPFA/SOLACE guidance.	1st Feb - 5th Feb 2021	Risk & Insurance Manager
Review the content of the 'AGS - Self Assessment Statement' document to ensure that it remains fit for purpose.	1st Feb - 12th Feb 2021	Risk & Insurance Manager
Report to Governance Committee to outline the assurance gathering process to support development of the 2020-21 AGS.	15th Feb 2021	Governance Committee
Issue 'AGS Self Assessment Statements' to Executive Directors for completion by Heads of Service	16th Feb 2021	Risk & Insurance Manager
Return of completed 'AGS Self Assessment Statements' and completion of Assurance Framework document.	5th March 2021	Risk & Insurance Manager / Executive Directors
Review /validation of self assessments by Internal Audit.	8th - 19th March 2021	Chief Internal Auditor
Draft AGS developed in consultation with Controls Assurance Management Group. NOTE: further ad hoc meetings may be required and will be arranged as necessary.	30th March 2021	Controls Assurance Management Group
Executive Management Board review the draft 2020-21 AGS.	14th April 2021	Executive Management Board
First draft '2020-21 AGS' to Finance for inclusion in the draft Statement of Accounts	30th April 2021	Risk & Insurance Manager
Report to Governance Committee to review draft 2020-21 AGS.	14th June 2021	Governance Committee
Final draft Controls Assurance Management Group for noting.	*June 2021 (date tbc) OR August 2021 (date tbc)	Controls Assurance Management
Final draft AGS to Executive Management Board	*July 2021 OR August 2021 (date tbc)	Executive Management Board
Report to Governance Committee for final approval of the 2020-21 AGS.	*26th July 2021 OR 27th September 2021	Governance Committee
Signed by Chief Executive and Leader of the Council.	*by 31st July 2021 OR by 30th September 2021	Risk & Insurance Manager

* The normal timeline for completing and approving the AGS is 31st July, however last year amended deadlines applied due to coronavirus and the 2019-20 AGS was not signed until end November 2020 which was when the Statement of Accounts were signed off by the external auditors. It is anticipated that a revised deadline of end of September 2021 will apply this year in respect of the Statement of Accounts and the AGS however, this is still to be confirmed.

This page is intentionally left blank

Agenda Item 6

DECISION-MAKER:	GOVERNANCE COMMITTEE		
SUBJECT:	TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL LIMITS 2021/22 TO 2024/25		
DATE OF DECISION:	15 FEBRUARY 2021		
REPORT OF:	SERVICE DIRECTOR FINANCE (S151)		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Steve Harrison	Tel: 07392 864525
	E-mail:	steve.harrison@southampton.gov.uk	
Director	Name:	John Harrison	Tel: 023 8083 4897
	E-mail:	john.harrison@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
NOT APPLICABLE			
BRIEF SUMMARY			
<p>With overall annual expenditure in excess of £600M and an extensive capital programme, the Council is required to actively manage its cash-flows on a daily basis. The requirement to invest or to borrow monies to finance capital programmes, and to cover daily operational needs is an integral part of daily cash and investment portfolio management.</p>			
<p>This report explains the context within which the Council's treasury management activity operates and sets out a proposed strategy for the coming year in relation to the Council's cash flow, investment and borrowing, and the management of the associated risks, including the loss of invested funds and the revenue effect of changing interest rates. Investment limits within this report have been increased to allow for a possible change in strategy.</p>			
GOVERNANCE COMMITTEE			
It is recommended that Governance Committee:			
	(i)	Approve the Council's Treasury Management (TM) Strategy and Indicators for 2021/22 to 2024/25, as detailed in appendix 1.	
	(ii)	Note that at the time of writing this report it has been assumed that the budget proposals within the Medium Term Financial Strategy, Budget and Capital Programme 2021/22 to 2024/25 report, to be submitted to Council on the 24 February 2021, will be approved. Should the recommendations change and have any impact on the Prudential Indicators this will be reported to Council on 24 February 2021.	
	(iii)	<p>Continue to delegate authority to the Chief Financial Officer (CFO) to approve any changes to the Prudential Indicators or borrowing limits that will aid good treasury management.</p> <p>The CFO will report any amendments and in year revisions to the TM Strategy as part of quarterly financial and performance monitoring.</p>	
	(iv)	Endorse the proposal to continue to explore an alternative Treasury Strategy to generate additional income that can support local services, whilst maintaining a prudent approach.	

REASONS FOR REPORT RECOMMENDATIONS	
1.	In order to comply with Part 1 of the Local Government Act 2003, and the established TM procedures that have been adopted by the Council, each year the Council must set certain borrowing limits and approve the Treasury Management Strategy, as detailed in Appendix 1.
2.	This report only covers treasury investments, investments held for service purposes or for commercial profit are considered in a separate report being taken to Full Council on 24 February 2021.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
3.	Alternative options for borrowing would depend on decisions taken on the review of the capital update report being taken at Full Council on 24 February 2021.
DETAIL (Including consultation carried out)	
	CONSULTATION
4.	The proposed Capital Update report on which this report is based has been subject to separate consultation processes.
	BACKGROUND
5.	<p>Since 2012, the Council has pursued a strategy of internal borrowing – minimising external borrowing by running down its own investment balances and only borrowing short term to cover cash flow requirements. This has both reduced the credit risk exposure and saved the Council money in terms of net interest costs.</p> <p>If opportunities arise long term borrowing would be considered as demonstrated last year when the benchmark gilt rates for PWLB loans fell to historic lows and a £90M 15 year EIP (Equal Instalment Payment) loan was taken at 1.12% to secure this advantageous rate and add some certainty to the debt portfolio.</p>
6.	<p>As reported previously consideration continues to be given to an alternative Treasury Strategy which could generate income to support local services. This would be to invest further in external pooled funds which would require the Council to externalise some or all of debt long term which is currently being financed internally. To assist with this appraisal the Council has consulted its financial advisers, Arlingclose, to analyse the scope within the Council's current and projected balance sheet for longer-term investment, and analyse suitable longer-term asset classes and investment options available to the Council, although in the current economic environment this will be more difficult to achieve.</p> <p>Any change to the current strategy would require approval by full council and additional Treasury Training would be provided to assist members in understanding the risks and implications of any change to the current strategy.</p>
7.	<p>The strategy takes into account the impact of the Council's proposed revenue budget and capital programme, to be report to Council on 24 February 2021, on the balance sheet position, the prudential indicators and the current and projected treasury position.</p> <p>There is no longer a requirement to include indicators relating to Prudence, Affordability & Sustainability in the Treasury Strategy as they are now reported as part of the Capital Strategy which will be approved at Council on 24 February. The economic background and outlook for interest rates (Annex 2 to Appendix 1) has also been taken into account in developing this strategy.</p>

8.	The Council acknowledges that effective TM will provide support towards the achievement of its business and service objectives. It is committed to achieving value for money, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management. To assist the Council in carrying out its TM function, it has appointed TM Advisors (Arlingclose), who advise on strategy and provide market information to aid decision making. However it should be noted that the decisions are taken independently by the CFO taking into account this advice and other internal and external factors.
9.	In accordance with the MHCLG Guidance, Governance committee will be asked to approve a <i>revised Treasury Management Strategy Statement</i> should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates; material change to the Council's capital programme or in the level of its borrowing or investment balances.
10.	<p>The core elements of the 2021/22 Treasury strategy are:</p> <ul style="list-style-type: none"> • To extend the use of short term variable rate debt to take advantage of the current market conditions of low interest rates. • To constantly review longer term forecasts and to lock into longer term rates through a variety of instruments as appropriate during the year, in order to provide a balanced portfolio against interest rate risk. • To secure the best short term rates for borrowing and investments consistent with maintaining flexibility and liquidity within the portfolio. • To invest surplus funds prudently, the Council's priorities being: <ul style="list-style-type: none"> - Security of invested capital - Liquidity of invested capital - An optimum yield which is commensurate with security and liquidity. • To approve borrowing limits that provide for debt restructuring opportunities and to pursue debt restructuring where appropriate and within the Council's risk boundaries.

RESOURCE IMPLICATIONS

Capital/Revenue

11.	The revenue and capital implications are considered as part of ongoing monitoring which is reported to Cabinet each quarter and as part of the budget setting process.
12.	<p>The forecast for borrowing costs in 2021/22 is £17.41M, of which £5.55M relates to the HRA. This is made up of interest on borrowing of £9.29M (based on an average debt portfolio of £334.23M) at an average interest rate of 2.64% plus MRP and other costs of £8.12M. This is expected to rise to £27.65M (£8.30M HRA) by 2024/25 to accommodate the capital programme and refinancing of borrowing.</p> <p>Investment income for 2021/22 is forecast at £1.04M based on an average portfolio of £50M at an average of 3.68%.</p> <p>If actual levels of investments and borrowing, and/or interest rates differ from those forecast, performance against budget will be correspondently different</p>

<u>Property/Other</u>	
13.	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
14.	Local Authority borrowing is regulated by Part 1, of the Local Government Act 2003, which introduced the new Prudential Capital Finance System.
15.	<p>From 1 April 2004, investments are dealt with, not in secondary legislation, but through guidance. Similarly, there is guidance on prudent investment practice, issued by the Secretary of State under Section 15(1) (a) of the 2003 Act.</p> <p>A local authority has the power to invest for "any purpose relevant to its functions under any enactment or for the purposes of the prudent management of its financial affairs". The reference to the "prudent management of its financial affairs" is included to cover investments, which are not directly linked to identifiable statutory functions but are simply made in the course of treasury management.</p> <p>This also allows the temporary investment of funds borrowed for the purpose of expenditure in the reasonably near future; however, the speculative procedure of borrowing purely in order to invest and make a return remains unlawful.</p>
<u>Other Legal Implications:</u>	
16.	None
POLICY FRAMEWORK IMPLICATIONS	
17.	This report has been prepared having regard with the CIPFA Code of Practice on Treasury Management.
KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Treasury Management Strategy 2021-22
2.	Treasury Management Practices
3.	Glossary of Treasury Terms
Annex 1	Treasury Management Policy Statement
Annex 2	Economic and Interest Outlook
Annex 3	Existing Investment & Debt Portfolio Position and Projections
Annex 4	Projected Movement on Capital Financing Requirement
Equality Impact Assessment	
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No

Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.		No
Other Background Documents		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
1.	None	

This page is intentionally left blank

Southampton City Council

TREASURY MANAGEMENT STRATEGY

2021/22 – 2024/25

Contents

Section 1 Introduction

- 1.1 Background
- 1.2 External Context
- 1.3 Local Context
- 1.4 Liability Benchmark

Section 2 Borrowing Strategy

- 2.1 Objectives
- 2.2 Strategy
- 2.3 Sources of Borrowing
- 2.4 Short term & Variable Rates
- 2.5 Debt Rescheduling

Section 3 Treasury Investment Strategy

- 3.1 Objectives
- 3.2 Negative Interest Rates
- 3.3 Strategy
- 3.4 Business Model
- 3.5 Approved Counterparties
- 3.6 Investment Institutions
- 3.7 Risk Assessment and Credit Rating
- 3.8 Security of investments
- 3.9 Investment Limits
- 3.10 Liquidity Management

Section 4 Treasury Management Indicators

- 4.1 Background
- 4.2 Security
- 4.3 Liquidity
- 4.4 Interest rate exposures
- 4.5 Maturity structure of borrowing
- 4.6 Principal sums invested for periods longer than a year

Section 5 Related Matters

- 5.1 Monitoring, Reporting and Financial Implications
- 5.2 Financial Derivatives
- 5.3 Markets in Financial Instruments Directive
- 5.4 Housing Revenue Account
- 5.5 Other Options Considered

ANNEX 1	Treasury Management Policy
ANNEX 2	Economic and Interest Outlook
ANNEX 3	Existing Investments Debt Portfolio Position and Projections
ANNEX 4	Projected Movement on Capital Financing Requirement

	SECTION 1 - INTRODUCTION
1.1	BACKGROUND
1.1.1	Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's <i>Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code)</i> which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
1.1.2	Overall responsibility for treasury management remains with the Council. No TM activity is without risk; the effective identification and management of risk are integral to the Council's treasury management objectives. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. Our current policy is shown in Annex 1.
1.1.3	Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.
1.2	EXTERNAL CONTEXT
1.2.1	Annex 2 summarises the economic outlook and events in the context of which the Council operated its treasury function during 2020/21 and forecast movement in interest rates.
1.2.2	For the purpose of setting the budget, it has been assumed that new investments for 2021/22 will be short-term and at a rate of 0.01% (continued downward pressure on short-dated cash has brought net returns on money market funds to zero even after some managers have temporarily lowered their fees and the overnight plus the 1 and 2 week deposit rates on Debt Management Account Deposit Facility (DMADF) deposits have dropped below zero percent on occasion). New long-term loans taken over the period of the strategy will be borrowed at an average rate of 2.21%.
1.3	LOCAL CONTEXT
1.3.1	At 31 December 2020 the Council held £313M of debt (£247M borrowing plus £66M other long term liabilities) and £69M investments which is set out in further detail in Annex 3.
1.3.2	The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), which is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. The CFR is reduced by the application of resources such as capital receipts, grants or revenue funds.
1.3.3	While usable reserves and working capital are the underlying resources available for investment.
1.3.4	The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. Table 1 shows that the Council has an increasing CFR due to the impact of the capital programme and a decreasing working balance surplus and will therefore need to borrow up to £314M

over the forecast period (row 10). Annexe.4 shows the projected movement on CFR between years

1.3.5 **Table 1: Balance Sheet Summary and Forecast**

	31-Mar-20 Actual	31-Mar-21 Forecast	31-Mar-21 Forecast Movement in year	31-Mar-22 Forecast	31-Mar-23 Forecast	31-Mar-24 Forecast	31-Mar-25 Forecast
	£M	£M	£M	£M	£M	£M	£M
1 General Fund CFR	339.58	349.95	10.37	374.47	490.31	492.61	489.37
2 Housing CFR	169.13	177.49	8.36	198.94	231.33	287.63	317.76
3 Total CFR	508.71	527.44	18.73	573.41	721.64	780.24	807.13
4 Less Other Debt Liabilities*	(67.83)	(64.44)	3.39	(60.62)	(57.11)	(53.45)	(49.11)
5 Loans CFR	440.88	463.00	22.12	512.79	664.53	726.79	758.02
6 Less External Borrowing**	(277.23)	(231.59)	45.64	(222.84)	(216.84)	(210.84)	(204.84)
7 Internal (over) Borrowing	163.65	231.41	67.76	289.95	447.69	515.95	553.18
8 Less Usable Reserves	(174.55)	(178.40)	(3.85)	(128.87)	(123.89)	(123.89)	(72.97)
9 Less Working Capital Surplus	(58.01)	(58.01)	0.00	(58.01)	(58.01)	(58.01)	(58.01)
10 New Borrowing or (Investments)	(68.91)	(5.01)	63.91	103.07	265.79	334.04	422.19

* finance leases, PFI liabilities and transferred debt which form part of the Council's total debt

** shows only loans to which the Council is committed and excludes optional refinancing

1.3.6 Table 1 shows that the Council's CFR is rising over the next 4 years. This is due to increased investment, summarised below are the major projects expected to undertaken:

- Building new homes (HRA)
- Green City Charter investment
- Bitterne Community Hub
- School Expansion Programme
- Highways and Integrated Transport Programme
- Improving Outdoor Leisure Facilities
- IT Strategy
- Fleet Vehicles

1.3.7 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during 2021/22, as our committed borrowing (row 10) is significantly below our loans CFR (row 5).

1.4 **Liability Benchmark**

1.4.1 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as Table 1 above, but that cash and investment balances are kept to a minimum level of £10M at each year-end to maintain sufficient liquidity but to further minimise credit risk.

1.4.2

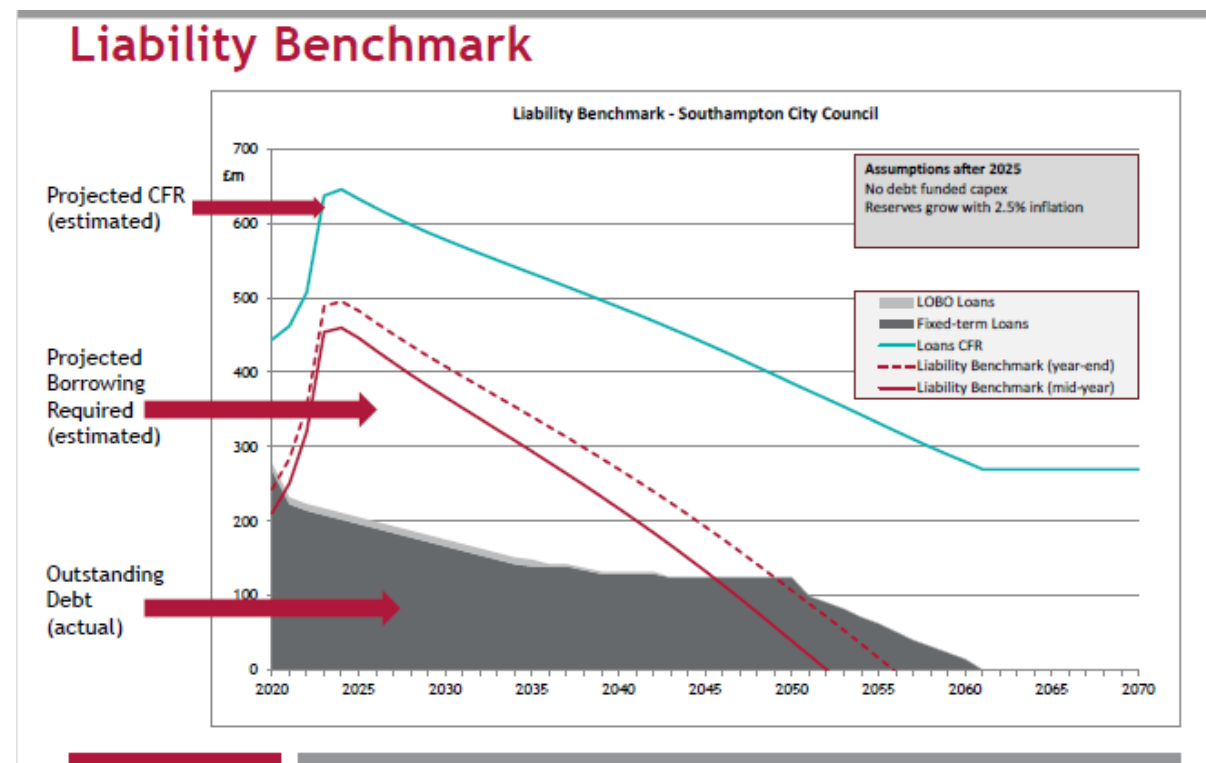
Table 2: Liability benchmark

	31-Mar-20 Actual	31-Mar-21 Forecast	31-Mar-21 Forecast Movement in year	31-Mar-22 Forecast	31-Mar-23 Forecast	31-Mar-24 Forecast	31-Mar-25 Forecast
	£M	£M	£M	£M	£M	£M	£M
Loans CFR	440.88	463.00	22.12	512.79	664.53	726.79	758.02
Less Usable Reserves	(174.55)	(178.40)	(3.85)	(128.87)	(123.89)	(123.89)	(72.97)
Less Working Capital Surplus	(58.01)	(58.01)	0.00	(58.01)	(58.01)	(58.01)	(58.01)
Plus Minimum Investments	69.34	40.00	(29.34)	40.00	40.00	40.00	40.00
Liability Benchmark	277.66	266.59	(11.07)	365.91	522.63	584.89	667.04
Less Committed External Borrowing	(276.87)	(231.59)	45.28	(222.84)	(216.84)	(210.84)	(204.84)
Minimum Borrowing Need	0.79	34.99	34.20	143.07	305.79	374.04	462.19

1.4.3

The long term liability benchmark assumes minimum revenue provision based on the life of the asset and income, expenditure and reserves all increasing by inflation. This is shown in the chart below.

1.4.4



1.4.5

This demonstrates that even with lower investment balances that there is still an underlying need for the council to borrow during 2021/22 as our actual committed debt at £222M will be below the benchmark of £366M.

SECTION 2 - BORROWING STRATEGY

2.0

The Council currently holds £247M of loans, a decrease of £31M since the 31 March 2020 despite an increased capital programme. This reflects the Council's policy of only borrowing when cash flows dictate or unless a particular good opportunity arises or to protect itself against an expected material increase in PWLB rates. The balance sheet forecast in Table 1 above shows that the Council expects the total

	<p>loans CFR to increase by £22M in 2020/21 and by a further £50M in 2021/22 bringing our estimated loans CFR to £513M</p> <p>Committed borrowing at the end of 2021 is £232M, a decrease of £46M from the actual position at 31 March 2020, this decrease reflects maturities in year which have not yet been replaced. If the forecast capital programme for the year is achieved, then further borrowing of up to £103M will be required by 31 March 2022 as shown in Table 1.</p>
2.1	<u>Objectives</u>
2.1.1	The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.
2.2	<u>Strategy</u>
2.2.1	Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.
2.2.2	By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2021/22 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
2.2.3	If it was cost effective the Council could also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing.
2.2.4	Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. In addition, the Council may borrow further short-term loans to cover unexpected cash flow shortages.
2.3	<u>Sources of Borrowing</u>
2.3.1	<p>The approved sources of long-term and short-term borrowing are:</p> <ul style="list-style-type: none"> • HM Treasury's PWLB lending facility (formerly the Public Works Loan Board) • any institution approved for investments (see below) • any other bank or building society authorised to operate in the UK • any other UK public sector body • UK public and private sector pension funds (except HCC Pension Fund) • capital market bond investors

	<ul style="list-style-type: none"> UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
2.3.2	<p>In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:</p> <ul style="list-style-type: none"> leasing hire purchase Private Finance Initiative sale and leaseback
2.3.3	<p>The Council has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code.</p> <p>PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield (except for refinancing of existing debt; including internal financing) the Authority intends to avoid this activity in order to retain its access to PWLB loans and as a result has reviewed the capital programme and removed the £200M property investment fund scheme. Regeneration aims for investment remain acceptable, but all capital plans will be scrutinised by Government and will require the S151 officer to state they contain no ‘invest for yield’ proposals relying on borrowing.</p>
2.3.4	<p>UK Municipal Bonds Agency plc (MBA)</p>
2.3.5	<p>MBA was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable.</p> <p>A report setting out in full the details, options and risks of the MBA was considered by full Council on 10 February 2016 and any initial proposal to borrow from the Agency will therefore need be the subject of a separate report to both Governance Committee and Full Council.</p>
2.3.7	<p><u>Lender’s Option Borrower’s Option Loans (LOBOs)</u></p>
2.3.8	<p>The Council holds £9M of LOBO loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOS have options during 2021/22 and although the Council understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Council will take the option to repay LOBO loans at no cost if it has the opportunity to do so.</p>
2.4	<p><u>Short Term and Variable Rates</u></p>
2.4.1	<p>Short term loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators.</p>

	Financial derivatives may be used to manage this interest rate risk but in line with the CIPFA code, the Council would seek and consider external advice before entering into any agreement to ensure that it fully understands the implications.
2.5	<u>Debt Rescheduling</u>
2.5.1	The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.
	SECTION 3 – TREASURY INVESTMENT STRATEGY
3.0	The Council invests its money for three broad purposes: <ul style="list-style-type: none"> • because it has surplus cash as a result of its day-to-day activities (known as treasury management investments), • to support local public services by lending to or buying shares in other organisations (service investments), and • to earn investment income (known as commercial investments where this is the main purpose).
3.1	<u>Objectives</u>
3.1.1	The CIPFA Code require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. Whilst a return is sought, the aim of Treasury activity is not primarily commercial in nature, it reflects addressing the cashflow needs of the council and the need for prudence and risk minimisation with public cash holdings. The Council’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested, however it should be noted that a lower rate is an acceptable offset for higher credit and less risk, for example a covered bond.
3.2	<u>Negative Interest Rates</u>
3.2.1	The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.
3.3	<u>Strategy</u>
3.3.1	As we have an increasing borrowing requirement our overall treasury strategy is to minimise both external borrowing and investments and to only borrow to the level of its net borrowing requirement. The reasons for this are to reduce credit risk, take

	<p>pressure off the Council's lending list and also to avoid the cost of carry existing in the current interest rate environment.</p> <p>For longer term investments the Council aims to continue to diversify into more secure and/or higher yielding asset classes during 2021/22.</p> <p>The majority of cash used for cash flow purposes is invested in money market funds or with other Local Authorities.</p>																																												
3.4	<u>Business Model</u>																																												
3.4.1	Under the new IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.																																												
3.5	<u>Approved Counterparties</u>																																												
3.5.1	The Council may invest its surplus funds with any of the following counterparty types, subject to the cash limits (per counterparty) and time limits detailed below. This is the absolute limit and the working limit will be monitored against actual cash flows and movement on reserves together with advice from our financial advisors and will be adjusted each quarter as necessary in agreement with the CFO.																																												
3.5.2	<p><u>Table 3: Approved Investment counterparties and Limits</u></p> <table border="1"> <thead> <tr> <th>Sector</th> <th>Time limit</th> <th>Counterparty limit</th> <th>Sector limit</th> </tr> </thead> <tbody> <tr> <td>The UK Government</td> <td>50 years</td> <td>Unlimited</td> <td>n/a</td> </tr> <tr> <td>Local authorities & other government entities</td> <td>25 years</td> <td>£10M</td> <td>Unlimited</td> </tr> <tr> <td>Secured investments *</td> <td>5 years</td> <td>£10M</td> <td>Unlimited</td> </tr> <tr> <td>Banks (unsecured) *</td> <td>13 months</td> <td>£5M</td> <td>Unlimited</td> </tr> <tr> <td>Building societies (unsecured) *</td> <td>13 months</td> <td>£5M</td> <td>10%</td> </tr> <tr> <td>Registered providers (unsecured) *</td> <td>5 years</td> <td>£10M</td> <td>25%</td> </tr> <tr> <td>Money market funds *</td> <td>n/a</td> <td>£10M per fund and no more than 0.50% of any investments fund in total for non-government funds</td> <td>Unlimited</td> </tr> <tr> <td>Strategic pooled funds</td> <td>n/a</td> <td>£30M</td> <td>50%</td> </tr> <tr> <td>Real estate investment trusts</td> <td>n/a</td> <td>£20M</td> <td>25%</td> </tr> <tr> <td>Other investments *</td> <td>5 years</td> <td>£1M</td> <td>5%</td> </tr> </tbody> </table> <p><i>*This is the absolute limit and the working limit will be monitored against actual cash flows and movement on reserves together with advice from our financial advisors and will be adjusted each quarter as necessary in agreement with the CFO.</i></p> <p><i>This table must be read in conjunction with the notes below</i></p>	Sector	Time limit	Counterparty limit	Sector limit	The UK Government	50 years	Unlimited	n/a	Local authorities & other government entities	25 years	£10M	Unlimited	Secured investments *	5 years	£10M	Unlimited	Banks (unsecured) *	13 months	£5M	Unlimited	Building societies (unsecured) *	13 months	£5M	10%	Registered providers (unsecured) *	5 years	£10M	25%	Money market funds *	n/a	£10M per fund and no more than 0.50% of any investments fund in total for non-government funds	Unlimited	Strategic pooled funds	n/a	£30M	50%	Real estate investment trusts	n/a	£20M	25%	Other investments *	5 years	£1M	5%
Sector	Time limit	Counterparty limit	Sector limit																																										
The UK Government	50 years	Unlimited	n/a																																										
Local authorities & other government entities	25 years	£10M	Unlimited																																										
Secured investments *	5 years	£10M	Unlimited																																										
Banks (unsecured) *	13 months	£5M	Unlimited																																										
Building societies (unsecured) *	13 months	£5M	10%																																										
Registered providers (unsecured) *	5 years	£10M	25%																																										
Money market funds *	n/a	£10M per fund and no more than 0.50% of any investments fund in total for non-government funds	Unlimited																																										
Strategic pooled funds	n/a	£30M	50%																																										
Real estate investment trusts	n/a	£20M	25%																																										
Other investments *	5 years	£1M	5%																																										

3.6	<u>Investment Institutions</u>
3.6.1	Minimum Credit Rating: Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than [A-]. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account. For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £1M per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.
3.6.2	Banks and Building Societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
3.6.3	Secured Investments: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
3.6.4	Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.
3.6.5	Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made either following an external credit assessment or to a maximum of £1M per company as part of a diversified pool in order to spread the risk widely.
3.6.6	Registered Providers (unsecured): Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.
3.6.7	Money Market Funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small

	fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
3.6.8	Strategic Pooled Funds: Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
3.6.9	Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.
3.6.10	Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.
3.6.11	Operational bank accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept to a minimum. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.
3.6.12	Given the stresses placed on the council's budget, all forms of investment will be carefully monitored during the year. The Chief Financial Officer (CFO), under delegated powers, will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators. Decisions taken on the core investment portfolio will be reported quarterly to Cabinet.
3.7	<u>Risk Assessment and Credit Ratings</u>
3.7.1	<p>Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:</p> <ul style="list-style-type: none"> • no new investments will be made, • any existing investments that can be recalled or sold at no cost will be, and • full consideration will be given to the recall or sale of all other existing investments with the affected counterparty. <p>Where a credit rating agency announces that a rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks,</p>

	which indicate a long-term direction of travel rather than an imminent change of rating.								
3.8	<u>Other Information on the Security of Investments</u>								
3.8.1	The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.								
3.8.2	When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.								
3.9	<u>Investment Limits</u>								
3.9.1	The Council's revenue reserves and balances available to cover investment losses (excluding Schools, capital and HRA) are forecast to be £92M at 31st March 2021. In order that there is no immediate pressure on available reserves in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government and specified investments under advice, such as property funds) will be £10M. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors in Table 4 below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.								
3.9.2	<p><u>Table 4 –Investment Limits</u></p> <table border="1"> <thead> <tr> <th></th> <th>Cash limit</th> </tr> </thead> <tbody> <tr> <td>Any group of pooled funds under the same management</td> <td>25% per manager unless under specific advice as taken with CCLA</td> </tr> <tr> <td>Negotiable instruments held in broker's nominee account</td> <td>£50M per broker</td> </tr> <tr> <td>Foreign countries</td> <td>£10M per country</td> </tr> </tbody> </table>		Cash limit	Any group of pooled funds under the same management	25% per manager unless under specific advice as taken with CCLA	Negotiable instruments held in broker's nominee account	£50M per broker	Foreign countries	£10M per country
	Cash limit								
Any group of pooled funds under the same management	25% per manager unless under specific advice as taken with CCLA								
Negotiable instruments held in broker's nominee account	£50M per broker								
Foreign countries	£10M per country								

3.10	<u>Liquidity Management</u>				
3.10.1	<p>The Council undertakes high level cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast.</p> <p>The Authority will spread its liquid cash over at least four providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.</p>				
SECTION 4 - TREASURY MANAGEMENT INDICATORS					
4.0	The Council measures and manages its exposure to treasury management risks using the following indicators.				
4.1	<u>Background</u>				
4.1.1	The Authority typically receives its income (e.g. from taxes and grants) before it pays for its expenditure (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy.				
4.1.2	During the financial year the Council's investment balances have ranged between £61M and £114M and are currently £69M. Borrowing has ranged between £247M and £292M and is currently £247M.				
4.2	<u>Security</u>				
4.2.1	<p>The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk. The average rating of our current portfolio is A+ which is above the target.</p> <table border="1" data-bbox="215 1440 1189 1547"> <tr> <td></td> <td>Target</td> </tr> <tr> <td>Portfolio average credit rating</td> <td>A</td> </tr> </table>		Target	Portfolio average credit rating	A
	Target				
Portfolio average credit rating	A				
4.3	<u>Liquidity</u>				
4.3.1	The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments and has set a £10M minimum threshold on cash available in instant access accounts, if balances were to fall below this limit we would consider taking short term loans which are available without given prior notice and at competitive rates.				

4.4	<u>Interest Rate Exposure</u>																								
4.4.1	<p>This indicator is set to control the Council's exposure to interest rate risk. The upper limits are based on the one-year revenue impact of a 1% rise or fall in interest rates for existing variable rates on long term loans and assumed short term borrowing, offset by variable investments. The cost of an extra 1% per £1M is £10,000. We do not currently have any variable rate borrowing and any increase in short term borrowing rates should be offset by an increase in short term investment income. The limits are set at:</p> <table border="1"> <thead> <tr> <th>Interest rate risk indicator</th> <th>£M</th> </tr> </thead> <tbody> <tr> <td>Upper limit on one-year revenue impact of a 1% rise in interest rates</td> <td>1.5</td> </tr> <tr> <td>Upper limit on one-year revenue impact of a 1% fall in interest rates</td> <td>0.5</td> </tr> </tbody> </table>	Interest rate risk indicator	£M	Upper limit on one-year revenue impact of a 1% rise in interest rates	1.5	Upper limit on one-year revenue impact of a 1% fall in interest rates	0.5																		
Interest rate risk indicator	£M																								
Upper limit on one-year revenue impact of a 1% rise in interest rates	1.5																								
Upper limit on one-year revenue impact of a 1% fall in interest rates	0.5																								
4.4.2	The main risk to the authority comes through the continued use of short term borrowing in place of fixed term long term debt for 2021/22. A 1% increase over the forecast rate would equate to £10,000 for each £1M borrowed, plus a possible ongoing impact on an increase in the long term rate.																								
4.4.3	The Authority has more exposure to an increase in interest rates than a reduction as our debt portfolio is higher than our investments. A fall in interest rates of 1% would see investment income fall by about £0.4M but this would be offset by reduction in debt charges.																								
4.5	<u>Maturity Structure of Borrowing</u>																								
4.5.1	This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing as set below.																								
4.5.2	<table border="1"> <thead> <tr> <th>Refinancing rate risk indicator</th> <th>Lower Limit %</th> <th>Upper Limit %</th> </tr> </thead> <tbody> <tr> <td>Under 12 Months</td> <td>0</td> <td>50</td> </tr> <tr> <td>12 months and within 24 months</td> <td>0</td> <td>50</td> </tr> <tr> <td>24 months and within 5 years</td> <td>0</td> <td>50</td> </tr> <tr> <td>5 years and within 10 years</td> <td>0</td> <td>55</td> </tr> <tr> <td>10 years and within 20 years</td> <td>0</td> <td>60</td> </tr> <tr> <td>20 years and within 30 years</td> <td>0</td> <td>65</td> </tr> <tr> <td>30 years and above</td> <td>0</td> <td>75</td> </tr> </tbody> </table>	Refinancing rate risk indicator	Lower Limit %	Upper Limit %	Under 12 Months	0	50	12 months and within 24 months	0	50	24 months and within 5 years	0	50	5 years and within 10 years	0	55	10 years and within 20 years	0	60	20 years and within 30 years	0	65	30 years and above	0	75
Refinancing rate risk indicator	Lower Limit %	Upper Limit %																							
Under 12 Months	0	50																							
12 months and within 24 months	0	50																							
24 months and within 5 years	0	50																							
5 years and within 10 years	0	55																							
10 years and within 20 years	0	60																							
20 years and within 30 years	0	65																							
30 years and above	0	75																							
4.5.3	Time periods start on the first day of each financial year and the maturity date of borrowing is the earliest date on which the lender can demand repayment. Although all LOBOs are now in their call options they are not expected to be called in the near future so are shown as uncertain, but as they only represent 3% of the total debt portfolio an early call would not pose a material risk in refinancing.																								
4.5.4	Details of our current level of debt and maturity is shown in Table 5 below. This shows that all debt is within existing levels.																								

4.5.5	Table 5 – Current Debt						
		Lower Limit	Upper Limit	Actual Debt as at 30/09/2020	Average Rate as at 30/09/2020	% of Debt	Compliance with set Limits?
	Debt Maturity Profile	%	%	£M	%		
	Under 12 months	0	50	21.11	2.06%	9	Yes
	12 months and within 24 months	0	50	5.75	2.69%	2	Yes
	24 months and within 5 years	0	50	18.00	1.12%	7	Yes
	5 years and within 10 years	0	55	30.00	1.12%	12	Yes
	10 years and within 15 years	0	60	34.00	1.66%	14	Yes
	15 years and within 20 years	0	60	5.00	4.60%	2	Yes
	25 years and within 30 years	0	60	25.00	4.62%	10	Yes
	30 years and within 35 years	0	60	36.70	3.54%	15	Yes
	35 years and within 40 years	0	65	47.90	3.59%	19	Yes
	40 years and within 45 years	0	75	14.25	3.70%	6	Yes
	Uncertain*	0	5	9.00	4.86%	4	Yes
	* Lobo's			246.71	4.86%	100	
4.6	Principal Sums Invested for Periods Longer than a Year						
4.6.1	The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end are shown below. Limits have been increased for future years to allow for the alternative investment strategy referred to in the main report if it were to be adopted.						
4.6.2		Current £M	2021/22 £M	2022/23 £M	2023/24 £M	2024/25 £M	
	Limit on principal invested beyond year end	100	100	100	100	100	
SECTION 5 - RELATED MATTERS							
5.0	There are a number of related matters that the CIPFA Code requires the Council to include in its Treasury Management Strategy.						
5.1	<u>Monitoring, Reporting and Financial Implications</u>						
5.1.1	The Chief Financial Officer will report to the Governance Committee on TM activity / performance as follows: (a) A mid-year review against the strategy approved for the year. (b) An outturn report on its treasury activity, no later than 30 September after the financial year end.						
5.1.2	In addition, a quarterly update will be presented to Cabinet as part of Quarterly Revenue Financial Monitoring.						
5.1.3	For the purpose of setting the budget, it has been assumed that new investments for 2021/22 will be short-term as mainly for cash flow purposes and at a rate of 0.01%						

	<p>(continued downward pressure on short-dated cash has brought net returns on money market funds to zero even after some managers have temporarily lowered their fees and the overnight plus the 1 and 2 week deposit rates on Debt Management Account Deposit Facility (DMADF) deposits have dropped below zero percent on occasion).</p> <p>Current Strategic investments are expected to generate £1.04M at an average yield of 3.68%</p>
5.1.4	<p>The forecast cost of financing the council's loan debt for 2021/22 is £17.41M of which £5.55M relates to the HRA. This is expected to rise to £27.65M (£8.30M HRA) by 2024/25 to accommodate the capital programme and refinancing of borrowing, however this will be subject to movement as the need for further borrowing becomes more certain. New long-term loans taken over the period of the strategy will be borrowed at an assumed average rate of 2.21%.</p>
5.2	<p><u>Policy on Use of Financial Derivatives</u></p>
5.2.1	<p>Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).</p>
5.2.2	<p>The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to.</p> <p>Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.</p>
5.2.3	<p>Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.</p>
5.2.4	<p>In line with the CIPFA code, the Council would seek and consider external advice before entering into any agreement to ensure that it fully understands the implications.</p>
5.3	<p><u>Markets in Financial Instruments Directive</u></p>
5.3.1	<p>The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.</p>

5.4	<u>Housing Revenue Account Self-Financing and Limit on Indebtedness</u>		
5.4.1	On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. Since then new long-term loans borrowed are assigned to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account.		
5.4.2	Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance. This balance will be measured, and interest transferred between the General Fund and HRA at an agreed rate. Housing Legislation does not allow impairment losses to be charged to the HRA and consequently any credit related losses on the Council's investments will be borne by the General Fund alone. It is therefore appropriate that the General Fund is compensated for bearing this risk, and all interest transferred to the HRA should be adjusted downwards. The rate will be based on investments with the Debt Management Office. The rate of return on comparable investments with the government is lower and often referred to as the risk-free rate.		
5.4.3	Following the Chancellor's announcement in the 2018 Autumn Budget, restrictions relating to HRA borrowing have been lifted. This means that the previous HRA debt cap of £199.6m has been removed, and there is now the emphasis for councils to plan their new build strategy and financing at a local level. The process for identifying priorities and sites for new build developments is now taking place and is expected to form the basis of a new delivery strategy incorporating affordability and prudence. As part of the new build strategy relevant Prudential Indicators will be agreed.		
5.4.4	The HRA Business Plan supports a number of council strategies, including the Medium Term Financial Strategy, to ensure plans are affordable and budgets are aligned to the assumptions detailed in those strategies. The specific HRA Business Plan can be seen in the report being submitted to Council on 24 February 2021.		
5.4.5	The HRA by default will underwrite any programmes that are unable to self-fund		
5.5	OTHER OPTIONS CONSIDERED		
5.5.1	The MHCLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer, having consulted with relevant officers and members believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.		
5.5.2	Options	Impact on income and expenditure	Impact on risk management
	Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
	Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses will be smaller

	Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs will be more certain
	Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long term costs will be less certain
	Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs will be less certain

This page is intentionally left blank

	<u>TREASURY MANAGEMENT PRACTICES</u>
1.	This organisation has adopted and has implemented the key principles of the CIPFA Treasury Management in the Public Services Code of Practice and Cross Sectoral Guidance Notes. This, together with the other arrangements detailed in the operational manual, are considered vital to the achievement of proper corporate governance in treasury management, and the responsible officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.
	TMP 1 - RISK MANAGEMENT GENERAL STATEMENT
2.	<p>The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures covering all external investment.</p> <p>The Section 151 Officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP 6 Reporting requirements and management information arrangements.</p> <p>In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the operational manual.</p>
	<u>Credit and counterparty risk management</u>
3.	The Council will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved instruments, methods and techniques. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.
	<u>Liquidity risk management</u>
4.	The Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives. The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.
	<u>Interest rate risk management</u>
5.	The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements. It will achieve this by the prudent use of its approved instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be the subject to the consideration and, if required, approval of any policy or budgetary implications.

	<u>Exchange rate risk management</u>
6.	The Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.
	<u>Inflation risk management</u>
7.	The Council will keep under review the sensitivity of its treasury management assets and liabilities to inflation, and will seek to manage the risk accordingly in the context of its wider exposure to inflation.
	<u>Refinancing risk management</u>
8.	The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time. It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.
	<u>Legal and regulatory risk management</u>
9.	The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1[1] credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged. The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Council.
	<u>Fraud, error and corruption and contingency management</u>
10.	The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.
	<u>Market risk management</u>
11.	The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sum it invests, and will accordingly seek to protect itself from the effects of such fluctuations.
	TMP 2 - PERFORMANCE MEASUREMENT
12.	The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement. Accordingly, the treasury management function will be the subject of ongoing

	analysis of the value it adds in support of the Council's business or service objectives and performance will be measured against relevant benchmarks.
	TMP 3 - DECISION-MAKING AND ANALYSIS
13.	The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time.
	TMP 4 - APPROVED INSTRUMENTS, METHODS AND TECHNIQUES
14.	The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in its annual Investments Strategy, and within the limits and parameters defined in TMP1 Risk management. The Council has reviewed its classification with financial institutions under MIFID II and will set out in its annual Investment Strategy those organisations with which it is registered as a professional client.
	TMP 5 - ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS
15.	The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities. The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function. If and when it is intended, as a result of lack of resources or other circumstances, to depart from these principles, the Section 151 Officer will ensure that the reasons are properly reported in accordance with TMP6 Reporting requirements and management information arrangements, and the implications properly considered and evaluated. The Section 151 Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Section 151 Officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The Section 151 Officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The delegations to the Section 151 Officer in respect of treasury management are set out in the Council's Financial Regulations and Scheme of Delegation for Financial Management. The Section 151 Officer will fulfil all such responsibilities in accordance with the Council's policy statement and TMPs and the CIPFA Standard of Professional Practice on Treasury Management.
	TMP 6 - REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS
16.	The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or

	<p>other factors affecting its treasury management activities; and on the performance of the treasury management function.</p> <p>The Chief Financial Officer will report to the Governance Committee on TM activity / performance as follows:</p> <ul style="list-style-type: none"> (a) A mid-year review against the strategy approved for the year. (b) An outturn report on its treasury activity, no later than 30 September after the financial year end. <p>In addition, a quarterly update will be presented to Cabinet as part of Quarterly Revenue Financial Monitoring</p> <p>The Council's Governance Committee has responsibility for the scrutiny of treasury management policies and practices.</p>
	TMP 7 - BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS
17.	<p>The Section 151 Officer will prepare, and full Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 Risk management, TMP 2 Performance Measurement, and TMP 4 Approved instruments, methods and techniques. The Section 151 Officer will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with TMP 6 Reporting requirements and management information arrangements. The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.</p>
	TMP 8 - CASH AND CASH FLOW MANAGEMENT
18.	<p>Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Section 151 Officer, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Section 151 Officer will ensure that these are adequate for the purposes of monitoring compliance with TMP1 Liquidity risk management.</p>
	TMP 9 – MONEY LAUNDERING
19.	<p>The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the Council's Anti-Money Laundering Policy.</p>
	TMP 10 - TRAINING AND QUALIFICATIONS
20.	<p>The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced, and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The responsible officer will recommend and implement the necessary</p>

	arrangements. The responsible officer will ensure that elected members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities. Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.
	TMP 11 - USE OF EXTERNAL SERVICE PROVIDERS
21.	The Council recognises that responsibility for treasury management decisions remains with the Council at all times. However, the Council recognises that there may be value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will do so following a full evaluation of the costs and benefits, and will also ensure that the terms of their appointment are properly agreed and documented, and subjected to regular review. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Section 151 Officer.
	TMP 12 - CORPORATE GOVERNANCE
22.	The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

This page is intentionally left blank

GLOSSARY OF TREASURY TERMS

<p>Authorised Limit (Also known as the Affordable Limit):</p> <p>A statutory limit that sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short-term borrowing, overdrawn bank balances and long term liabilities).</p>
<p>Balances and Reserves:</p> <p>Accumulated sums that are maintained either earmarked for specific future costs or commitments or generally held to meet unforeseen or emergency expenditure.</p>
<p>Bail - in (Risk):</p> <p>Following the financial crisis of 2008 when governments in various jurisdictions injected billions of dollars into banks as part of bail-out packages, it was recognised that bondholders, who largely remained untouched through this period, should share the burden in future by making them forfeit part of their investment to "bail in" a bank before taxpayers are called upon.</p> <p>A bail-in takes place before a bankruptcy and under current proposals, regulators would have the power to impose losses on bondholders while leaving untouched other creditors of similar stature, such as derivatives counterparties. A corollary to this is that bondholders will require more interest if they are to risk losing money to a bail-in.</p>
<p>Bank Rate:</p> <p>The official interest rate set by the Bank of England's Monetary Policy Committee and what is generally termed at the "base rate". This rate is also referred to as the 'repo rate'.</p>
<p>Bond:</p> <p>A certificate of debt issued by a company, government, or other institution. The bond holder receives interest at a rate stated at the time of issue of the bond. The repayment date is also set at the onset but can be traded during its life, but this will affect the price of a bond which may vary during its life.</p>
<p>Capital Expenditure:</p> <p>Expenditure on the acquisition, creation or enhancement of capital assets.</p>
<p>Capital Financing Requirement (CFR):</p> <p>The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need.</p>
<p>CD's:</p> <p>Certificates of Deposits with banks and building societies</p>
<p>Capital Receipts:</p> <p>Money obtained on the sale of a capital asset.</p>

Constant Net Asset Value (CNAV)

These are Money Market Funds which maintain a stable price of £1 per share when investors redeem or purchase shares which mean that that any investment will not fluctuate in value.

Corporate Bonds:

Corporate bonds are bonds issued by companies. The term is often used to cover all bonds other than those issued by governments in their own currencies and includes issues by companies, supranational organisations and government agencies.

Cost of Carry:

The "cost of carry" is the difference between what is paid to borrow compared to the interest which could be earned. For example, if one takes out borrowing at 5% and invests the money at 1.5%, there is a cost of carry of 3.5%.

Counterparty List:

List of approved financial institutions with which the Council can place investments with.

Covered Bond:

Covered bonds are debt securities backed by cash flows from mortgages or public sector loans. They are similar in many ways to asset-backed securities created in securitisation, but covered bond assets remain on the issuer's consolidated balance sheet (usually with an appropriate capital charge). The covered bonds continue as obligations of the issuer (often a bank); in essence, the investor has recourse against the issuer and the collateral, sometimes known as "dual recourse."

CPI :

Consumer Price Index – the UK's main measure of inflation.

Credit Rating:

Formal opinion by a registered rating agency of a counterparty's future ability to meet its financial liabilities; these are opinions only and not guarantees.

Diversify /diversified exposure:

The spreading of investments among different types of assets or between markets in order to reduce risk.

Federal Reserve:

The US central bank. (Often referred to as "the Fed").

FTSE 100 Index:

The FTSE 100 Index is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalisation. It is one of the most widely used stock indices and is seen as a gauge of business prosperity for business regulated by UK company law. The index is maintained by the FTSE Group, a subsidiary of the London Stock Exchange Group.

General Fund:

This includes most of the day-to-day spending and income.

Gilts:

Gilts are bonds issued by the UK Government. They take their name from 'gilt-edged': being issued by the UK government, they are deemed to be very secure as the investor expects to receive the full face value of the bond to be repaid on maturity.

Gross Domestic Product (GDP):

Gross Domestic Product measures the value of goods and services produced within a country. GDP is the most comprehensive overall measure of economic output and provides key insight as to the driving forces of the economy.

The G7:

The G7, is a group consisting of the finance ministers of seven industrialised nations: namely the US, UK, France, Germany, Italy, Canada and Japan. They are seven of the eight (China excluded) wealthiest nations on Earth, not by GDP but by global net wealth. The G7 represents more than the 66% of net global wealth (\$223 trillion), according to Credit Suisse Global Wealth Report September 2012.

IFRS:

International Financial Reporting Standards.

LIBID:

The London Interbank Bid Rate (LIBID) is the rate bid by banks on Eurocurrency deposits (i.e. the rate at which a bank is willing to borrow from other banks). It is "the opposite" of the LIBOR (an offered, hence "ask" rate, the rate at which a bank will lend). Whilst the British Bankers' Association set LIBOR rates, there is no correspondent official LIBID fixing.

LOBO:

Stands for Lender Option Borrower Option. The underlying loan facility is typically very long-term - for example 40 to 60 years - and the interest rate is fixed. However, in the LOBO facility the lender has the option to call on the facilities at pre-determined future dates. On these call dates, the lender can propose or impose a new fixed rate for the remaining term of the facility and the borrower has the 'option' to either accept the new imposed fixed rate or repay the loan facility. The upshot of this is that on the option exercise date, the lender could propose an extreme fixed rate, say 20 per cent, which would effectively force the repayment of the underlying facility. The borrower's so called 'option' is only the inalienable right to accept or refuse a new deal such as a fixed rate of 20 per cent.

Maturity:

The date when an investment or borrowing is repaid.

Maturity Structure / Profile:

A table or graph showing the amount (or percentage) of debt or investments maturing over a time period. The amount or percent maturing could be shown on a year-by-year or quarter-by-quarter or month-by-month basis.

Minimum Revenue Provision (MRP):

An annual provision that the Council is statutorily required to set aside and charge to the Revenue Account for the repayment of debt associated with expenditure incurred on capital assets.

Ministry for Housing, Communities and Local Government (MHCLG):

The Department for Communities and Local Government (DCLG) was created on 5 May 2006, replacing the Office of the Deputy Prime Minister (ODPM), with a remit to promote community cohesion and equality, as well as responsibility for housing, urban regeneration, planning and local government.

On 8 January 2018, the government announced that the Department for Communities and Local Government will be renamed as the Ministry for Housing, Communities and Local Government (MHCLG).

Money Market Funds (MMF):

An open-end mutual fund which invests only in money markets. These funds invest in short term debt obligations such as short-dated government debt, certificates of deposit and commercial paper. The main goal is the preservation of principal, accompanied by modest dividends. The fund's net asset value remains constant (eg £1 per unit) but the interest rate does fluctuate. These are liquid investments, and therefore, are often used by financial institutions to store money that is not currently invested. Risk is extremely low due to the high rating of the MMFs; many have achieved AAA credit status from the rating agencies:

- **Constant net asset value (CNAV)** refers to funds which use amortised cost accounting to value all of their assets. They aim to maintain a net asset value (NAV), or value of a share of the fund, at €1/£1/\$1 and calculate their price to two decimal places known as "penny rounding". Most CNAV funds distribute income to investors on a regular basis (distributing share classes), though some may choose to accumulate the income, or add it on to the NAV (accumulating share classes). The NAV of accumulating CNAV funds will vary by the income received.
- **Variable net asset value (VNAV)** refers to funds which use mark-to-market accounting to value some of their assets. The NAV of these funds will vary by a slight amount, due to the changing value of the assets and, in the case of an accumulating fund, by the amount of income received.

This means that a fund with an unchanging NAV is, by definition, CNAV, but a fund with a NAV that varies may be accumulating CNAV or distributing or accumulating VNAV.

Non Specified Investment:

Investments which fall outside the CLG Guidance for **Specified investments** (below).

Operational Boundary:

This linked directly to the Council's estimates of the CFR and estimates of other day to day cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

Premiums and Discounts:

In the context of local authority borrowing,

- (a) the premium is the penalty arising when a loan is redeemed prior to its maturity date and
- (b) the discount is the gain arising when a loan is redeemed prior to its maturity date.

If on a £1 million loan, it is calculated that a £150,000 premium is payable on premature redemption, then the amount paid by the borrower to redeem the loan is £1,150,000 plus accrued interest. If on a £1 million loan, it is calculated* that a £50,000 discount receivable on premature redemption, then the amount paid by the borrower to redeem the loan is

£950,000 plus accrued interest. PWLB premium/discount rates are calculated according to the length of time to maturity, current market rates (plus a margin), and the existing loan rate which then produces a premium/discount dependent on whether the discount rate is lower/higher than the coupon rate.

**The calculation of the total amount payable to redeem a loan borrowed from the Public Works Loans Board (PWLB) is the present value of the remaining payments of principal and interest due in respect of the loan being repaid prematurely, calculated on normal actuarial principles. More details are contained in the PWLB's lending arrangements circular.*

Property:

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both.

Prudential Code:

Developed by CIPFA and introduced on 01/4/2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice.

Prudential Indicators:

Indicators determined by the local authority to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is publicly accountable; they are not intended to be comparative performance indicators

Public Works Loans Board (PWLB):

This is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

Quantitative Easing (QE):

In relation to the UK, it is the process used by the Bank of England to directly increase the quantity of money in the economy. It *“does not involve printing more banknotes. Instead, the Bank buys assets from private sector institutions – that could be insurance companies, pension funds, banks or non-financial firms – and credits the seller’s bank account. So the seller has more money in their bank account, while their bank holds a corresponding claim against the Bank of England (known as reserves). The end result is more money out in the wider economy”*. Source: Bank of England.

Regularity Method - MRP:

As detailed under MRP, this is a charge to revenue to repay capital expenditure financed by borrowing. There are a number of options for a prudent provision and this is for debt prior to 2008 which is supported by the Government through the RSG system. Although regulation 28 is revoked by regulation 4(1) of the 2008 Regulations, authorities are able to calculate MRP as if it were still in force.

Revenue Expenditure:

Expenditure to meet the continuing cost of delivery of services including salaries and wages, the purchase of materials and capital financing charges.

RPI:

Retail Prices Index is a monthly index demonstrating the movement in the cost of living as it tracks the prices of goods and services including mortgage interest and rent. Pensions and index-linked gilts are updated using the RPI index.

(Short) Term Deposits:

Deposits of cash with terms attached relating to maturity and rate of return (Interest).

Specified Investments:

Term used in the CLG Guidance and Welsh Assembly Guidance for Local Authority Investments. Investments that offer high security and high liquidity, in sterling and for no more than one year. UK government, local authorities and bodies that have a high credit rating.

Supported Borrowing:

Borrowing for which the costs are supported by the government or third party.

Temporary Borrowing:

Borrowing to cover peaks and troughs of cash flow, not to fund capital spending.

Treasury Management Code:

CIPFA's Code of Practice for Treasury Management in the Public Services, initially brought in 2003, subsequently updated in 2009 and 2011.

Treasury Management Practices (TMP):

Treasury Management Practices set out the manner in which the Council will seek to achieve its policies and objectives and prescribe how it will manage and control these activities.

Unsupported Borrowing:

Borrowing which is self-financed by the local authority. This is also sometimes referred to as Prudential Borrowing.

Variable Net Asset Value (VNAV):

Redemptions and investments in Money Market Funds (MMF's) are on the basis of the fund's Net Asset Value (NAV) per share. The NAV of any money market fund is the market value of the fund's assets minus its liabilities and is stated on a per share basis. The net value of the assets held by an MMF can fluctuate, and the market value of a share may not always be exactly the amount that has been invested.

Yield:

The measure of the return on an investment instrument.

TREASURY MANAGEMENT POLICY STATEMENT

1. INTRODUCTION AND BACKGROUND

- 1.1. In accordance with CIPFA's Code of Practice for Treasury Management in the Public Services the Council has regard to the key recommendations when determining the current strategy.
- 1.2. Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:-
- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
 - Suitable Treasury Management Practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- 1.3. The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to Governance Committee and for the execution and administration of treasury management decisions to the Chief Financial Officer, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
- 1.4. Governance Committee will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- 1.5. The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to Governance Committee and for the execution and administration of treasury management decisions to the Chief Financial Officer, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
- 1.6. The Council nominates Governance Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

2. POLICIES AND OBJECTIVES OF TREASURY MANAGEMENT ACTIVITIES

- 2.1. The Council defines its treasury management activities as:

"The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks

associated with those activities; and the pursuit of optimum performance consistent with those risks.”

- 2.2. This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- 2.3. This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.
- 2.4. The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.
- 2.5. The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yield earned on investments remain important but are secondary considerations.

The economic background and interest rate outlook provided by the Council's treasury advisor, Arlingclose Ltd is detailed below. The Council will reappraise its strategy from time to time and, if needs be, realign it with evolving market conditions and expectations for future interest rates.

Economic Background

The impact on the UK from coronavirus, lockdown measures, the rollout of vaccines, as well as the new trading arrangements with the European Union (EU), will remain major influences on the Authority's treasury management strategy for 2021/22.

The Bank of England (BoE) maintained Bank Rate at 0.10% in December 2020 and Quantitative Easing programme at £895 billion having extended it by £150 billion in the previous month. The Monetary Policy Committee (MPC) voted unanimously for both, but no mention was made of the potential future use of negative interest rates. In the November Monetary Policy Report (MPR) forecasts, the Bank expects the UK economy to shrink -2% in Q4 2020 before growing by 7.25% in 2021, lower than the previous forecast of 9%. The BoE also forecasts the economy will now take until Q1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast. By the time of the December MPC announcement, a COVID-19 vaccine was approved for use, which the Bank noted would reduce some of the downside risks to the economic outlook outlined in the November MPR.

UK Consumer Price Inflation (CPI) for November 2020 registered 0.3% year on year, down from 0.7% in the previous month. Core inflation, which excludes the more volatile components, fell to 1.1% from 1.5%. The most recent labour market data for the three months to October 2020 showed the unemployment rate rose to 4.9% while the employment rate fell to 75.2%. Both measures are expected to deteriorate further due to the ongoing impact of coronavirus on the jobs market, particularly when the various government job retention schemes start to be unwound in 2021, with the BoE forecasting unemployment will peak at 7.75% in Q2 2021. In October, the headline 3-month average annual growth rate for wages were 2.7% for total pay and 2.8% for regular pay. In real terms, after adjusting for inflation, total pay growth was up by 1.9% while regular pay was up 2.1%.

GDP growth rebounded by 16.0% in Q3 2020 having fallen by -18.8% in the second quarter, with the annual rate rising to -8.6% from -20.8%. All sectors rose quarter-on-quarter, with dramatic gains in construction (41.2%), followed by services and production (both 14.7%). Monthly GDP estimates have shown the economic recovery slowing and remains well below its pre-pandemic peak. Looking ahead, the BoE's November MPR forecasts economic growth will rise in 2021 with GDP reaching 11% in Q4 2021, 3.1% in Q4 2022 and 1.6% in Q4 2023.

GDP growth in the euro zone rebounded by 12.7% in Q3 2020 after contracting by -3.7% and -11.8% in the first and second quarters, respectively. Headline inflation, however, remains extremely weak, registering -0.3% year-on-year in November, the fourth successive month of deflation. Core inflation registered 0.2% y/y, well below the European Central Bank's (ECB) target of 'below, but close to 2%'. The ECB is expected to continue holding its main interest rate of 0% and deposit facility rate of -0.5% for some time but expanded its monetary stimulus in December 2020, increasing the size of its asset purchase scheme to €1.85 trillion and extended it until March 2022.

The US economy contracted at an annualised rate of 31.4% in Q2 2020 and then rebounded by 33.4% in Q3. The Federal Reserve maintained the Fed Funds rate at between 0% and 0.25% and announced a change to its inflation targeting regime to a more flexible form of average targeting. The Fed also provided strong indications that interest rates are unlikely to change from current levels over the next three years.

Former vice-president Joe Biden won the 2020 US presidential election. Mr Biden is making tackling coronavirus his immediate priority and will also be reversing several executive orders signed by his predecessor and take the US back into the Paris climate accord and the World Health Organisation.

Credit outlook

After spiking in late March as coronavirus became a global pandemic and then rising again in October/November, credit default swap (CDS) prices for the larger UK banks have steadily fallen back to almost pre-pandemic levels. Although uncertainly around COVID-19 related loan defaults lead to banks provisioning billions for potential losses in the first half of 2020, drastically reducing profits, reported impairments for Q3 were much reduced in some institutions. However, general bank profitability in 2020 and 2021 may be significantly lower than in previous years.

The credit ratings for many UK institutions were downgraded on the back of downgrades to the sovereign rating. Credit conditions more generally though in banks and building societies have tended to be relatively benign, despite the impact of the pandemic.

Looking forward, the potential for bank losses to be greater than expected when government and central bank support starts to be removed remains a risk, suggesting a cautious approach to bank deposits in 2021/22 remains advisable.

Interest rate forecast

The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will remain at 0.1% until at least the first quarter of 2024. The risks to this forecast are judged to be to the downside as the BoE and UK government continue to react to the coronavirus pandemic and the new EU trading arrangements. The BoE extended its asset purchase programme to £895 billion in November while keeping Bank Rate on hold and maintained this position in December. However, further interest rate cuts to zero, or possibly negative, cannot yet be ruled out but this is not part of the Arlingclose central forecast.

Gilt yields are expected to remain very low in the medium-term while short-term yields are likely to remain below or at zero until such time as the BoE expressly rules out the chance of negative interest rates or growth/inflation prospects improve. The central case is for 10-year and 20-year to rise to around 0.60% and 0.90% respectively over the time horizon. The risks around the gilt yield forecasts are judged to be broadly balanced between upside and downside risks, but there will almost certainly be short-term volatility due to economic and political uncertainty and events.

The economic interest rate outlook provided by the Council's treasury advisor, Arlingclose Ltd, for December 2020 is detailed below and is based on the following Underlying Assumptions:

- The medium-term global economic outlook has improved with the distribution of vaccines, but the recent upsurge in coronavirus cases has worsened economic prospects over the short term.
- Restrictive measures and further lockdowns are likely to continue in the UK and Europe until the majority of the population is vaccinated by the second half of 2021. The recovery period will be strong thereafter, but potentially longer than previously envisaged.
- Signs of a slowing UK economic recovery were already evident in UK monthly GDP and PMI data, even before the second lockdown and Tier 4 restrictions. Employment is falling despite an extension to support packages.
- The need to support economic recoveries and use up spare capacity will result in central banks maintaining low interest rates for the medium term.
- Brexit will weigh on UK activity. The combined effect of Brexit and the after-effects of the pandemic will dampen growth relative to peers, maintain spare capacity and limit domestically

generated inflation. The Bank of England will therefore maintain loose monetary conditions for the foreseeable future.

- Longer-term yields will also remain depressed, anchored by low central bank policy rates, expectations for potentially even lower rates and insipid longer-term inflation expectations. There is a chance yields may follow a slightly different path in the medium term, depending on investor perceptions of growth and inflation, or the deployment of vaccines.

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Official Bank Rate													
Upside risk	0.00	0.00	0.15	0.15	0.15	0.15	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Downside risk	0.30	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
3-month money market r.													
Upside risk	0.05	0.05	0.10	0.10	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.15	0.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Downside risk	0.30	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
1yr money market rate													
Upside risk	0.05	0.05	0.10	0.10	0.15	0.20	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Arlingclose Central Case	0.15	0.15	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Downside risk	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
5yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Arlingclose Central Case	0.00	0.00	0.05	0.10	0.15	0.20	0.20	0.20	0.25	0.25	0.25	0.25	0.25
Downside risk	0.40	0.45	0.50	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
10yr gilt yield													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Arlingclose Central Case	0.25	0.30	0.35	0.35	0.40	0.40	0.45	0.45	0.50	0.55	0.55	0.55	0.60
Downside risk	0.50	0.50	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
20yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Arlingclose Central Case	0.70	0.70	0.75	0.75	0.75	0.80	0.80	0.85	0.85	0.85	0.85	0.90	0.90
Downside risk	0.30	0.30	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
50yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Arlingclose Central Case	0.60	0.60	0.65	0.65	0.65	0.70	0.70	0.75	0.75	0.75	0.75	0.80	0.80
Downside risk	0.30	0.30	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Forecast:

- Arlingclose expects Bank Rate to remain at the current 0.10% level.
- The central case for Bank Rate is no change, but further cuts to zero, or perhaps even into negative territory, cannot be completely ruled out, especially with likely emergency action in response to a no-deal Brexit.
- Gilt yields will remain low in the medium term. Shorter term gilt yields are currently negative and will remain around zero or below until either the Bank expressly rules out negative Bank Rate or growth/inflation prospects improve.
- Downside risks remain, and indeed appear heightened, in the near term, as the government reacts to the escalation in infection rates and the Brexit transition period ends.

This page is intentionally left blank

Agenda Item 6

Appendix 6

EXISTING INVESTMENT & DEBT PORTFOLIO POSITION AND PROJECTIONS

	31-Mar-20 Actual £M	31-Dec-20 Actual £M	31-Dec-20 Average %	31-Mar-21 Forecast £M	31-Mar-21 Forecast %
Long Term Borrowing					
Public Works Loan	257.87	237.35	2.69	276.10	2.73
LOBO Loans from Banks	9.00	9.00	4.86	9.00	4.87
	266.87	246.35	2.72	285.10	2.80
Short Term Borrowing					
Other Local Authorities	10.00	0.00	0.27	10.00	0.82
Other	0.36	0.36	0.27	0.36	0.82
Total External Borrowing	277.23	246.71	2.72	295.46	2.75
Other Long Term Liabilities					
PFI Schemes	54.00	52.48	8.82	50.96	9.16
Deferred Debt Charges (HCC)	13.83	13.64	2.61	13.46	2.15
Total Gross External Debt	345.06	312.84	4.08	359.88	3.74
Investments:					
<i>Managed In-House</i>					
Government & Local Authority	0.00	(10.00)	0.10		
Cash (Instant access)	(31.11)	(29.33)	0.01	(10.00)	0.03
Cash (Notice Account)	0.00	0.00	0.00	0.00	0.00
Long Term Bonds	(3.01)	(3.01)	5.30	(3.00)	5.30
<i>Managed Externally</i>					
Pooled Funds (CCLA) & Shares	(27.02)	(27.00)	3.52	(27.02)	3.00
Total Investments	(61.15)	(69.34)	3.51	(40.02)	2.43
Net Debt	283.91	243.50		319.86	

This page is intentionally left blank

Agenda Item 6

Appendix 7

PROJECTED MOVEMENT ON CAPITAL FINANCING REQUIREMENT

Capital Financing Requirement	31/03/2020 Actual £M	31/03/2021 Forecast £M	31/03/2022 Forecast £M	31/03/2023 Forecast £M	31/03/2024 Forecast £M	31/03/2025 Forecast £M
Balance Brought forward	334.02	339.58	349.95	374.48	490.32	492.61
New Capital Borrowing	17.26	20.28	35.94	128.00	16.97	12.75
MRP	(6.06)	(6.50)	(7.59)	(8.66)	(11.03)	(11.65)
Movement in Other Liabilities	(3.24)	(3.41)	(3.82)	(3.50)	(3.65)	(4.34)
Total General Fund Debt	339.58	349.95	374.48	490.32	492.61	489.37
HRA	169.13	177.49	198.93	231.32	287.63	317.76
Total CFR	508.71	527.44	573.41	721.64	780.24	807.13
Less Other Debt Liabilities*	(67.83)	(64.44)	(60.63)	(57.11)	(53.45)	(49.11)
Loans CFR	440.88	463.00	512.78	664.53	726.79	758.02

This page is intentionally left blank

Agenda Item 7

DECISION-MAKER:	Governance Committee
SUBJECT:	Projects & Programmes 6 monthly review
DATE OF DECISION:	15 th February 2021
REPORT OF:	Head of Projects, Policy & Performance - Munira Holloway

<u>CONTACT DETAILS</u>			
Executive Director	Title	Deputy Chief Executive	
	Name:	Mike Harris	Tel: 023 8083 2882
	E-mail	Mike.harris@southampton.gov.uk	
Author:	Title	Head of Projects, Policy & Performance	
	Name:	Munira Holloway	Tel: 023 8083 4476
	E-mail	Munira.holloway@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
None	
BRIEF SUMMARY	
The Corporate Business plan was approved at full council in February 2020 alongside the Medium-Term Financial Strategy. The plan set out the key projects for the five year period as understood at that time. This paper provides an update on the governance approach to those, and other major projects and programmes.	
A copy of the updated Corporate Plan is attached as an appendix and is available on the council website.	
RECOMMENDATIONS:	
	(i) Report to be noted.
	(ii)
REASONS FOR REPORT RECOMMENDATIONS	
1.	In order to update the Governance Committee on the governance approach to major projects and programmes as outlined in the Corporate Plan.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	Not to update the committee, not considered to be an appropriate option.
DETAIL (Including consultation carried out)	
3.	The Association of Project Management (APM) methodology has now been formally adopted as the corporate approach to managing projects and programmes.

	There is appropriate alignment to RIBA stage gates for construction projects.
4.	Each project follows the agreed governance (although smaller projects use a lighter touch approach), and where projects form part of a programme, relevant programme governance and boards are in place.
5.	A two-monthly Change Authority Board (CAB) has been established. This board reviews progress against plan (in summary and by exception) for all major projects and programmes including those outlined in the Corporate Plan.
6.	The key purpose of the CAB is to be: The formal gateway approval point for any new projects, and for any projects seeking approval to progress through the initial project gateways. Appropriate documentation including thorough consideration of options, funding and resourcing requirements, and an associated business case form part of the approval process.
7.	In addition the CAB works to resolve escalated conflicts between programmes, to review agreed priorities against progress and to assess project success and benefits realisation at appropriate points including after formal project close.
8.	The initiatives identified as projects or programmes in the Corporate Plan, and following the associated project governance approach are as follows: <ul style="list-style-type: none"> • Delivering more quality, affordable council homes (1,000 homes) • Bitterne Community Hub • City of Culture bid • Outdoor Sports Centre • Green City programme • Mayflower Quarter • Local Transport Plan • Local Development Plan • St Mark's School • Adults transformation programme • New Client Case Management system for social care • Customer Experience programme • Itchen Bridge contactless payments • Way we work programme (previously called Smart ways of working) <p>Other key projects (such as the Outbreak Control Plan) will also report to the Change Authority Board as determined by the Executive Management Team.</p>
9.	The current status of these projects is shown the attached appendix (SCC Corporate Plan update 2020). This document will be updated every six months and will be available for view on the council website.
10.	For projects identified as 'red' or 'amber', appropriate recovery plans are expected to bring the delivery back to green. In some instances this may require a re-baselining of the delivery plan.
11.	Outside of the CAB's terms of reference, which is essentially managing at a portfolio level, Project Boards exist to oversee and direct projects, and political interface takes place at Cabinet Member Briefings. Where initiatives

	in the Corporate Plan are 'business as usual', their progress will be monitored through the standard council governance processes including Business Plan reviews and Cabinet Member Briefings.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
12.	All implications considered as part of project and managed through project governance.
<u>Property/Other</u>	
13.	All implications considered as part of project and managed through project governance.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
14.	S.1 Localism Act 2011, S.111 Local Government Act 1972.
<u>Other Legal Implications:</u>	
15.	None
RISK MANAGEMENT IMPLICATIONS	
16.	All projects and programmes will have risk registers included as part of their project management arrangements. These include mitigating actions and timelines for implementation. The Executive Management Team review escalated and joint risks as part of the Change Authority Board to ensure a risk management overview at a council wide level.
POLICY FRAMEWORK IMPLICATIONS	
17.	The projects identified are part of the council's approved Corporate Plan.

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	SCC Corporate Plan 2020 update
2.	

1.	
2.	
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	/No
Other Background Documents	
Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	
2.	

Southampton: City of opportunity

2020-2025 Corporate Plan
Progress update 2020



Progress to date

Area	Update
	<p>Despite the challenges faced by the city and the council in tackling the global pandemic, we have continued to take positive steps in our work to build a hopeful future for the city, whilst at the same time supporting the most vulnerable citizens in an unprecedented situation. The employment market will be particularly challenging, especially for young people, and our contributions to the campaigns to spend, buy, and recruit locally, will be important in tackling those economic impacts.</p> <p>During 2020, through the hard work and dedication of our colleagues, partners and suppliers, we have managed to make good progress on the continued delivery of our Corporate Plan. There has been a significant amount of re-planning due to Covid restrictions, which has necessarily both slowed, and in some areas accelerated, delivery. Whilst there will be more challenging times to come, our focus remains on delivering quality customer service, innovation and sustainability. The launch of the City of Culture bid is a key part of our future ambition, and an important element of our work to make Southampton Greener, Fairer and Healthier.</p>
<p>Communities, culture and homes</p>	<p>Providing effective leadership and support to our communities has been a hallmark of our response to the Covid pandemic this year and we are proud of the work we have done in supporting and empowering vulnerable communities and individuals including those who are homeless, those experiencing domestic abuse and those who needed to 'shield'. The community support hub worked with a wide variety of partners across the City from our community, voluntary and faith sectors to provide support. Additionally, we have responded to the needs of our customers and communities creating new online services in our libraries, museums and our cultural venues.</p> <p>Inevitably, the changing economic and social dynamics have had an impact on some built developments, but we are maintaining our planning and preparation for major projects and remain committed to the 1000 homes programme of development. We have worked with the Southampton 2025 Trust and key partners, the University of Southampton, Solent University and Go! Southampton to deliver successful public and commercial launches for our City of Culture bid, a key expression of the City's ambition for the future</p>
<p>Green City</p>	<p>We have ensured the city council has continued to demonstrate leadership in reducing CO2 emissions in the city; the electric vehicle fleet is growing, and we have invested in innovations such as the green wall at Millbrook roundabout. We have made progress in delivering the Connecting Southampton plan and supporting the greater use of sustainable transport. The outcomes are part of a long-term plan and we are delivering on some short term initiatives to maintain momentum.</p>
<p>Place Shaping</p>	<p>Key place shaping activities are helping us develop the future of Southampton. Consultation and engagement about the Local Plan and the Mayflower quarter, have been impacted, but continued in different forms over the past few months. We have also worked proactively to help support and engage with the businesses of the city during these difficult times. We have administered grants, facilitating hospitality opportunities, and participated in the 'Working for Southampton' Recovery Partnership Agreement – joint working to secure a City Recovery Partnership for employment and jobs and place shaping growth.</p>
<p>Wellbeing</p>	<p>The city's first all through school is on target for opening in 2022, and we have celebrated 20 years of Surestart provision being founded in the City Meeting the increasing demands in the social care sector remains challenging as the city's demographic alters, complexity increases and we adapt service delivery. Whilst there has been a significant amount of progress in reshaping and developing adult social care and health, the allocation of resources to dealing with the pandemic has impacted on the progress of some plans.</p>
<p>Successful, sustainable business</p>	<p>There has been solid progress in delivering the plans set out in February 2020. The pandemic has changed customer and organisational behaviours which has required us to rapidly change the way we work and respond to customers. We have enabled a substantial number of staff able to work from home where their roles allow it and in introduction of technology to assist with website enquiries. It's very positive to see levels of sickness absence falling. We have introduced contactless payments on Itchen bridge and app based parking payments to offer greater convenience.</p>



Communities, culture & homes

Celebrating the diversity of cultures within Southampton; enhancing our cultural and historical offer and using these to help transform our communities

Red	Recovery plan required
Amber	At risk
Green	On track

We are focused on helping communities develop into thriving neighbourhoods that reflect Southampton as a vibrant and diverse city. Our aim is to build a safe, inclusive and friendly environment, where everyone can access the opportunities the city has to offer.

What are we doing?	Why this?	When?	Q1	Q2	Current direction of travel
Supporting safer communities	We are committed to ensuring everyone who lives in, works in and visits the city feels safe. We want to make sure people have the support they need to build and maintain inclusive communities.	Ongoing	A	A	Improving
Delivering more quality, affordable council homes	Delivery of 1,000 council owned homes will increase availability for those in need. We are improving the way we manage and maintain our council owned homes for a better tenant experience.	Phased works from 2020 to 2025	G	G	Stable
Bitterne Community Hub	Building a public services 'hub' including leisure, library and health facilities (and potentially others) will help improve residents' access to public services in the east of the city and help to sustain the local District Centre.	Fully delivered by 2025	A	A	Stable
City of Culture	Southampton is a vibrant and diverse city with a strong cultural heritage. National evidence shows that when culture is truly part of the mix it contributes to delivering sustainable economic, social, health and wellbeing outcomes to create a resilient and thriving city. We want to be recognised as the official City of Culture 2025, but our ambition goes far beyond that, to embrace being a city of culture for all time.	Bid by 2021 Become a city of culture by 2025	G	G	Stable
Outdoor Sports Centre	Built in the 1930s, the outdoor sports centre is the city's main venue for outdoor sports provision. Refurbishment will provide better facilities and more opportunities to improve health in our city.	Detailed timescale in 2020 Aim for completion by 2025	A	A	Stable

Success indicator	Preferred direction of travel	Baseline period	Baseline data	Q1	Q2	Current direction of travel
Percentage of people reporting feeling safe in the city – during the day	▲	2018/19	81.60%	City survey due Q4 date		
Percentage of people reporting feeling safe in the city – at night	▲	2018/19	39.60%	City survey due Q4 date		
Number of new build affordable housing (including acquisitions) owned by Local Authority	▲	2019/1920	51	Progressing in line with plan		Stable
Number of assessments made where homelessness was prevented or relieved (experimental)	▲	Q4 20/21	297	263	323	Improving
Percentage of people reporting feeling a sense of belonging to the local area (very or fairly strongly)	▲	2017/18	72.80%	City survey due Q4 date		

Green City

Providing a sustainable, clean, healthy and safe environment for everyone. Nurturing green spaces and embracing our waterfront.

Red	Recovery plan required
Amber	At risk
Green	On track

Focusing on sustainability, the Green City strategy is an ambitious set of initiatives working to improve the environment across the city. It is important to us that the city supports economic growth, bringing opportunities to its residents, and that with this growth we are green and environmentally sustainable, resilient to the effects of climate change. A move towards a low carbon, cleaner economy and a greener landscape will help Southampton to grow and evolve as a modern, healthy and attractive place to live, work and do business. Due to the nature of these activities, some extend well beyond 2025.

What are we doing?	Why this?	When?	Q1	Q2	Current direction of travel
Sustainable energy and carbon reduction	Concentrations of carbon dioxide and other greenhouse gases have been steadily increasing in the last 100 years due to human activities, causing global temperatures to increase. We are focused on how we can do our bit to change this and make council buildings carbon neutral by 2030.	2030	G	G	Stable
Delivering clean air	Poor air quality is now considered the largest environmental health risk in the UK. It is linked to health issues including heart and respiratory diseases. These effects are felt more by the most vulnerable in our society. We are working to reduce levels of nitrogen dioxide in the city to improve air quality.	2022	A	G	Improving
Our natural environment	The high population density in Southampton means that there is not enough green space per person. Access to good quality green space is vital for our health and wellbeing, can provide important wildlife habitats and help reduce flooding. We can 'offset' some of our current carbon emissions and there is an opportunity to achieve this at a local level through habitat creation.	Ongoing 25 wildflower meadows 2025 5,000 more trees 2030	A	A	Stable
Resources, waste and water management	We can reduce our environmental impact by making smart decisions about what we buy, how we get the most out of our purchases and what we do when we no longer need them. We can also help address climate change through reducing waste and increasing recycling.	2020 2030	G	A	Stable
Sustainable active travel	We want to deliver transport improvements to support the long-term economic growth of Southampton. By widening travel choices, we can support a healthy, active, and sustainable transport system that improves air quality and reduces carbon emissions.	2027	G	G	Stable

Success indicator	Preferred direction of travel	Baseline period	Baseline data	Q1	Q2	Current direction of travel
Metric tonnes of CO2e (new definition)	▼	New measure and baseline in development to be reported 2021/22				
Metric tonnes of CO2e (old definition)	▼	2018/19	14647.02 tonnes	13544.41 tonnes (2019/20)		Improving
Recorded levels of nitrogen dioxide in the city's Air Quality Management Areas (ug/m3) (calendar year)	▼	2018	34.53	33.50 (2019)		Improving
The number of weekday cycles on main cycle routes (where cycle counters are in place)	▲	2019/20	27,572	9,611	18,736	Improving
The number of passengers using public transport	▲	2019/20	20,184,134	907,567	3,042,618	Worsening
Increasing the number of trees planted	▲	Measure and baseline to be reported from 2021				
Number of wildflower meadows planted	▲	2019/20	8	Planting started Nov 2020		
Percentage of household waste sent for recycling	▲	2018/19	29.27%	27.59%	27.62%	Stable

Place shaping

Delivering a city for future generations. Using data, insight and vision to meet the current and future needs of the city.

Red	Recovery plan required
Amber	At risk
Green	On track

We want to build on Southampton 's unique sea city location and excellent transport links to continue to grow the local economy. Bringing investment into the city will increase employment opportunities for local people. We want to make sure that Southampton is a place that our residents are proud of, that develops to meet the changing demands of the modern world, and remains a great place to live, work and visit.

What are we doing?	Why this?	When?	Q1	Q2	Current direction of travel
Local Plan	The Local Plan is the statutory plan for the future development of the city. It identifies future development and infrastructure needs and priorities. These include housing, commercial, and transport infrastructure, along with protecting and enhancing the local environment. The Local Plan forms the basis for decisions on planning applications	Adoption of the Local Plan in Dec 2022 Ongoing	G	G	Stable
Mayflower Quarter	The Mayflower Quarter, as a major development linking the Cultural Quarter with the sea, is a key part of our bold and ambitious plans for growth.	Masterplan report by end 2020	A	A	Stable
Local Transport Plan	Improving and establishing local and regional transport connections will support economic growth. Delivering the transport plan will achieve important improvements in the coming years.	Ongoing to 2040	G	G	Stable
Future of work	We want to be known as a national centre of innovation and investment in 'place-based' technology, data and more. This includes supporting the roll-out of ultrafast fibre and mobile networks, supporting people to develop the skills to succeed in a changing market, and promoting the growth of the tech sector.	From 2021	A	A	Improving
Southampton pound and social value	Where we are spending on goods or services, we want to make sure we're either buying from the council, or from local businesses to keep the money in our local economy. We are also committed to ensuring that when we are agreeing contracts, they have a social value requirement.	Continue work through 2020-21 and beyond	G	G	Stable

Success indicator	Preferred direction of travel	Baseline period	Baseline data	Q1	Q2	Current direction of travel
Number of new homes built (housing completions)	▲	2019/20	460	Annual measure		
Percentage of year 12 and 13 in education, employment and training with accredited study	▲	2018/19	89.90%	88.70%	88.10%	Stable
Reduced journey times (average journey time inbound across 8 main routes in the city)	▼	Nov 2019	14.05mins	Annual measure calculate Nov 2020		
Reduced journey times (average journey time outbound across 8 main routes in the city)	▼	Nov 2019	13.26mins	Annual measure calculated Nov 2020		
Apprenticeship starts (18-64 per 1,000)	▲	2018/19	9.74	5.02 (at 6 months)		Stable
Increase in economic growth (Gross value added per head)	▲	2018/19	£30,419	Annual measure		

Wellbeing

Start well, live well, age well, die well; working with other partners and other services to make sure that customers get the right help at the right time.

Red	Recovery plan required
Amber	At risk
Green	On track

Working with partners to deliver the ambitions set out in the five year Health and Wellbeing Strategy, this area looks at wellbeing across the city, with a focus on adults and children's social care, education and public health. We work closely with partners to help safeguard vulnerable people across the city. We are focused on delivering strong customer experience across both the Adults and Children & Families services. We want Southampton to be a city that is recognised for its proactive approach to preventing problems and intervening early, as well being a 'Child Friendly City' where children and young people have great opportunities and an aspiration to achieve. We want our residents to have the information and support they need to lead safe, active, healthy lives and to be able to live independently for longer.

What are we doing?	Why this?	When?	Q1	Q2	Current direction of travel
Expanding St Mark's school	We are building a new all through school as a part of a set of proposals to meet the forecast demand for 1,500 additional secondary school places.	2022	G	G	Stable
Tackling child hunger	We will continue to deliver the 'Feed the Future' programme by offering free healthy snacks in Southampton schools. We will offer more healthy foods for families in poverty through the summer school holiday break holiday hunger scheme.	Ongoing	A	A	Stable
Transforming adults social care	We are looking at the way we work so that people feel safe and will be able to live independently for longer. We want our residents to have greater choice and control over which services they use, that access is straightforward, and service provision is appropriate and timely.	2023 and beyond	A	A	Stable
Children and Young People's specialist resource hub	This will provide a specialist response to vulnerable children and young people with complex needs in Southampton, to help prevent entry into care and long term residential placement.	Design 2020/21 Deliver 2021/22	G	A	Worsening
Better case management	Our current client case management system was installed in 2003. Since then, social care practice has changed, demand has increased, and technology has improved. Processes followed today across Children's, Adults and Finance services have been reviewed and streamlined. These updated processes and technology will help us to provide a more positive customer experience.	System live by end 2020 (Health Integration and continued development 2021)	A	R	Worsening

Success indicator	Preferred direction of travel	Baseline period	Baseline data	Q1	Q2	Current direction of travel
Male gap in life expectancy at birth between most and least deprived neighbourhoods	▼	2016-18	6.4 years	Annual measure		
Female gap in life expectancy at birth between most and least deprived neighbourhoods	▼	2016-18	4.1 years	Annual measure		
Proportion of city pupils known to be eligible for Free School Meals (primary)	▼	2018/19	21.90%	24.60%	Stable	
Proportion of city pupils known to be eligible for Free School Meals (Secondary)	▼	2018/19	20.40%	23.60%		
Percentage of people with eligible needs supported to live independently	▲	2019/20	76.66%	78.32%	79.61%	Stable
Number of Looked After Children (per 10,000)	▼	2019/20	96	96	95	Stable
Percentage of care leavers in touch and in suitable accommodation	▲	2019/20	84.10%	86.20%	85.06%	Stable

Successful, sustainable business

Building sustainable, agile and flexible services, with people who have the capacity, capability and confidence to adapt to and drive changing environments

Red	Recovery plan required
Amber	At risk
Green	On track

Focused on improving our organisation, working with colleagues and trade unions to create a great place to work with efficient, easy to use systems making sure we keep costs low, develop growth and deliver a great customer experience. Having strong support services is critical to achieving our ambitions for the city.

What are we doing?	Why this?	When?	Q1	Q2	Current direction of travel
Improving the customer experience	We are modernising the way customers pay, report problems, or find information on our website, to help make these experiences quick and easy.	2023	G	G	Stable
	We are implementing contactless payments for the Itchen Bridge to improve customer experience.	2020			
Innovation & efficiencies	We need to take innovative approaches to improve customer experience and reduce unnecessary internal costs. This is an ongoing programme of work that will look to deliver improvements every year.	2020-2025 and ongoing	N/A	N/A	Paused to Q1 2021
Working differently	We have 'smart ways of working' programme underway to support employees and managers operate in a way more suited to the future environment. The changes have already begun to help us work better together, to innovate more, and develop improvements for our customers.	Phase 1 complete 2020 Ongoing phases through to 2025	A	G	Improving
People development	We are investing in supporting people to develop the knowledge, skills and behaviours to help us be a modern, innovative organisation and better meet our customers' needs.	Phased through to 2023	A	A	Improving
Absence management	Sickness levels are one of the indications of the health and wellbeing of our employees. We are providing additional support for employees and managers to enable them to effectively manage sickness and improve staff wellbeing.	2020 onwards	A	A	Improving

Success indicator	Preferred direction of travel	Baseline period	Baseline data	Q1	Q2	Current direction of travel
Percentage customers very or fairly satisfied with the way Southampton City Council runs things	▲	2017/18	49.80%	City survey due Q4 date		
Employee engagement scores	▲	2018	59/100	Annual measure		
Percentage council spend with local suppliers	▲	2019/20	41.11%	43.32%	41.16%	Stable
Percentage of staff working flexibly	▲	2019/20	5%	7%	81%	Improving
Total number of apprentices developing a career within SCC (existing employees)	▲	2019/20	94	99	113	Improving
Number of days lost per employee to sickness absence	▼	2019/20	9.37 days	8.93 days	8.58 days	Improving



DECISION-MAKER:	GOVERNANCE COMMITTEE		
SUBJECT:	EXTERNAL AUDIT – ANNUAL AUDIT LETTER 2019-20		
DATE OF DECISION:	15 February 2021		
REPORT OF:	EY LLP (EXTERNAL AUDIT)		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	David White	Tel:
	E-mail:	dwhite@uk.ey.com	
Director	Name:	Kevin Suter	Tel:
	E-mail:	ksuter@uk.ey.com	

STATEMENT OF CONFIDENTIALITY	
N/A	
BRIEF SUMMARY	
<p>The National Audit Office’s Code of Audit Practice requires auditors to prepare an annual audit letter and issue it to each audited body. The annual audit letter summarises key findings from across the range of the auditor’s work and responsibilities under statute and the Code, in relation to the 2019/20 audit. It provides a clear, readily understandable commentary on the results of the auditor’s work and highlights any issues that the auditor wishes to draw to the attention of the public. The annual audit letter is a public facing document and is written for a wider audience because it must be published by the audited body.</p>	
RECOMMENDATIONS:	
	(i) To note the Annual Audit Letter 2019/20 as attached
REASONS FOR REPORT RECOMMENDATIONS	
1.	Please see summary above, with regard to the requirement to issue an Annual Audit Letter. The Accounts and Audit Regulations require the Annual Audit Letter to be considered by a Committee of the Authority, and then published on the Authority’s website.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
1.	None
DETAIL (Including consultation carried out)	
	<p>See summary above, and attached Annual Audit Letter.</p> <p>The Annual Audit Letter has been shared with officers (the Executive Director: Finance and Commercialisation, the Head of Financial Planning and Management, and the MTFs & Revenue Manager) for comment prior to submission into papers, and the comments received have been reflected in the report.</p>

RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
	None
<u>Property/Other</u>	
	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
	<ul style="list-style-type: none"> • Local Audit and Accountability Act 2014 • Accounts and Audit Regulations 2015
<u>Other Legal Implications:</u>	
	None
RISK MANAGEMENT IMPLICATIONS	
	None
POLICY FRAMEWORK IMPLICATIONS	
	None

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	N/A
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Annual Audit Letter 2019/20

Documents In Members' Rooms

1.	N/A
----	-----

Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
---	-----------

Data Protection Impact Assessment

Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
--	-----------

Other Background Documents

Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None

Southampton City Council

Annual Audit Letter for the year
ended 31 March 2020

January 2021

Page 69

The EY logo consists of the letters 'EY' in a bold, white, sans-serif font. A yellow triangle is positioned above the 'Y', pointing downwards towards the letters.

Building a better
working world

Appendix 1

Agenda Item 8

Contents

		Page
Section 1	Executive Summary	3
Section 2	Purpose and Responsibilities	8
Section 3	Financial Statement Audit	11
Section 4	Value for Money	22
Section 5	Other Reporting Issues	26
Section 6	Focused on your future	29
Appendices		
Appendix A	Audit Fees	31

Page 70

Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website (www.psa.co.uk).

This Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment (updated April 2018)' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Audit Letter is prepared in the context of the Statement of responsibilities / Terms and Conditions of Engagement. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure - If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Hywel Ball, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.



Section 1

Executive Summary

Page 71

Executive Summary

We are required to issue an annual audit letter to Southampton City Council (the Council) following completion of our audit procedures for the year ended 31 March 2020.

Covid-19 had an impact on a number of aspects of our 2019/20 audit. We set out these key impacts below.

Area of impact	Commentary
Impact on the delivery of the audit	
▶ Changes to reporting timescales	As a result of Covid-19, new regulations, the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 No. 404, have been published and came into force on 30 April 2020. This announced a change to publication date for final, audited accounts from 31 July to 30 November 2020 for all relevant authorities. We worked with the Council to deliver our audit in line with the revised reporting timescale.
Impact on our risk assessment	
▶ Valuation of Property Plant and Equipment and Investment Property	<p>The Royal Institute of Chartered Surveyors (RICS), the body setting the standards for property valuations, has issued guidance to valuers highlighting that the uncertain impact of Covid-19 on markets might cause a valuer to conclude that there is a material uncertainty in the valuations at year-end. Since late March 2020 in the UK, Covid-19 has had a dramatic impact on the occupation of buildings due to the forced closure of restaurants, retail stores, leisure, offices and hotels due to government regulation. We do not know how long the government's measures will last or how long businesses will be impacted. Rental income is expected to fall as tenants may default on their rents or seek to negotiate rent reductions as they can no longer trade effectively.</p> <ul style="list-style-type: none">• These issues could have a significant impact on investment properties and we therefore raised a significant risk in relation to investment property valuations due to the materiality of this balance.• Whilst we have not changed our overall risk assessment for the valuation of property, plant and equipment, we have also undertaken additional procedures on assets within this balance valued on the basis of market information (fair value / existing use value).
▶ Disclosures on Going Concern	Financial plans for 2020/21 and medium term financial plans will need revision for Covid-19. We considered the unpredictability of the current environment gave rise to a risk that the council would not appropriately disclose the key factors relating to going concern, underpinned by managements assessment with particular reference to Covid-19 and the Council's actual year end financial position and performance.
▶ Adoption of IFRS 16	The adoption of IFRS 16 by CIPFA/LASAAC as the basis for preparation of local authority financial statements has been deferred until 1 April 2022. The Authority will therefore no longer be required to undertake an impact assessment, and disclosure of the impact of the standard in the financial statements does not now need to be financially quantified in 2019/20. We therefore no longer consider this to be an area of audit focus for 2019/20.

Executive Summary (cont'd)

Covid-19 impacts continued:

Area of impact	Commentary
Impact on our risk assessment	
▶ Consultation requirements	Additional EY consultation requirements were implemented concerning the impact on auditor reports. The changes to audit risks and audit approach changed the level of work we needed to perform.
Impact on the scope of our audit	
▶ Information Produced by the Entity (IPE)	<p>We identified an increased risk around the completeness, accuracy, and appropriateness of information produced by the entity due to the inability of the audit team to verify original documents or re-run reports on-site from the Council's systems. We undertook the following to address this risk:</p> <ul style="list-style-type: none"> • Used the screen sharing function of Microsoft Teams to evidence re-running of reports used to generate the IPE we audited; and • Agree IPE to scanned documents or other system screenshots.

Page 73

The tables below set out the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the Council's 's:	
▶ Financial statements	Unqualified – the financial statements give a true and fair view of the financial position of the Council as at 31 March 2020 and of its expenditure and income for the year then ended.
▶ Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the Annual Accounts.
▶ Concluding on the Council's arrangements for securing economy, efficiency and effectiveness	We concluded that you had put in place proper arrangements to secure value for money in your use of resources.

Executive Summary (cont'd)

Results and conclusions on the significant areas of the audit process continued:

Area of Work	Conclusion
Reports by exception:	
▶ Consistency of Annual Governance Statement	The Annual Governance Statement was consistent with our understanding of the Council.
▶ Public interest report	We had no matters to report in the public interest.
▶ Written recommendations to the Council, which should be copied to the Secretary of State	We had no matters to report.
▶ Other actions taken in relation to our responsibilities under the Local Audit and Accountability Act 2014	We had no matters to report.

Page 74

Area of Work	Conclusion
Reporting to the National Audit Office on our review of the Council's Whole of Government Accounts (WGA) return.	<p>Our work on the Authority's WGA submission is not yet complete at the time of writing this annual audit letter. There are ongoing technical issues with HM Treasury's OSCAR system, used to submit WGA data for audit, which mean that this work cannot be completed. These issues are impacting a number of authorities and are not specific to Southampton City Council. They are outside of the control of officers and the EY audit team.</p> <p>The audit certificate will be issued once this work is complete.</p>

Executive Summary (cont'd)

As a result of the above we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Council communicating significant findings resulting from our audit.	Our Audit Results Reports was issued on 03 November 2020 and presented to the Governance Committee on 16 November 2020.
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	We have not as yet issued our audit completion certificate. Our work on the Council's Whole of Government Accounts submission is ongoing for the reasons set out on the previous page. The audit certificate will be issued once this work is complete.

Page 75

We would like to take this opportunity to thank the Council staff for their assistance during the course of our work and in particular given the challenging priorities they faced as a result of their work in responding to the Covid-19 pandemic. Their collaborative approach enabled us to complete the 2019/20 audit by working remotely.

Kevin Suter
Associate Partner
For and on behalf of Ernst & Young LLP

Section 2

Purpose and Responsibilities

Page 76



Purpose

The Purpose of this Letter

The purpose of this annual audit letter is to communicate to Members and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to the attention of the Council .

We have already reported the detailed findings from our audit work in our 2019/20 Audit Results Reports to the 16 November 2020 Governance Committee, representing those charged with governance. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Council .

Responsibilities

Responsibilities of the Appointed Auditor

Our 2019/20 audit work has been undertaken in accordance with the updated Audit Plan that we issued on 10 July 2020 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

- ▶ Expressing an opinion:
 - ▶ On the 2019/20 financial statements; and
 - ▶ On the consistency of other information published with the financial statements.
- ▶ Forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources.
- ▶ Reporting by exception:
 - ▶ If the annual governance statement is misleading or not consistent with our understanding of the Council;
 - ▶ Any significant matters that are in the public interest;
 - ▶ Any written recommendations to the Council, which should be copied to the Secretary of State; and
 - ▶ If we have discharged our duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return.

Responsibilities of the Council

The Council is responsible for preparing and publishing its statement of accounts accompanied by an Annual Governance Statement (AGS). In the AGS, the Council reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Council is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Section 3

Financial Statement Audit

Page 79



Financial Statement Audit

Key Issues

The Council's Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

We audited the Council's Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the National Audit Office and issued an unqualified audit report on 30 November 2020.

Our detailed findings were reported to the 16 November 2020 Governance Committee.

The key issues identified as part of our audit were as follows:

Significant Risk	Conclusion
<p>Misstatements due to fraud or error</p> <p>The Financial Statements as a whole are not free of material misstatements whether caused by fraud or error.</p> <p>As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>We identify and respond to this fraud risk on every audit engagement.</p>	<p>Our assessment of risk led us to create a series of criteria for the testing of journals, focusing specifically on areas that could be open to management manipulation. We also focused specifically on capitalisation of expenditure as a potential area of manipulation, which is recorded as a separately identified significant risk on the next page of this report.</p> <p>Our work on estimates focussed on Investment Property valuation (identified as a significant risk estimate), PPE valuation, PFI valuation and IAS19 pension estimates (identified as high risk estimates). Our findings on these areas are set out on subsequent pages in this section of our report.</p> <p>Our approach focused on:</p> <ul style="list-style-type: none"> • Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements. • Assessing accounting estimates for evidence of management bias. • Evaluating the business rationale for significant unusual transactions. <p>Further to this, we:</p> <ul style="list-style-type: none"> • Inquired of management about risks of fraud and the controls put in place to address those risks, as well as gaining an understanding of the oversight given by those charged with governance of management's processes over fraud. • Considered the effectiveness of management's controls designed to address the risk of fraud. <p>Our audit work has provided assurance that:</p> <ul style="list-style-type: none"> • We have not identified any evidence of material management override. • We have not identified any instances of inappropriate judgements being applied or other management bias both in relation to accounting estimates and other balances and transactions. • We have not identified any other transactions which appeared unusual or outside the Council's normal course of business

Financial Statement Audit (cont'd)

Significant Risk

Risk of fraud in revenue and expenditure recognition

Under ISA (UK) 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure, as there is an incentive to reduce expenditure which is funded from Council Tax. This could then result in funding of that expenditure, that should properly be defined as revenue, through inappropriate sources such as capital receipts, capital grants, or borrowing.

The value of Property, Plant & Equipment (PPE) additions in 2019/20 was £88m

Conclusion

Our approach was as follows:

- We selected a sample of PPE additions, using lowered testing thresholds, to test and confirm the item was appropriate to capitalise through agreement to evidence such as invoices and capital expenditure authorisations.
- When performing journals testing, we challenged entries that could be indicative of inappropriate capitalisation, such any significant journals transferring expenditure from non-capital codes to PPE additions or from revenue to capital codes on the general ledger at the end of the year.

From the work completed, we did not identify any instances of inappropriate capitalisation of revenue expenditure.

Financial Statement Audit (cont'd)

Significant Risk

Valuation of investment properties

The fair value of Investment Property (IP) represents a significant balance in the Council's accounts and is subject to valuation changes, impairment reviews and market fluctuations. Management is required to make material judgements and apply estimation techniques to calculate the year-end balance recorded in the balance sheet. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

The Royal Institute of Chartered Surveyors (RICS), the body setting the standards for property valuations, has issued guidance to valuers highlighting that the uncertain impact of Covid-19 on markets might cause a valuer to conclude that there is a material uncertainty in the valuations at year-end.

Since late March 2020 in the UK, Covid-19 has had a dramatic impact on the occupation of buildings due to the forced closure of restaurants, retail stores, leisure, offices and hotels due to government regulation. We do not know how long the government's measures will last or how long businesses will be impacted. Rental income is expected to fall as tenants may default on their rents or seek to negotiate rent reductions as they can no longer trade effectively. This could have a significant impact on investment properties and we have therefore raised a significant risk in relation to investment property valuations.

The value of IP in the draft accounts at 31/03/2020 was £118m.

Conclusion

Our approach was as follows. We:

- Considered the work performed by the Council's valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work.
- Sample tested key asset information used by the valuers in performing their valuation and challenged the key assumptions used by the valuer.
- Considered the adequacy of processes management have implemented to ensure the material accuracy of the assets at 31 March since the valuation date.
- Tested accounting entries have been correctly processed in the financial statements.
- Obtained input from EY Real Estates, our internal specialists on asset valuations for Investment Properties, including inputs on market sentiment and how it has been reflected in the estimated rental values/yields.

We concluded as follows:

- No issues were identified through our work on investment property valuations, which was informed by a review of the valuation methodology and results by our internal specialists.
- No issues were identified through our consideration of the work of the Council's valuer, or through our review of accounting entries.

Financial Statement Audit (cont'd)

Significant Risk

New Ledger System

The Council introduced its new Business World financial management system with effect from 01 October 2019. It put in place measures to migrate data on 2019/20 transactions and balances from the old to the new financial management system. The Council's 2019/20 financial statements were prepared using data taken from the new general ledger at the end of the financial year.

To ensure the production of materially accurate and complete 2019/20 financial statements, it is essential that the Council is assured over the completeness and accuracy of financial data from the old system to its new general ledger. It is also key to ensure the correct implementation of processes and controls related to the new systems, such as timely control account reconciliations.

Conclusion

Our approach focused on:

- Meeting with officers to discuss and understand the process for implementing the new financial management system.
- Reviewing the actions taken by the Council to ensure the complete and accurate migration of financial data to the new general ledger. This included reviewing the effectiveness of reconciliation processes. We also undertook our own testing on the completeness and accuracy of data migration on a sample basis.
- Obtaining updates from officers regarding work done to address initial operational issues with the new system.
- Reviewing how data from the new system maps to the statement of accounts, as part of our understanding of the accounts production process for 2019/20.

We concluded as follows:

- We did not identify any issues regarding the completeness and accuracy of data migrated from the old ledger system to the new system.
- We gained a sufficient understanding of the mapping to the statement of accounts to enable our 2019/20 audit work.
- We did not become aware of any ongoing material operational issues arising from the implementation of the new system which impacted the production of the financial statements.

Financial Statement Audit (cont'd)

Other Risk

Valuation of Land and Buildings

The value of Property, Plant and Equipment (PPE) represents a significant balance in the Council's accounts and is subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

In our audit plan update in July, we noted that the Royal Institute of Chartered Surveyors (RICS), the body setting the standards for property valuations, has issued guidance to valuers highlighting that the uncertain impact of Covid-19 on markets might cause a valuer to conclude that there is a material uncertainty in the valuations at year-end. This impact is expected to affect PPE valued at Existing Use Value (EUV) and Fair Value (FV) as the valuation basis for these properties is linked to recent market transactions. We have not amended our overall risk assessment for this type of asset, but have undertaken additional procedures as noted below.

The net book value of PPE in the draft accounts at 31/03/2020 was £1.46bn.

To gain assurance in this area we:

- Considered the work performed by the Council's valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work.
- Tested on a sample basis the accuracy of information used by the valuer in performing their valuations and challenged the valuer's key assumptions.
- Considered the annual cycle of valuations to ensure that assets have been valued within a suitable rolling programme as required by the Code for PPE.
- Considered the adequacy of processes management have implemented to ensure the material accuracy of the assets at 31 March since the valuation date.
- Confirmed that accounting entries have been correctly processed in the financial statements.

Additional procedures on Existing Use Value assets:

- Considered the Council's asset base by type of asset and valuation methodology
- Obtained input from EY Real Estates, our internal specialists on asset valuations for a sample of EUV assets

Conclusion

We identified two audit differences as a result of our work which management chose not to adjust. These were in relation to one EUV asset reviewed by our specialists whereby the value was outside the expected range leading to an understatement of the PPE balance, and in relation to assets not revalued in 2019/20, where our review against expected movements identified that these were potentially overstated. These differences were not material.

We agreed with management that a prior period adjustment included in the draft financial statements in respect of property, plant and equipment valuations should not be included as it did not meet the accounting requirements.

We identified a number of recommendations in relation to PPE/IP, that we believe would benefit both the accounts preparation processes and the audit. These were set out in our Audit Results Report to Those Charged with Governance.

No other issues were identified from testing of land and buildings valuations. No further issues were identified through our consideration of the work of the Council's valuer, or through our review of accounting entries.

Financial Statement Audit (cont'd)

Other Risk

Going Concern Disclosure

Covid-19 has created a number of financial pressures throughout local government, increasing service demand and expenditure. The Council has incurred additional expenditure in a number of areas of its operations and has experienced income losses in parking, commercial and leisure services. The extent of support from MHCLG has developed over time, but does not include all financial consequences of Covid-19. There have been a number of media stories in both the national press and trade publications raising the possibilities of an increase in chief financial officers using their s114 powers. This could be under s114(3), insufficient resources to fund likely expenditure.

CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 sets out that organisations that can only be discontinued under statutory prescription shall prepare their accounts on a going concern basis.

However, International Auditing Standard 570 Going Concern, as applied by Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom, still requires auditors to undertake sufficient and appropriate audit procedures to consider whether there is a material uncertainty on going concern that requires reporting by management within the financial statements, and within the auditor's report. We are obliged to report on such matters within the section of our audit report 'Conclusions relating to Going Concern'. To do this, the auditor must review management's assessment of the going concern basis applying IAS1 Presentation of Financial Statements.

Conclusion

In light of the unprecedented nature of Covid-19, its impact on the funding of public sector entities and uncertainty over the form and extent of government support, we sought a documented and detailed consideration to support management's assertion regarding the use of the going concern basis of preparation. Our audit procedures to review this included consideration of:

- Current and developing environment;
- Liquidity (operational and funding);
- Mitigating factors;
- Management information and forecasting; and
- Sensitivities and stress testing.

We concluded that the Council's disclosure of its considerations around going concern in the final financial statements was adequate and appropriate. Whilst we did not consider there to be a material uncertainty, the possible impact of Covid-19 on the Council's usable reserves during the 12 months following the issue of the audited financial statements meant that we included an Emphasis of Matter paragraph in our auditor's report, to draw the reader's attention to the going concern disclosure. This was not a qualification of our audit opinion.

Financial Statement Audit (cont'd)

Other Risk

PFI Accounting

The Council has two PFI arrangements which are material to our audit. PFI accounting is a complex area, and a detailed review of these arrangements was undertaken by our internal specialist in 2017/18. We will review the accounting entries and disclosures in relation to PFI in detail in 2019/20, with a focus on any significant changes since the specialist's review.

The total finance lease liability for PFIs was £51m at 31/03/2020, and the value of PFI assets was £74m.

To gain assurance in this area we:

- Reviewed assurances brought forward from prior years regarding the appropriateness of the PFI financial models.
- Reviewed the PFI financial models for any significant changes.
- Ensured the PFI accounting models had been updated for any service or other agreed variations and confirmed consistency of current year models with prior year brought forward assurances.
- Agreed outputs of the models to the accounts, and reviewed the completeness and accuracy of disclosures.

Conclusion

We reviewed brought forward assurances, reviewed the PFI models for significant changes, and ensured appropriateness of any updates and consistency of current year models with the prior year. We also agreed the outputs of the models to the accounts.

No issues with PFI accounting were identified from this work.

Financial Statement Audit (cont'd)

Other Risk

Pension Liability Valuation

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme, administered by Hampshire County Council. The Council's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Council's balance sheet. The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the County Council.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

The net pension liability in the draft accounts at 31 March 2020 was £492m.

To gain assurance in this area we:

- Liaised with the auditors of Hampshire Pension Fund, to obtain assurances over the information supplied to the actuary in relation to Southampton City Council.
- Assessed the work of the Pension Fund actuary (Aon Hewitt) including the assumptions they used by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors, and considering any relevant reviews by the EY actuarial team.
- Reviewed and tested the accounting entries and disclosures made within the Council's financial statements in relation to IAS19.

Conclusion

As a result of our work, we identified one audit difference which management chose not to adjust. This was in relation to the assumptions used by the actuary of Hampshire Pension Fund to determine their estimate of the Council's defined benefit pension liability. This difference was not material.

No other issues were identified from our work to address this risk.

Financial Statement Audit (cont'd)

Other Risk

Restatement of Comprehensive Income and Expenditure Statement, Expenditure and Funding Analysis, and related disclosure notes

Under CIPFA's "Telling the Story" agenda, the Council is required to disclose its income and expenditure in accordance with the structure used for internal reporting, rather than the previous presentation as prescribed by SERCOP.

The Council has changed its internal reporting structure in 2019/20, which will mean the prior period comparators in the Comprehensive Income and Expenditure Statement, the supporting Expenditure and Funding Analysis, and related disclosure notes, will need to be restated in line with the new structure.

To gain assurance in this area we:

- Agreed the restated comparative figures back to the Council's prior year financial statements and supporting working papers
- Reviewed the analysis of how these figures are derived from the Council's ledger system

Conclusion

We were satisfied that the Comprehensive Income and Expenditure Statement, the Expenditure and Funding Analysis, and related disclosure notes, were restated appropriately following the change to internal reporting structures.

Financial Statement Audit (cont'd)

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	Thresholds applied
Planning materiality	<p>We determined planning materiality for the Council to be £12.14m (2019: £11.34m), which is based on 1.8% of gross revenue expenditure reported in the accounts.</p> <p>We consider gross revenue expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Council.</p>
Reporting threshold	<p>We agreed with the Governance Committee that we would report to the Committee all audit differences in excess of £0.607m (2019: £0.567m)</p>

Page 89

We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to these areas. The areas identified and audit strategy applied include:

- ▶ Remuneration disclosures including any severance payments, exit packages and termination benefits: These were tested in detail as part of our audit.
- ▶ Related party transactions: These were tested in detail as part of our audit.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations.

Section 4

Value for Money



Value for Money

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness in its use of resources. This is known as our value for money conclusion.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- ▶ Take informed decisions;
- ▶ Deploy resources in a sustainable manner; and
- ▶ Work with partners and other third parties.

On 16 April 2020 the National Audit Office published an update to auditor guidance in relation to the 2019/20 Value for Money assessment in the light of Covid-19. This clarified that in undertaking the 2019/20 Value for Money assessment auditors should consider NHS bodies' response to Covid-19 only as far as it relates to the 2019-20 financial year; only where clear evidence comes to the auditor's attention of a significant failure in arrangements as a result of Covid-19 during the financial year, would it be appropriate to recognise a significant risk in relation to the 2019-20 VFM arrangements conclusion.

We identified one significant risk around these arrangements. The tables below present our findings in response to the risk in our audit planning report.

No further risks were identified during the course of our audit. This includes thorough consideration of the impact of Covid-19 as noted above.

We had no matters to report about the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources.

We therefore issued an unqualified value for money conclusion on 30 November 2020



Value for Money (cont'd)

Significant Risk

The OFSTED inspection of children's social care services, undertaken in November 2019, graded the service "requires improvement to be good" across the 4 main areas covered by the report:

- The impact of leaders on social work practice with children and families
- The experiences and progress of children who need help and protection
- The experiences and progress of children in care and care leavers
- Overall effectiveness

The report commented on a number of areas where improvements are required going forward, to bring the service up to the level needed to achieve a Good rating in a future inspection.

Since our Audit Plan was issued, we also became aware of whistleblowing allegations relating to the children's social care services. We therefore reviewed the actions taken by the Council to respond to this, as part of our work on the identified value for money risk.

Page 92

What did we do?

We:

- Compared the detailed findings of the OFSTED report with the NAO's value for money criteria, to assess the significance of the individual findings to our responsibilities;
- Compared the detailed findings with those reported when the previous OFSTED inspection was carried out in 2014 (when the overall outcome was also "requires improvement"), to assess the significance of any changes in reported judgments;
- Reviewed the appropriateness of the arrangements put in place by the Council to address the findings of the OFSTED report and to monitor progress against agreed action plans; and
- Reviewed the actions taken by the Council to respond to the whistleblowing allegations relating to Children's Social Care Services

Value for Money (cont'd)

Conclusion

A number of the findings of the OFSTED report were relevant to our value for money responsibilities, under all three sub-criteria set out by the NAO (informed decision making, sustainable resource deployment, and working with partners and third parties).

There was some commonality of findings between the 2019 OFSTED report and the previous inspection in 2014, which supported OFSTED's review that improvement in the intervening period had been "uneven and too slow".

The arrangements put in place by the Council to address the OFSTED findings, including setting up a Children & Families Service Improvement Board, creating a detailed action plan and seeking review of that plan by Hampshire County Council, were judged appropriate.

The actions taken to address the subsequent whistleblowing allegations – primarily the commissioning of a review by an independent inspector, resulting in a series of recommendations drawing on their work and previous internal reviews of the service – were judged appropriate.

We therefore had no matters to report about the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources.



Section 5

Other Reporting Issues

Other Reporting Issues

Whole of Government Accounts

We are required to perform the procedures specified by the National Audit Office on the accuracy of the consolidation pack prepared by the Council for Whole of Government Accounts purposes.

Our work on the Authority's WGA submission is not yet complete at the time of writing this annual audit letter. There are ongoing technical issues with HM Treasury's OSCAR system, used to submit WGA data for audit, which mean that this work cannot yet be completed. These issues are impacting a number of authorities and are not specific to Southampton City Council. They are outside of the control of officers and the EY audit team. The audit certificate will be issued once this work is complete.

Annual Governance Statement

We are required to consider the completeness of disclosures in the Council's annual governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it is misleading.

We completed this work and did not identify any areas of concern.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Council or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Written Recommendations

We have a duty under the Local Audit and Accountability Act 2014 to designate any audit recommendation as one that requires the Council to consider it at a public meeting and to decide what action to take in response.

We did not identify any issues which required us to issue a written recommendation.

Objections Received

We did not receive any objections to the 2019/20 financial statements from members of the public.

Other Powers and Duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Other Reporting Issues (cont'd)

Independence

We communicated our assessment of independence in our Audit Results Reports to the Governance Committee on 16 November 2020. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

We have adopted a fully substantive audit approach and have therefore not tested the operation of controls.

Our audit did not identify any controls issues to bring to the attention of the Governance Committee.

Section 6

Focused on your future



Focused on your future

The Code of Practice on Local Authority Accounting in the United Kingdom introduces the application of new accounting standards in future years. The impact on the Council is summarised in the table below.

Standard	Issue	Impact
IFRS 16 Leases	It is currently proposed that IFRS 16 will be applicable for local authority accounts from the 2022/23 financial year, following a recent further deferral announced in December 2020.	Whilst the adoption of IFRS 16 has been deferred for a further year, we encourage the Council to use that time to undertake a detailed exercise to identify all of its leases during 21/22 and capture the relevant information for them. The Council must ensure that all lease arrangements are fully documented.



Appendix A
Audit Fees

Audit Fees

Our fee for 2019/20 is set out in the table below.

Description	Final Fee 2019/20 £	Planned Fee 2019/20 £	Scale Fee 2019/20 £	Final Fee 2018/19 £
Total Audit Fee	109,891	121,891	109,891	110,271
Scale Fee Rebasing: Changes in work required to address professional and regulatory requirements and scope associated with risk (see page 34)	68,235			N/A
Revised Proposed Scale Fee	178,126			110,271
Covid 19 - Going Concern and consultation (1)	4,635			N/A
Covid 19 - increased property valuation risk (1)	5,601			N/A
Other PPE related additional work (1)	2,471			N/A
Value for Money significant risk (1)	3,038			N/A
New Ledger System significant risk (1)	9,654			N/A
CIES Restatement and Pensions risks (1)	2,353			N/A
Total Audit Fee	205,878			110,271

Note 1 - Please see next page for further explanation of these items.

Audit Fees (cont'd)

An additional scale fee of £27,752 has been applied to the planned fee based on the following items:

- The identification of Going Concern as an additional risk due to Covid-19 resulted in additional work including discussions, review/challenge of documents and cash flow forecasts, and consideration of proposed disclosure. This additional time has been recorded at £3,523. An additional cost of £1,112 has also been charged as we were required to consult with our professional practise department over the going concern disclosure in the accounts.
 - The identification of the Valuation of Investment Properties as a significant risk, and increased focus on valuations more generally, resulted in additional work, notably larger sample sizes to be tested. This additional time has been recorded at £2,377.
 - As part of the significant risk work over Investment property valuation, and increased procedures over PPE valuation, we were required to engage with our internal valuations specialists, EY Real Estates, to test a sample of assets. Based on the number of hours charged by EYRE, the additional cost is £3,244.
 - Additional work was required to review Housing Revenue Account valuations and depreciation, assets not revalued in 2019/20, and the property, plant and equipment prior period adjustment. This has resulted in a total additional fee for these pieces of work of £2,471.
- Page 101
- Additional work was required to address the identified significant risk arising from the introduction of a new ledger system in 2019/20, as set out on page 15. The fee for this additional work is £9,654.
 - Additional work was required to address the identified significant risk to our value for money conclusion, as set out on pages 24/25. An additional fee of £3,038 has been charged for this work.
 - Additional work was required in relation to the CIES/EFA Restatement, as set out on page 20, and in relation to the work performed on the data used in calculating the pension liability in the financial statements. Additional fees of £1,552 and £801 respectively have been charged for this work.

These items are not included within the PSAA scale fee. They have been agreed with the Executive Director for Finance and Commercialisation, but remain subject to agreement with PSAA.

Audit Fees continued

Scale Fee Rebasing: Changes in work required to address professional and regulatory requirements and scope associated with risk

Janet Dawson, our Government & Public Sector Assurance Lead, wrote to all Chief Finance Officers and Governance Committee (or equivalent) chairs on 11 February 2020 on the subject of the sustainability of UK local public audit. Amongst other issues her letter stated that we did not believe the existing scale fees provide a clear link with both a public sector organisation's risk and complexity, and the audit profession's context for cost and fee increases, including the attractiveness of audit, investment in technology, innovation and the regulatory environment.

Around the same time, PSAA consulted on its 2020/21 audit fees ([PSAA fee consultation](#)), discussing the challenging environment, new standards and regulatory requirements. They noted an appropriate forum for fee discussions from these impacts would be between the auditor and Chief Financial Officer, to take place as soon as possible as part of planning discussions for 2019/20 audits.

The subsequent review by Sir Tony Redmond ([Redmond Review](#)) has also highlighted that audit fees in the local authority sector have dropped significantly at the same time that audit fees in other sectors have significantly risen, and that no assessment of the amount it would cost to audit each local authority based on their level of audit risk has been made in the past ten years due to the methods applied by the Audit Commission and then PSAA. As such there is no guarantee that the fee paid by each local authority accurately reflects the risk profile or amount of audit work required for their external audit.

To address these issues we undertook an analysis of the changes in professional and regulatory requirements since our last tender to PSAA was submitted, and any other known changes in audit risk. For instance, where applicable, significant commercial property investments, creation of joint ventures, subsidiaries and other similar arrangements.

We identified the proposed fee rebasing under the headings of:

- Changes in risk;
- Increased regulatory requirements; and
- Client readiness and ability to support a technologically enabled audit.

As requested by PSAA, we discussed this with management on 15 June 2020. This discussion was delayed due to the Covid-19 pandemic.

We did not reach agreement. While management recognised many of these pressures and can see how they are reflected in the changes in the audit work, their view was that this is a decision for PSAA.

Having not reached agreement, and in light of managements comments, we will now submit the proposed rebasing to PSAA for their review and decision. We would like to thank management for their contribution to this debate and the positive manner in which they engaged with us.

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

© 2018 EYGM Limited.
All Rights Reserved.

ED None

EY-000070901-01 (UK) 07/18. CSG London.



In line with EY's commitment to minimise its impact on the environment, this document has been printed on paper with a high recycled content.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

ey.com

This page is intentionally left blank

Agenda Item 9

DECISION-MAKER:		GOVERNANCE COMMITTEE COUNCIL		
SUBJECT:		AMENDMENTS TO THE CONSTITUTION - CONTRACT PROCEDURE RULES		
DATE OF DECISION:		15 February 2021 (Governance Committee) 24 February 2021 (Full Council)		
REPORT OF:		Richard Ivory, Monitoring Officer and Service Director: Legal and Business Operations		
<u>CONTACT DETAILS</u>				
EXECUTIVE DIRECTOR:	Title	Deputy Chief Executive	Tel:	023 8083 2882
	Name	Mike Harris		
	Email	mike.harris@southampton.gov.uk		
AUTHOR:	Title	Head of Supplier Management	Tel:	023 8083 4353
	Name	Paul Paskins		
	E-mail:	paul.paskins@southampton.gov.uk		
STATEMENT OF CONFIDENTIALITY				
N/A				
BRIEF SUMMARY				
<p>This report sets out proposed changes to the current Contract Procedure Rules (CPRs) and Officer Scheme of Delegation (OSD) dated May 2020.</p> <p>The changes are urgently required to support Southampton City Council (the Council or SCC) to achieve value for money from the goods, services and works it procures, reflecting immediate changes to legislation arising as a result of the ending of the European Union (Withdrawal Agreement) Act 2020's Implementation Period on 31st December 2020 and ensure Officer delegations are correctly allocated and referenced within both documents.</p> <p>Further amendments to the CPRs are likely to be required to reflect the impact of reserving procurements for below threshold contracts by supplier location and/or to Small and Medium Enterprises (SMEs) and Voluntary, Community and Social Enterprises (VCSEs) as detailed in the Government's Policy Procurement Note 11/20 (PPN 11/20) as well as the future legislative changes which may follow the Government's Green Paper "Transforming Public Procurement". These amendments will be included in future report(s) once the impact on the Council's procurement procedures have been reviewed and assessed.</p>				
RECOMMENDATIONS:				
Governance Committee				
	(i)	Consider and recommend to Council the proposed amendments to the CPRs and OSD as set out in this report.		

Council	
	(i) Approve the proposed amendments to the CPRs and OSD as set out in this report.
REASONS FOR REPORT RECOMMENDATIONS	
1.	To ensure the Constitution through the CPRs and OSD reflect recent changes to legislation and Council policies and procedures and ensure delegations are appropriately set out and approved.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	An alternative option is to delay the changes until the May 2021 Constitution review. A number of these proposed changes contained in this report were originally planned for inclusion within the May 2020 Constitution review but were ultimately postponed as a result of the impact of the COVID-19 pandemic and the changing European Union (EU) environment. As the Implementation Period has now ended, it is recommended that the amendments detailed within this report are approved now to ensure the Constitution is up to date and the Council can realise the associated benefits at an earlier stage.
DETAIL (Including consultation carried out)	
	The paragraphs below summarise the key changes proposed to the CPRs and OSD and a brief rationale for each. Some minor changes are also proposed to rectify inconsistencies in the drafting of the CPRs and OSD.
3.	Legislative changes <ol style="list-style-type: none"> a) Inclusion of reference to the Public Procurement (Amendment etc.) (EU Exit) Regulations 2020 and Find a Tender Service which came into effect at the end of Implementation Period on 31st December 2020. b) Introduction of a definition of Small and Medium Enterprises as set out in PPN11/20, which reflects the definition used by the EU.
4.	Changes to CPR thresholds and procedures to better align these with legislative and guidance provisions and to support the Council in moving towards a complexity-based approach to determining routes to market <ol style="list-style-type: none"> a) The CPR transaction thresholds are amended as follows: <ul style="list-style-type: none"> • Low Value Transaction (LVT) 0 - £4,999 (no change) • Medium (currently Intermediate) Value Transaction (MVT): £5,000 - £24,999 (currently £5,000 to £99,999) • High Value Transaction (HVT): £25,000 – PCR (Public Contract Regulations 2015) Threshold (currently £100,000 to PCR Thresholds) • Above PCR Thresholds (no change) b) A separate procedure for PCR 2015 Schedule 3 - Social and other specific services under the “Light Touch regime” is introduced which requires the HVT Procedure to be followed. c) To support the Council’s commitment to make its procurement more accessible to local suppliers and in anticipation of the revised approach to UK

	<p>public sector procurement arising from the end of the Implementation Period, the process to be undertaken under the MVT and HVT is as follows:</p> <ul style="list-style-type: none"> • MVT – seek a minimum of three quotes, two of which should be from local suppliers where possible, unless the Council’s Procurement Teams determine there are grounds for requesting tenders. • HVT – formal tender procedure, seek a minimum of three responses or - when determined by the Council’s Procurement Teams that that its appropriate for requirement in question - seek three quotes, two of which should be from local suppliers where possible.
5.	<p>New Rule 1.3 within CPRs to support decision-making</p> <p>Introduction of a new Rule 1.3 to address the decision-making process for matters which cannot be undertaken in accordance with the procedures specified within these Rules, such as exemption requests for values which exceed the PCR Thresholds.</p>
6.	<p>Changes in terminology and Rule ordering to make the CPRs more user friendly and clarify responsibilities</p> <ul style="list-style-type: none"> • “Intermediate Value Transaction Procedure” replaced with “Medium Value Transaction Procedure”; • “Procuring Officer” replaced with “Requesting Officer”; • “Procurement Service” replaced with “Procurement Team”; • “Request for contract” or “request for quote” replaced with “Request for Procurement”; • New definition of Requesting Officer introduced; • “Outcome specifications” included and • Reordering of the Rules and introduction of a “Glossary” section.
7.	<p>Reflecting policies</p> <p>To support our commitment to make Council procurement more accessible to local suppliers in accordance with the Southampton Wealth Building initiative, the Social Value and Green City Procurement Policy and the SCC First Policy, the CPRs now require:</p> <ol style="list-style-type: none"> a) In-house delivery of a need to be considered in accordance with the SCC First Policy before considering using an external supplier and b) Social value to be considered as evaluation criteria where it is appropriate to do so.
8.	<p>Clarifying responsibilities</p> <p>To ensure that the SCC First policy is appropriately governed and procurements above £5k are managed by the Procurement Teams:</p> <ol style="list-style-type: none"> a) The “Compliance with the Rules” section is enhanced to clarify that for all procedures (except LVT), Procurement Team should be engaged as part of defining the need;

	<ul style="list-style-type: none"> b) The CPRs clarify that Officers must seek procurement advice from the Procurement Teams and that Procurement Teams shall seek advice from Legal Services where necessary and c) The CPRs clarify that an appropriate evaluation model still needs to be determined for LVT but does not require the involvement of the Procurement Teams.
9.	<p>Simplify arrangements and responsibilities for approving, maintaining and reviewing the model forms of contracts</p> <ul style="list-style-type: none"> a) Removal of the Service Director – Finance and Commercialisation from the responsibility to approve model forms of contracts; b) Replacement of Service Director – Digital and Business Operations with the Head of Procurement and Supplier Management as having joint responsibility with the Service Director – Legal and Business Operations for approving, maintaining and reviewing the model forms of contracts and c) Removing the reference to the review taking place every two years and replacing with an “as required” basis.
9.	<p>Other CPR changes</p> <ul style="list-style-type: none"> a) Clarification that past or current performance may only contribute towards a Best Value determination when considering framework usage to ensure that this does not solely prevent use of a framework and b) Reference to a common report, based on PCRs Reg 84 requirements, which is to be used for reporting at the end of all MVT and HVT projects.
10.	<p>Changes to OSD</p> <ul style="list-style-type: none"> a) Deletion of the delegations for the Service Director - Legal and Business Operations to determine the procurement route and inclusion of a replacement delegation to rest with the Head of Procurement and Supplier Management. b) Inclusion of delegations to allow the Service Director - Legal and Business Operations to approve the model forms of conditions of contract and in conjunction with the Head of Procurement and Supplier Management, keep a list of and review all model forms of conditions of contract; c) Amendments to references to Head of Supplier Management to the Head of Procurement and Supplier Management for consistency and d) Replacement of references to OJEU with PCR to reflect the end of the EU Implementation Period.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
7.	None.

<u>Property/Other</u>	
8.	None.
LEGAL IMPLICATIONS	
9.	Local Government Act 2000 requires the Council to keep its Constitution up to date. The CPR changes referred to within section 3 have been made to align Council procurement procedures with legislation.
<u>Other Legal Implications:</u>	
10.	None.
RISK MANAGEMENT IMPLICATIONS	
11.	None.
POLICY FRAMEWORK IMPLICATIONS	
12.	None.

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None.
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Appendix 1 – Proposed CPR amendments (published on-line with the agenda)
2	Appendix 2 - Proposed OSD amendments (published on-line with the agenda)

Documents In Members' Rooms

1.	
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
Other Background Documents	
Other Background documents available for inspection at:	
Title of Background Paper(s)	N/A

This page is intentionally left blank



Contract Procedure Rules

CONTENTS

1.	Introduction	2
2.	Compliance with these Rules	3
3.	Authority to Purchase	3
4.	Valuation of Contracts	4
5.	Defining the Need	4
6.	Use of Framework Agreements and Existing Contracts	5
7.	Use of Nominated Sub-contractors	5
8.	Tender and Quotation Procedures	5
9.	Receiving and Opening Tenders and Quotations	9
10.	Evaluating Tenders and Quotations	9
11.	Awarding Contracts and Audit Trails	10
12.	Ordering and Paying for Goods, Services and Works	11
13.	Parent Company Guarantees and Performance Bonds	11
14.	Conditions of Contracts	11
15.	Contracts Register	12
16.	Variations and Extensions	12
17.	Conflicts of Interest and Corruption	13
18.	Gifts and Hospitality	14
19.	Exemptions to the Rules	14

GLOSSARY

<u>1</u>	<u>Introduction</u>	<u>3</u>
<u>2</u>	<u>Compliance with these Rules</u>	<u>4</u>
<u>3</u>	<u>Conflicts of Interest and Corruption</u>	<u>5</u>
<u>4</u>	<u>Gifts and Hospitality</u>	<u>5</u>
<u>5</u>	<u>Exemptions to the Rules</u>	<u>5</u>

BEFORE PROCUREMENT

<u>6</u>	<u>Assessing the Need</u>	<u>6</u>
<u>7</u>	<u>Valuation of Contracts</u>	<u>7</u>
<u>8</u>	<u>Authority to Purchase</u>	<u>8</u>

PROCUREMENT PROCESS

<u>9</u>	<u>Procedure determined by Contract Type and Value</u>	<u>8</u>
<u>10</u>	<u>The PCR Procedure</u>	<u>10</u>
<u>11</u>	<u>PCR 2015 Schedule 3 - Social and other specific services</u>	<u>10</u>
<u>12</u>	<u>The High Value Transaction Procedure</u>	<u>10</u>
<u>13</u>	<u>The Medium Value Transaction Procedure</u>	<u>11</u>
<u>14</u>	<u>The Low Value Transaction Procedure</u>	<u>11</u>
<u>15</u>	<u>The Concession Contracts Procedure</u>	<u>11</u>
<u>16</u>	<u>Receiving and Opening Tenders and Quotes</u>	<u>12</u>
<u>17</u>	<u>Evaluating Tenders and Quotes</u>	<u>12</u>
<u>18</u>	<u>Framework Agreements and use of Council Contracts</u>	<u>13</u>
<u>19</u>	<u>Use of Nominated Sub-contractors</u>	<u>14</u>
<u>20</u>	<u>Awarding Contracts and Audit Trails</u>	<u>14</u>
<u>21</u>	<u>Ordering and Paying for Goods, Services and Works</u>	<u>15</u>
<u>22</u>	<u>Parent Company Guarantees and Performance Bonds</u>	<u>15</u>
<u>23</u>	<u>Conditions of Contract</u>	<u>15</u>

POST PROCUREMENT

<u>24</u>	<u>Contracts Register</u>	<u>15</u>
<u>25</u>	<u>Variations and Extensions</u>	<u>15</u>

Glossary

Terminology defined in Regulation 2 of Part 1 of the Public Contract Regulations 2015 (“the PCR 2015”) or Regulation 3 of Part 1 of the Concession Contracts Regulations 2016 (“the CCR 2016”) shall, unless stated otherwise, have the same meanings when used within these rules (the “Rules”).

Other key terms are defined in the glossary below:

Term	Meaning
Best Value	the securing of continuous improvement having regard to economy, efficiency and effectiveness;
Contracts Finder	the web-based portal provided or on behalf of the Cabinet Office for the advertisement of public sector contracts;
Contracts Register	the Council’s own register which includes details of its contracts, commissioned activity, purchase orders involving any one-off and recurring payments, framework agreements and any other legally enforceable agreement relating to the purchase of goods, services or works) with the Council of values of £5,000 or more;
Contract Value	the estimated total value of a contract (excluding VAT) over its full duration (not the annual value) including the value attributable to any extension options and contractually permissible variations;
Council Contract	all contracts, commissioned activity, purchase orders, framework agreements and any other legally enforceable agreements entered into by the Council relating to the purchase of goods, services or works;
ICU	the Integrated Commissioning Unit of the NHS Southampton Clinical Commissioning Group and the Council;
Low Value Threshold	as set out in Table 1;
Find a Tender Service	the UK e-notification service where notices for new procurements are required to be published with effect from 1st January 2021;
PCR Thresholds	the thresholds prescribed for the PCR 2015 as set out in Table 1;
Procurement Teams	the teams (inclusive of those responsible for ICU procurement) and oversight and management of Procurement activities within the Council;
Request for Procurement	the document completed by the Requesting Officer and signed by an authorised signatory which is submitted to the Procurement Teams to initiate a Procurement in accordance with these Rules;
Requesting Officer	the officer submitting a Request for Procurement (whether for themselves or on behalf of another officer);
SME	Any business with fewer than 250 employees and either an annual turnover below £45m or a total balance sheet less than £40m.

1. Introduction

1.1 These ~~contract procedure rules are the Council's rules (the "Rules") for buying for the Council and are part of the Council's Constitution. The Rules govern the method by which and set out how~~ the Council ~~must~~ shall select suppliers to provide goods, services or works. ~~The Rules do not apply to: and form part of the Council's Constitution.~~

~~1.1.1 internal purchases or internal service provision (including where the contracting authority awards a contract to an entity which it controls);~~

~~1.1.2 contracts which establish or implement co-operation between contracting authorities;~~

~~1.1.3 contracts which cover flows of money or pooling of funds between the Council and health bodies (section 75, 76 and 256 agreements under the National Health Service Act 2006 (as amended));~~

~~1.1.4 the purchasing of land or of any interest in land;~~

1.2 Where within these Rules the Director: ~~–~~ Quality ~~&and~~ Integration and Head of Procurement ~~&and~~ Supplier Management ~~and~~ are referred to in the alternative, ~~but~~ the former will be responsible for all procurement activities and matters in respect of health and care services procured and managed via the ICU and the latter will be responsible for all other Council procurement ~~activities~~ and ~~contracts~~ ~~matters~~.

~~1.2 The Rules apply to grants which the Council may receive or make where the grant results in payment to a third party for Where an officer considers that there is good reason to enter into a contract for goods, services or works and where the Council specifies the output or outcomes to be delivered. Grants are only exempt from the Rules if the Council is not specifying the output or outcomes to be delivered.~~

~~1.3 If in doubt about whether or how the Rules apply, advice must be sought from the Procurement Services Team acting on behalf of the Head of Procurement & Supplier Management or Director: Quality & Integration who will be able to advise whether the Rules apply in a particular case.~~

~~1.4 Every contract for the purchase of goods, services or works entered into by or on behalf of the Council including its Executive and Cabinet Members must comply even though it cannot be undertaken in accordance with:~~

~~1.3 the procedures specified within these Rules, it shall be managed in accordance with a process agreed by the Chief Executive and the relevant Executive Director.~~

~~1.4 The Rules are based upon: -~~

~~1.2.1.4.1 the Council's Constitution;~~

~~the Council's Constitution;~~

~~1.2.2.1.4.2 all relevant statutory provisions including the Local Government Act 1988 Part II, Local Government Act 1999, Local Government Act 2000, the Public Contracts Regulations PCR 2015 ("the PCR 2015"), the Local Government (Contracts) Act 1997, the Localism Act 2011, the Public Services (Social Value) Act 2012 and the Concession Contracts Regulations 2016 ("the CCR 2016"); (as amended The Public Procurement (Amendment etc.) (EU Exit) Regulations 2020);~~

~~* European Union treaties and European Council Directives;~~

~~* the rules on State Aid;~~

~~1.2.31.4.3~~ any direction by the Council, ~~the Executive a~~ Cabinet Member or Committee having appropriate delegated authority; and
~~* Council policies.~~

1.4.4 Council policies and procedures relating to equality and diversity, safeguarding, Council information and communication technology security, security, data protection and social value.

1.5 The Rules do not apply to: -

1.5.1 in-house purchases or in-house service provision (including purchase or service provision from a third party where the contracting authority effectively owns/controls it and the main focus and extent of its activities concerns the contracting entity);

1.5.2 arrangements which establish or implement co-operation between contracting authorities;

1.5.3 arrangements which cover flows of money or pooling of funds between the Council and health bodies (section 75, 76 and 256 agreements under the National Health Service Act 2006 (as amended));

1.5.4 the purchase of land or of any interest in land;

1.5.5 the making or receiving of grants unless an output to be delivered is specified or the terms of the grant otherwise require compliance.

1.6 The Rules have three main purposes:

1.6.1 To ensure and enable the demonstration of compliance by the Council with public procurement law including the principles of equality of treatment, non-discrimination, transparency, mutual recognition and proportionality.

1.6.2 To ensure the Council strives for Best Value in the way it spends money, so that in turn the Council may be able to offer better and more cost-effective services to the public and other stakeholders and

1.6.3 To protect officers who follow the Rules.

1.7 With the exception of procurements undertaken in accordance with the Low Value Procedure (as detailed in Table 1), officers must not engage with a supplier without first engaging with the Procurement Team in accordance with Rules 9-15 (inclusive).

1.8 Executive Directors are responsible for ensuring that their officers comply with these Rules.

1.9 The Head of Procurement & Supplier Management ~~or~~ and the Director: – Quality & Integration will investigate any incidences of non-compliance with these Rules with assistance from the Procurement ~~Services~~-Teams.

1.10 The Head of Procurement & Supplier Management ~~or~~ and the Director: – Quality & Integration is responsible for providing advice on these Rules with assistance from the Procurement ~~Services~~-Teams.

~~1.5 The Council has a duty to obtain “Best Value”. This means that the Council must always consider how each procurement (including in respect of concession arrangements) is consistent with the Council’s duty to secure continuous improvement having regard to economy, efficiency and effectiveness.~~

~~1.6 The Rules have three main purposes:~~

- ~~a) To ensure compliance by the Council with public procurement law;~~
- ~~b) To obtain Best Value in the way the Council spends money, so that the Council may in turn offer better and more cost-effective services to the public and other stakeholders; and~~
- ~~c) To protect officers who follow the Rules.~~

~~1.7 With the exception of Low Value Transactions, officers must not engage with a supplier without first engaging with the Procurement Services Team in accordance with Rule 8.~~

2. Compliance with these Rules

~~2.1 Officers who do not follow 2.1 Compliance with the Rules is mandatory and any person found to have been acting in breach of these Rules and/or fail to enter into a contract on behalf of the Council in accordance with them may may be subject to disciplinary proceedings.~~

~~3. Compliance includes seeking and having proper regard to all legal, financial and professional advice obtained in accordance with these Rules. Authority to Purchase~~

~~The Executive Director: Finance & Commercialisation maintains a list of authorisation limits which details the limits within which Heads of Service and their authorised officers may buy things for the Council. This document also specifies a maximum financial limit for each transaction for each authorised officer. These limits must not be exceeded and professional advice obtained in accordance with these Rules.~~

~~3.1 Executive Directors must ensure that procurement is undertaken by authorised officers who can demonstrate knowledge and understanding of these Rules and skills appropriate to the task. These officers should already have authority under the list of authorisation limits and if not must be granted authority by the Executive Director: Finance & Commercialisation.~~

~~3.2 Officers must ensure that the appropriate budget holder has the funds in place for any proposed contracts and that the necessary budget approval from Finance has been obtained prior to commencement of the procurement process. This must be validated before a decision is made to award a contract.~~

4. Valuation of Contracts

~~2.2 Officers must seek advice from the Procurement Team in any and all instances of uncertainty about whether the Rules apply and how to apply the Rules.~~

~~2.3 The Rules work in concert with Council policies and relevant legislation. When conducting procurement activities officers must ensure they also comply with:~~

- ~~2.3.1 all requirements of public procurement law;~~
- ~~2.3.2 the Council's Constitution;~~
- ~~2.3.3 the Council's Records Review and Retention Schedule;~~
- ~~2.3.4 the Council's Green City Charter;~~
- ~~2.3.5 Council policies including:
 - ~~o the Council's Gift and Hospitality Policy~~
 - ~~o the Council's Anti-bribery Policy~~~~

- o the Council's Social Value and Green City Procurement Policy
- o the Council's SCC First Policy

2.43 Officers must ensure that any agents, consultants and contractual partners and suppliers conducting procurement activities on the Council's behalf comply with the requirements of Rule 2.3.

2.54 The Procurement Teams will ~~be able to~~ advise on whether and how the Rules apply in any particular case. Where appropriate, the Procurement Teams may seek legal advice from the Council's Legal and Governance Team.

2.65 Unless expressly directed by the Head of Procurement and Supplier Management or the Service Director - Quality and Integration, the Procurement Teams must manage all Procurements with an estimated Contract Value ~~must be established at~~ exceeding the Low Value Threshold.

3. Conflicts of Interest and Corruption

3.1 Any interest which may affect the ~~start~~ award of a contract under these Rules must be declared. Any officer of the Council participating in a contract award decision or employee of the Procurement Team must provide the Head of ~~every procurement process.~~ Procurement and Supplier Management and Supplier Management or Director – Quality and Integration with an advance written declaration of any such interests. Such interests include the ownership of shares in a potential supplier, previous employment by a potential supplier or the employment of a family member by a potential supplier.

3.2 The Head of Procurement and Supplier Management or Service Director – Quality and Integration must either certify that such interests are acceptable or take any necessary action in respect of potential conflicts of interest and the officer should not participate in the evaluation or award of the contract by the Council.

3.3 Officers must be aware of other requirements of the Council's Constitution with regard to conflicts of interest, bribery and corruption.

3.4 Each contract which the Council enters into shall include a provision which entitles the Council to terminate the contract and recover losses from the contractor resulting from such termination if the contractor or anyone acting on the contractor's behalf has:

- 3.4.1 offered or given or agreed to give to any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do, or has done or forborne to do, any action in relation to the obtaining or execution of the contract or any other contract with the Council; or
- 3.4.2 shown or has forborne to show favour or disfavour to any person in relation to the contract or any other contract with the Council; or
- 3.4.3 committed an offence under the Prevention of Corruption Acts 1889 to 1916 (or any act or acts as may replace the same) or has given any reward the receipt of which is an offence under the Local Government Act 1972 (or any act as may replace the same) or committed an offence under the Bribery Act 2010.

4. Gifts and Hospitality

4.1 No gifts or hospitality should be accepted from any bidders to any contract being let or about to be let by the Council. Acceptance of gifts or hospitality may be a disciplinary offence. Every officer managing a procurement, letting (or planning to let) a contract or managing a contract for the Council must inform the Head of Procurement and Supplier Management or Director - Quality and Integration of any offers of gifts or hospitality. Reference should be made to the Council's policy on Gifts and Hospitality in place at such time and other relevant Council policies.

5. Exemptions to the Rules

5.1 No exemption can be given which breaches public procurement law.

5.2 An exemption to these Rules may only be agreed by:

5.2.1 the Director - Quality and Integration (or his or her delegate) or

5.2.2 the Head of Procurement and Supplier Management (or his or her delegate)

5.3 If, after considering a request for an exemption, he or she is satisfied that the exemption is justified because:

5.3.1 the nature of the market for the works to be carried out or the goods or services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of the Rules is justifiable; or

5.3.2 the requirement is for works, goods or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen; or

5.3.3 there are other circumstances which are genuinely exceptional.

~~No exemption requests will be considered unless and until a Request for Exemption form has been fully completed and submitted to the Procurement Team.~~

5.4 No exemption requests will be considered unless and until a Request for Exemption form has been fully completed and submitted to the Procurement Team. Officers shall not enter into contracts with suppliers, allow services or works to commence, arrange for the delivery of goods until an exemption request is formally approved by the Director - Quality and Integration (or his or her delegate) or the Head of Procurement and Supplier Management (or his or her delegate). If an exemption is granted, the provisions of the Council's Financial Procedure Rules must still be followed.

5.5 A record of the decision approving an exemption and the reasons for it must be kept by the Procurement Team, an entry made in the register of approved exemptions and the Contracts Register updated accordingly.

5.6 Approved exemptions will be conditional on the relevant Executive Director providing and agreeing a plan with the Head of Procurement and Supplier Management or the Director - Quality and Integration (as appropriate) to mitigate the need for further exemptions relating to the Contract.

5.7 An exemption will be deemed to have been approved by the Director - Quality and Integration in the case of a child placement or education funding (or any combination thereof) where:

5.7.1 The value of such placement or education funding is below the relevant PCR Threshold and

5.7.2 All compliant frameworks agreements have been considered and are unable to meet the requirement and in any such instance, Rules 5.4 to 5.6 (inclusive) shall not apply.

This Rule 5.7 applies to services for the placement of a child (including most obviously in a residential home, into foster care or into adoption) and for the provision of associated educational services to that child.

5.8 An exemption shall never be given in relation to either Rule 3 (Conflicts of Interest and Corruption) or Rule 4 (Gifts and Hospitality).

4.1 These Rules may also be varied or departed from when the contract value is the estimated total value over its full duration (not the annual value) and must include the value attributable to any extension options and contractually permissible variations.

5.9 the Service Director of Legal and Business Operations advises that statute or subordinate legislation requires such a variation.

BEFORE PROCUREMENT

6. Assessing the Need

6.1. With the exception of activity undertaken in accordance with the Low Value Transaction Procedure, the Requesting Officer must engage with the Procurement Teams as soon as a need which may result in a procurement is identified.

6.2 Prior to commencing a procurement, the following options for delivery of the need must be considered:

6.1.1. The consequences of not buying the goods or services or having the works done at all;

6.1.2. The Council making the goods or delivering the services or works in-house (in accordance with the SCC First Policy);

6.1.3. The Council providing the goods, services or works as part of a partnership arrangement with another party;

6.1.4. The Council commissioning jointly with another contracting authority;

6.1.5. The Council participating in a shared services arrangement with another council or other public sector entities for services delivery;

6.1.6. The Council utilising a pre-existing Council Contract to fulfil the requirement;

or

6.1.7 The Council achieving delivery through any combination of 6.1.2 to 6.1.6.

6.3 Where the assessment of the need determines that a procurement is required, the appropriate procedure shall be undertaken in accordance with Rule 9 (Procedure Determined by Contract Type and Value).

7. Valuation of Contracts

7.1 An estimated Contract Value likely to provide the most economically advantageous outcome for the Council must be identified prior to commencing a procurement.

7.2 Where the duration of the contract is indeterminate, the estimated Contract Value must be the estimated value of the contract over a period of four years.

7.3 The estimated Contract Value must be referenced within the “request for quote” or “request for contract” form, which must be issued by the procuring officer to the Procurement Services Team prior to the commencement of any procurement for a contract of £5,000 or above in contract valueRequest for Procurement.

7.4 If the procurement requirement is or can be related to another Council procurement or is for goods, services or works which are, or may also be, procured by another part of the Council and/or on a recurring basis, this could/may affect the Contract Value for the purpose of these Rules (i.e. the requirements for aggregation may apply). Officers must therefore obtain guidance from the Procurement Services Teams before commencing any such a procurement activity where it is possible that aggregation could apply.

7.5 The Council may decide to award a contract in the form of separate lots and may determine the size and subject-matter of such lots whilst at all times adhering to Regulation 46 of the PCR 2015. Such a decision shall be made by the Procurement Teams.

7.6 The value of contracts any contract must never not be deliberately or artificially:

7.6.1. underestimated deliberately or

7.6.2. calculated by disaggregating (subdividing) it from other elements of the procurement or split from other related procurements in order to reduce the perceived Contract Value and/or avoid the application of procedures set out in these Rules. Deliberately or

7.7 If the Council has a single requirement the value of which is over a threshold set out in Table 1 but which the Council wishes to meet by entering into multiple Procurements then the value of the multiple procurements may need to be aggregated for the purpose of these Rules and advice must be sought from the Procurement Team in these instances.

7.8 Artificially underestimating and/or disaggregating the Contract Value as part of any procurement procedure is are clear breach/breaches of the Rules and, where they apply, the PCR 2015, and may lead to disciplinary proceedings being instigated/initiated.

5. Defining the Need

Prior to commencing a

8. Authority to Purchase

5.1 procurement, all options for the delivery of the requirement must be considered. The procuring officer must engage with the Procurement Services Team as soon as a requirement is identified.

5.2 Under Best Value legislation the procuring officer must consider all the options for the delivery of the required goods, services or works. The options include:-

5.2.1 Not buying the goods or services or having the works done at all;

5.2.2 The Council providing the goods, services or works itself using internal resources;

- ~~5.2.3 Contracting with third party suppliers to provide the ongoing goods, services or works;~~
- ~~5.2.4 Providing the goods, services or works in partnership with someone else;~~
- ~~5.2.5 Commissioning jointly with another contracting authority; and/or~~
- ~~5.2.6 Shared service delivery with another council or public sector entities.~~

~~5.3 If it is determined in consultation with the Procurement Services Team that a procurement is the most appropriate way of meeting the requirement, the procuring officer must clearly and carefully identify and specify the goods, services or works required.~~

~~5.4 The procurement documentation shall then be developed to reflect size, scope and type of specification (i.e. input versus output specification) required and any other specific terms and conditions which are key to the subject matter.~~

~~5.5 The duration of the contract that is likely to provide the most economically advantageous outcome for the Council must be determined before a procurement process commences.~~

~~5.6 Where the procurement relates to services (or services together with the purchase or hire of goods or the carrying out of works), an assessment of the required services must be undertaken by the procuring officer in conjunction with the Procurement Services Team to ensure compliance with the Public Services (Social Value) Act 2012.~~

~~6. Use of Framework Agreements and Existing Contracts~~

~~6.1 The Head of Procurement & Supplier Management or the Director: Quality & Integration must approve the use of framework agreements (including Crown Commercial Services and other Public Purchasing Organisations) for use within the Council following an assessment of the terms of each framework undertaken by the Procurement Services Team to ensure Best Value and legal compliance.~~

~~6.2 Framework agreements approved in accordance with Rule 6.1 may be used by the Council (as part of the procurement procedures in Rule 8) where, following an assessment of the terms of the framework by the Procurement Services Team and/or Legal Services as appropriate, such frameworks are considered to offer Best Value for the requirement in question and subject to satisfactory performance on previous/current contracts by the relevant framework contractors.~~

~~6.3 Officers are responsible for planning and foreseeing future requirements and (with the exception of Low Value Transactions only), must engage with the Procurement Services Team at the earliest opportunity to ensure that any potentially appropriate framework agreements are identified at the start of the procurement procedure and to allow the requirements to be assessed and, as necessary, the need to progress to be questioned.~~

~~6.4 Where the Council has in place specific contracts with suppliers to provide goods, services or works, these contracts where capable of doing so must be used to source relevant requirements unless directed otherwise by the Head of Procurement & Supplier Management or such other person or department as he or she may direct.~~

~~7. Use of Nominated Sub-contractors~~

~~Officers must not nominate the use of specific sub-contractors without the prior written consent of the Head of Procurement & Supplier Management or Director: Quality & Integration. Any nominated sub-contractors must have been selected through use of the appropriate tender or quotation procedure as if the Council were contracting directly with the sub-contractor.~~
8.1 The Constitution governs the limits within which the Executive Directors and their authorised officers may authorise purchases on behalf of the Council and these limits must not be exceeded. The Executive Director: Finance and Commercialisation maintains a list of authorisation limits which specifies a maximum financial limit for each transaction for each authorised officer.

8.2 Executive Directors must ensure that procurement activity is undertaken by authorised officers who can demonstrate knowledge and understanding of these Rules and skills appropriate to the task. These officers should already have authority under the above list and if not, must be granted authority by the Executive Director: Finance and Commercialisation.

8.3 Officers must ensure that the appropriate budget holder has the funds in place for any proposed contracts and that the necessary budget approval from Finance has been obtained prior to commencement of the procurement process. This must be validated before a decision is made to award a contract.

PROCUREMENT

9. Procedure Determined by Contract Type and Value

9.1

~~9.1~~ Tender and Quotation Procedures

The Rules and the associated ~~procurement~~ procedures vary according to ~~the~~ Contract Value, with stricter, more rigorous procedures for higher value transactions. This is to ensure that the benefits of a more thorough, complex procurement process are not outweighed by the cost of the procedure, relative to the value of the goods, services or works in question.

9.2 Notwithstanding the Contract Value or procurement procedure utilised, all procurements undertaken by the Council must adhere to public procurement principles of equality of treatment, non-discrimination, transparency, mutual recognition and proportionality and such adherence must be demonstrable if challenged.

9.3 Officers must always engage with the Procurement Team prior to starting procurement activity for all procurements other than those with a Contract Value below the Low Value Threshold.

9.4 In respect of all procurement procedures other than those undertaken in accordance with the Low Value Transaction Procedure, unless otherwise directed by the Head of Procurement and Supplier Management or the Service Director - Quality and Integration Procedure, a Request for Procurement must be completed, signed by an officer authorised in accordance with the Officer Scheme of Delegation and submitted to the Procurement Team prior to the commencement of any procurement.

9.5 Tender or quote documentation appropriate to the procedure being undertaken must be developed to reflect size, scope, and type of specification where required (i.e. input versus output or outcome specification) and any other specific terms and conditions which are key to the subject-matter, subject always to Rule 23 (Conditions of Contract).

9.6 Where a competition has been undertaken in accordance with any of the procedures in Table 1 and only a single tender has been received, a contract may be awarded, subject to a value for money review being undertaken and an audit trail demonstrating compliance with the relevant procedure being available for inspection.

9.7 All contractual agreements entered into must specify the goods, services or works to be provided, state the price to be paid, and include appropriate terms and conditions of contract in accordance with Rule 23 (Conditions of Contract).

9.8 Where a procurement relates to services (or services together with the purchase or hire of goods or the carrying out of works), an assessment of the required services must be undertaken by the procuring officer in conjunction with the Procurement Team to ensure compliance with the Public Services (Social Value) Act 2012.

9.9 In respect of any procedure where more than one quote or tender is being requested, a quote or tender from at least one ~~capable Small and Medium-sized Enterprise (SME) (with regard to guidance provided by the European Commission on the SME Definition)~~ must be sought. ~~SME must be sought.~~

9.10 In respect of any procedure where at least three quotes are being requested, quotes from at least two local suppliers from within the Southampton city boundary must be sought subject to such suppliers existing within the local area. "Local" shall mean within the city of Southampton or if the requirement cannot be sourced within Southampton within the county of Hampshire.

9.11 Advice must be sought from the Procurement Teams at the earliest opportunity if a request for ~~concession~~ brief is received from a tenderer or a candidate.

9.12 Table 1 (below) shows the relevant procedure to be followed depending upon the nature of requirement and its estimated Contract Value.

Table 1

Type of Contract	Estimated Contract Value (excluding VAT) and relevant thresholds	Procedure to be followed	Rule (in this document)
For goods and services	£189,330* or above	The PCR Procedure	10
For works	£4,733,252* or above	The PCR Procedure	10
PCR 2015 Schedule 3 - Social and other specific services	Up to £663,540*	The High Value Transaction Procedure	12
For goods or services	£25,000 - £189,329	The High Value Transaction Procedure	12
For works	£25,000 - £4,733,251	The High Value Transaction	12

Commented [PP1]: Do we need to say anything here to make it clearer that a local supplier and an SM may be both and the same?

Type of Contract	Estimated Contract Value (excluding VAT) and relevant thresholds	Procedure to be followed	Rule (in this document)
		Procedure	
For goods, services and works	£5,000 - £24,999	The Medium Value Transaction Procedure	13
For goods, services and works	Up to £4,999 ("the Low Value Threshold")	The Low Value Transaction Procedure	14
Concession Contracts	All Contract Values	The Concession Contract Procedure	15
* Please note that these are the "PCR Thresholds" and are applicable between 1 January 2020 and 31st December 2021.			

10. The PCR Procedure

- 10.1. The PCR Procedure shall be managed by the Procurement Team and approved by the Head of Procurement and Supplier Management or the Service Director – Quality and Integration.
- 10.2. Minimum timescales relating to tender procedures are governed by the PCR 2015 and these must always be followed.
- 10.3. In accordance with Rule 10.2, a Contract Notice must be published in the Find a Tender Service and in Contracts Finder.
- 10.4. Advertisements published additional to those under Rule 10.3 (for instance in the local press or trade journals):
- 10.3.1 must not appear on Contracts Finder or in any other form of publication before a Contract Notice is published on the Find Tender System and
- 10.3.2 must not contain any information additional to that contained in the Contract Notice.
- 10.5. All contracts tendered under this procedure must allow for a ten-calendar day standstill period between when the decision to award is communicated and the contract being entered into.
- 10.6. In accordance with Rule 10.2, all contracts awarded pursuant to the PCR procedure must be publicised by means of a Contract Award Notice – transmitted no later than 30 calendar days after the date of the contract award.

11. PCR 2015 Schedule 3 - Social and other specific services

- 11.1. Regulations 74 to 76 of the PCR 2015 set out specific services which may be procured by applying this more flexible procedure.
- 11.2. In respect of procurement for these services, the High Value Transaction Procedure shall be followed unless otherwise directed by the Head of Procurement and Supplier Management and Supplier Management or the Service Director – Quality and Integration.

12. The High Value Transaction Procedure

- 12.1 Subject to Rule 12.2, the contract opportunity must be advertised by the Procurement Teams at the start of the tender procedure. Information on the contract opportunity must be published on Contracts Finder within 24 hours of being advertised elsewhere.
- 12.2 The tender procedure shall be that identified as the most appropriate by the Procurement Teams.
- 12.3 Tenders should be sought by the Procurement Team unless the Procurement Teams determines that by virtue of its complexity at least three written quotes will allow Best Value to be demonstrated.

13. The Medium Value Transaction Procedure

- 13.1 At least three quotes should be sought by the Procurement Team unless:
- 13.1.1 the Procurement Team determines that by virtue of its complexity, a tendering exercise should be undertaken to demonstrate Best Value for the requirement or
- 13.1.2 the Procurement Team determines that only one supplier exists for the specific requirement.
- 13.2 Where appropriate for the requirement in question, the opportunity will be advertised on the Council's on-line tendering system portal for electronic tendering at the start of the procurement procedure.

14. The Low Value Transaction Procedure

- 14.1 If the Contract Value of the procurement is less than the Low Value Threshold then there is no requirement for an officer to engage with the Procurement Team however, officers must contact the Procurement Team when in any doubt over the value of the procurement, how the procurement should be conducted and/or whether disaggregation applies.
- 14.2 Officers must obtain at least one written quote from a supplier before a supplier can be selected.
- 14.3 Officers must be reasonably certain, all things considered, that the contract that is being entered into represents Best Value.

15. The Concession Contracts Procedure

- 15.1. Concession Contracts are arrangements where operational risk lies with the provider and payment consists of the right to exploit the services or works or those rights along with some payment) ~~are governed by the CCR 2016 where their~~. Where the

value is equal to or above ~~the financial threshold of £4,733,252¹. Officers must obtain advice from the procurement Services Team at the earliest opportunity if the letting of a Concession Contract is being considered governed by the CCR 2016.~~

~~8.1 For procurements with an estimated contract value at or above the thresholds prescribed for the PCR 2015 (“the PCR Thresholds”) (see Rule 8.6 below), the Council is legally obliged to comply with the PCR 2015. These opportunities are published in the Official Journal of the European Union (OJEU).~~

~~8.2 The table below indicates the relevant procedure to be followed for different levels of contract value:~~

Estimated Contract Value	Procedure to be followed
<ul style="list-style-type: none"> * £189,330* or over for goods and services * £4,733,252* or over for works 	The PCR Procurement Procedure set out below
<ul style="list-style-type: none"> * £100,000 up to £189,330* for goods and services * £100,000 up to £4,733,252* for works 	The Procedure for High-Value Transactions set out below
<ul style="list-style-type: none"> * £5,000 up to £99,999 for goods, services and works 	The Procedure for Intermediate-Value Transactions set out below
<ul style="list-style-type: none"> * Up to £4,999 for goods, services and works 	The Procedure for Low-Value Transactions set out below
<ul style="list-style-type: none"> * PCR 2015 Schedule 3 Contracts (health and social care) up to £663,540 	Light Touch Regime**
* Please note that these are the PCR Thresholds and are applicable between 1 January 2020 and 31 st December 2021.	

~~8.3 ** Regulations 74 – 77 of the PCR 2015 set out the “light touch” regime and permit certain deviations from the PCR Procurement Procedure described below. In advance of commencing a procurement process for Schedule 3 services, advice must be sought from the Procurement Services Team who will advise the compliant route to market.~~

¹ CCR 2016 This is the Concession Contract Regulation threshold for works, concessions and services effective with effect from 1 January 2018²⁰²⁰.

PCR Procurement Procedure

- ~~8.4 15.2. Officers must engage with the Procurement Team as soon as a need is identified and the procurement must be conducted in accordance with the procedures specified in the PCR 2015.~~
- ~~8.5 All PCR Procurement Procedures must be approved and managed by the Head of Procurement & Supplier Management or Director: Quality & Integration or such other person or department as he or she may direct.~~
- ~~8.6 A request for contract form must be completed and signed by an officer authorised in accordance with the Officer Scheme of Delegation and submitted to the Procurement Services Team unless otherwise directed by the Head of Procurement & Supplier Management or Director: Quality & Integration.~~
- ~~8.7 Contracts must be tendered using an appropriately compliant procurement route as specified in the PCR 2015. The Procurement Team will, through a formal options appraisal conducted in conjunction with the procuring officer, advise on the most appropriate type of procurement procedure based on the particular requirement.~~
- ~~8.8 For each contract, a Contract Notice must be published in the Supplement to the Official Journal of the European Union (OJEU) and in Contracts Finder. Advertisements published additional to this (for instance in the local press or trade journals):~~
- ~~8.12.1 must not appear on Contracts Finder or in any other form of publication before a Contract Notice is published by the EU Publications Office and~~
 - ~~8.12.2 must not contain any information additional to that contained in the Contract Notice in OJEU.~~
- ~~8.9 Minimum timescales relating to tender procedures are governed by the PCR 2015 and these must always be followed.~~
- ~~8.10 For all contracts tendered under the PCR Procurement Procedures, a ten or fifteen calendar day 'standstill period' must be observed between when the decision to award is communicated and contract conclusion. The ten calendar day period applies where electronic communication has been used to communicate the decision. If, however, some other form of communication has been used, a fifteen calendar day 'standstill period' must be observed. In each case the 'standstill period' is calculated as starting on the day following the date on which the contract award decision is sent to tenderers. Once the decision to award a contract is made, each tenderer and candidate must be notified in writing of the outcome of the tender process. This notification must include:~~
- ~~8.10.1 details of the contract award criteria;~~
 - ~~8.10.2 the reasons for the decision, including the characteristics and relative advantages of the successful tender and the score the tenderer and the successful tender obtained against those award criteria;~~
 - ~~8.10.3 the name of the successful tenderer; and~~
 - ~~8.10.4 a statement as to the date the standstill period is due to expire.~~

~~Special rules apply where a tenderer or candidate requests a de-brief on the tender process. Even if a tenderer asks for a de-brief outside of the standstill period the Council is still obliged to provide this. In this instance, advice must be sought from the Procurement Services obtain advice from the Procurement Team at the earliest opportunity and always before feedback is provided to the requesting tenderer or candidate. if the letting of a Concession Contract is being considered, regardless of the estimated Contract Value.~~

~~8.11 All contracts awarded under the PCR Procurement Procedures must be announced by means of a Contract Award Notice in OJEU transmitted no later than 30 calendar days after the date of the contract award.~~

Procedure for High-Value Transactions

~~8.12 Officers must engage with the Procurement Services Team as soon as a need is identified.~~

~~8.13 The tender process must be managed by the Head of Procurement & Supplier Management or Director: Quality & Integration or such other person or department as he or she may direct, working with the relevant client departments / directorates.~~

~~8.14 A request for contract form must be completed and signed by an officer authorised in accordance with the Officer Scheme of Delegation and submitted to the Procurement Services Team unless otherwise 15.3 Unless expressly directed by the Head of Procurement & Supplier Management or the Service Director: – Quality & Integration:~~

~~8.15 The contract opportunity must be advertised by the Procurement Services Team at the start of the tender procedure. Information on the contract opportunity must be published on Contracts Finder within 24 hours of being advertised elsewhere. A contract award notice must be published on Contracts Finder in all cases.~~

~~8.16 The tender procedure shall be that identified as identify the most appropriate by the Procurement Services Team in conjunction with the Head of Procurement & Supplier Management or Director: Quality & Integration or such other person or department as he or she may direct.~~

~~8.17 Special rules apply where a tenderer or candidate requests a de-brief on the tender process. Advice must be sought from the Procurement Services Team at the earliest opportunity route to market and always before manage any feedback is provided to a requesting tenderer or candidate.~~

~~8.18 Where a competition has been undertaken in accordance with this procedure and only a single tender has been received, a contract may be awarded, subject to a value for money review being undertaken and an audit trail being available for inspection.~~

Procedure for Intermediate-Value Transactions

~~8.19 Officers must engage with the Procurement Services Team as soon as a need is identified, except when sourcing temporary staff, in which case Officers must utilise a framework agreement approved in accordance with Rule 6.1 or be able to evidence that Best Value can be achieved (in accordance with the procedures approved by the Head of Procurement & Supplier Management from the supplier utilised.~~

~~8.20 A request for quote form must be completed and signed by an officer authorised in accordance with the Officer Scheme of Delegation and submitted to the Procurement Services Team unless otherwise directed by the Head of Procurement & Supplier Management or Director: Quality & Integration.~~

~~8.21 The Procurement Services Team will invite at least three written quotations from capable suppliers before a supplier can be selected unless the contract value is less than £25,000 and it is determined by the Procurement Services Team that only one supplier and no competitors exist for the requirement.~~

~~Where appropriate for the requirement in question, a request for quote will be advertised on the Council's e-portal at the start of the related procurement procedure for Concession Contracts.~~

~~8.22 Where the contract value for a contract for goods or services is £25,000 or over a request for quote must be advertised on the Council's e-portal and Contracts Finder within 24 hours of the time when the procurement is advertised in any other way. A contract award notice must be published on Contracts Finder in all cases.~~

~~8.23 The contractual agreement with the supplier must specify the goods, services or works to be provided, the price to be paid and include the Council's standard form of terms and conditions of purchase.~~

~~8.24 Where a competition has been undertaken in accordance with this procedure and only a single quote has been received, a contract may be awarded, subject to a value for money review being undertaken and an audit trail being available for inspection.~~

Procedure for Low-Value Transactions

~~8.25 Officers must obtain at least one written quotation from a capable supplier before a supplier can be selected.~~

~~8.26 Officers must be able to demonstrate and record that the written quotation and resulting contract represents Best Value.~~

~~8.27 The contractual agreement with the supplier must specify the goods, services or works to be provided, the price to be paid and include the Council's standard form of terms and conditions of purchase.~~

9

16. Receiving and Opening Tenders and QuotationsQuotes

16.1 Responses to an invitation to tender or quote must be received according to the format of response specified in the invitation to tender or quote and no later than the time specified for submission of tenders or quotes in the invitation to tender or quote.

16.2 Emailed tenders and quotationsquotes received are acceptable but copies must be retained

in the relevant file by the Procurement ~~Service~~ Team (for PCR ~~Procurement Procedures, High~~ and ~~High-Medium Value Transaction~~ and ~~Intermediate-Value TransactionsConcession Contract Procedures~~) and the procuring officer (for ~~those undertaken in accordance with the Low-Value TransactionsTransaction Procedure~~).

16.3 Tenders or quotations received for all procurement procedures (except the Low Value Transaction Procedure for Low Value Transactions);

~~16.2.1~~16.3.1 must be managed by the Procurement ~~Services~~Teams using the Council's on-line tendering system portal for electronic tendering where appropriate. Electronic tender responses must be received, time stamped and opened in accordance with the approved procedures implemented in that system-and

~~16.2.2~~16.3.2 a record of opened and rejected tenders and quotations as well as candidates who did not submit a tender or quotations must be recorded on a list of tenders or quotations invited by the Procurement Team.

**10-
17. Evaluating Tenders and Quotations**

~~With the exception of Low Value Transactions an appropriate evaluation model~~17.1 All tenders and quotes should be evaluated against criteria that states the basis for how the contract will be awarded. In respect of procurements exceeding the Low Value Threshold, this evaluation must be determined in liaison with the Procurement Services Team prior to the issue of the invitation to tender or quote and must include mandatory and desirable requirements linked to the subject matter of the contract.

17.2 The evaluation criteria must be detailed in the document used to invite tenders or quotations and must not be changed during the procurement process. Requests for variant bids (i.e. a proposal for a solution that differs from the solution set out by the Council) must be scored against the same evaluation criteria as a tender or quotation which meets the Council's stipulated requirements.

17.3 Contract awards must be based on the identification of the most economically advantageous tender or quotation and the evaluation criteria must reflect this.

17.5 An evaluation to determine the most economically advantageous tender or quotation involves scoring tenders or quotations objectively using criteria which must:

- 17.5.1 be relevant to the particular specific procurement's size and scope;
- 17.5.2 be pre-determined and listed in the invitation to submit a tender or quotation documentation, as the case may be;
- 17.5.3 be strictly observed at all times throughout the procurement procedure;
- 17.5.4 reflect the principles of Best Value;
- 17.5.5 include price, quality and social value (where appropriate);
- 17.5.6 consider whole-life costings, particularly in the case of capital equipment where the full cost of maintenance, decommissioning and disposal must be taken into account;
- 17.5.7 indicate how the Council will score tenders or quotations and be capable of objective assessment;
- 17.5.8 be weighted according to their respective importance which must be detailed in the document used to invite tenders or quotations;
- 17.5.9 include address, where applicable, the quality of the bidder's proposal to accept a transfer of staff under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE); and
- 17.5.10 avoid discrimination or perceived discrimination on the basis of nationality or other cause contrary to the any of the Council's policies.

17.6 Any resulting contract awarded must be awarded to the ~~tenderer who submits the most economically advantageous tender or quotation (i.e. the quotation or tender that achieves the highest score in the objective assessment)~~ bidder who submits the

The Council most economically advantageous tender or quote (i.e. the quote or tender that achieves the highest score in the evaluation).

17.7 The Procurement Team (or procuring officer in respect of procurements under the Low Value Transaction Procedure) must obtain clarification or explanation from suppliers who submit tenders or quotes which appear abnormally low and may reject a tender or quote if the evidence supplied is not satisfactory to justify the low tender or quote.

17.8 The results of the evaluation process must be recorded in writing.

17.9 ~~The~~Unless otherwise required by law, evaluators must not disclose information contained within tenders or quotes returned by a supplier to any third party ~~not involved with the procurement process. Disclosing information relating to a bid to a competing supplier is a breach of the PCR 2015 and any failure to comply with this may lead to disciplinary proceedings being instigated.~~

18. Framework Agreements and use of Council Contracts

18.1. Before first use by the Council, the use and terms of all framework agreements (including those of the Crown Commercial Services and other public purchasing organisations), must be approved in writing by:

18.1.1 a solicitor from the Council's Legal and Governance Team and

18.1.2 the Head of Procurement and Supplier Management or the Service Director - Quality and Integration.

18.2. Framework agreements approved in accordance with Rule 18.1 may be used by the Council (as part of the procurement procedures in Rules 9-15) following an assessment by the Procurement ~~Services~~ Team, including whether they are considered to offer Best Value for the need in question and when considering performance on previous or current contracts (or both) by the relevant framework contractors.

18.3. Where the Council has in place specific contracts with suppliers to provide goods, services or works which are suitable for the requirement, these contracts, where capable of doing so, must be used to source relevant needs unless directed otherwise by the Head of Procurement and Supplier Management or the Service Director - Quality and Integration.

19.

14 Use of Nominated Sub-contractors

19.1 Officers must not nominate the use of specific sub-contractors without the prior written consent of the Head of Procurement and Supplier Management or the Service Director - Quality and Integration.

19.2 Any nominated sub-contractors must have been selected through use of the appropriate tender or quote procedure as if the Council were contracting directly with the sub-contractor.

20. Awarding Contracts and Audit Trails

20.1 Executive Directors must ensure that the appropriate budget holder has the funds in place to sustain the contract prior to award.

20.2 A contract must only be awarded and signed by an officer authorised to do so in accordance with the officer's scheme of delegation subject to receipt of confirmation from an Executive Director (prior to award) that the appropriate budget holder has the funds in place to sustain the contract.

20.3 For all contracts where the Contract Value exceeds the PCR ~~Thresholds of~~ Threshold ~~for goods or services or,~~ in the case of a works contract, £200,000, the contract must either:

20.3.1 be made under the Council's seal in accordance with the Constitution; or
20.3.2 signed by at least two duly authorised officers of the Council authorised by the Service Director ~~of~~ Legal & Business Operations.

20.4 The decision as to whether to sign or to seal a contract shall rest with the Service Director ~~of~~ Service Director of Legal & Business Operations . For the avoidance of doubt, no contract shall be attested by or signed by any councillor.

20.5 A full and complete audit trail of all procurement activity resulting in the award of a ~~contract, framework or dynamic purchasing system must be retained as required by regulation 84 of the PCR 2015 and in accordance with the Council's Records Review and Retention Schedule.~~

In respect contract, framework or dynamic purchasing system must be retained by the Procurement Team as required by regulation 84 of the PCR 2015 and in accordance with the Council's Records Review and Retention Schedule.

20.6 With the exception of procurements undertaken in accordance with the Low Value Procurement Procedure, High Value Transaction Procedure and Intermediate Value Transaction Procedure, the Council must the Procurement Team shall produce and retain:

~~20.5.4~~ 20.6.1 a report containing information including contract value, the names of bidders

rejected at the selection stage and the reasons for their rejection (for the PCR ~~Procurement~~ Procedure) and including any conflicts of interest identified and how they were addressed. ~~This report will be produced and retained by the Procurement Services Team and~~

~~20.5.220.6.2~~ an audit trail of the Procurement and decision-making process in respect of any procurement which is withdrawn prior to contract award ~~shall also be retained by the Procurement Services Team.~~

~~20.620.7~~ In respect of all contracts awarded exceeding £25,000 in Contract Value (including those awarded as call-off contracts under framework agreements), the name of the contractor, the date on which the contract was entered into and the value of the contract must be published on Contracts Finder within a reasonable time of the contract award.

~~12.~~

21 Ordering and Paying for Goods, Services and Works

~~21.1~~ No pre-payment for goods, services or works may be allowed above the value of ~~£5,000~~ the Low Value Threshold, without the prior written consent of the Executive Director: Finance & Commercialisation and the Service Director: of Legal & Business Operations.

~~13~~

22. Parent Company Guarantees and Performance Bonds

~~22.1~~ The requirement for a bond, parent company guarantee or other security must be determined in consultation with the ~~Executive Director: Finance & Commercialisation and the Procurement Services Team~~ Head of Procurement and Supplier Management or the Service Director - Quality and Integration.

~~14.~~

23. Conditions of Contract

~~23.1~~ Unless expressly agreed by the Service Director of Legal and Business Operations all transactions regardless of value must use a model form of conditions of contract provided and approved by the ~~Executive Service~~ Director: Finance & Commercialisation. Director of, Legal & Governance Business Operations.

~~23.2~~ The Head of Procurement &and Supplier Management ~~,-~~ in conjunction with the Service Director: of Legal &and Business Operations, must:

~~23.2.1~~ keep a list of all model forms of conditions of contract that gives details of when the conditions were last updated; and

~~23.2.2~~ review all current model forms of conditions of contract, at least every 2 years, or on a regular basis including when applicable legislation is introduced.

~~15.~~

POST PROCUREMENT

24 Contracts Register

~~24.1~~ The Head of Procurement &and Supplier Management and the Service Director: ~~-~~ Quality &and Integration must maintain and publish a register ("the Contracts Register") ~~which includes details of contracts, commissioned activity, purchase orders~~

~~involving any one-off and recurring payments, framework agreements and any other legally enforceable agreement with values of £5,000 and above.~~

~~24.2 The Contracts Register is maintained by the Procurement Team and published on the Council's website to enable the Council to meet its obligations in respect of the Local Government Transparency Code 2015. The register is maintained by the Procurement Services Team and published on the Council's website.~~

~~16.~~

~~25. Variations and Extensions~~

~~25.1 Any extension and/or variation to an existing contract (including an extension to contract duration) must demonstrate Best Value and must not be instigated solely to avoid or delay the requirement to conduct a procurement.~~

~~25.2 All variations to a contract must be made in accordance with the provisions of the PCR 2015 where relevant.~~

~~25.2~~ Officers must ensure that the appropriate budget holder has the funds in place for the variation or extension and that the necessary budget approval from Finance has been obtained.

~~25.3~~

~~16.1 All extensions and variations must be documented in writing and signed by an authorised signatory on behalf of the Council and counter-signed by the supplier.~~

~~16.2 Officers must ensure that any agreed extensions or variations to contracts are communicated to the Procurement Services Team to ensure the Contract Register remains up to date.~~

~~16.3 The Procurement Services Team shall record all implemented extensions and variations on the Contracts Register.~~

~~16.4 Subject to any statutory restrictions and compliance with these Rules, Service Directors may authorise an extension or variation to an existing contract where an extension or variation is provided for within the terms and conditions of the contract.~~

~~16.5 Extensions~~

~~16.5.1 Officers must always seek advice from the Procurement Services Team before agreeing any extension to a contract with a supplier if the extension is not already expressly provided for within the terms and conditions of the contract. Any such extensions must be authorised by the Director: Quality & Integration (or the Head of Procurement & Supplier Management (or such other person or department as he or she may direct).~~

~~16.6 Variations~~

~~Officers must always obtain advice from the Procurement~~

~~25.4 All variations to a contract must be made in accordance with the provisions of the PCR 2015. Officers must always seek advice from the Procurement Services Team before agreeing any variations to contracts if the variation is not already expressly provided for within the terms and conditions of the contract.~~

~~In respect of contracts below the PCR Threshold in value and subject to any statutory~~ All variations approved in accordance with these Rules must be

documented in writing and signed by an authorised signatory on behalf of the Council and counter-signed by the supplier.

25.5

~~25.6~~25.6 Subject to any legal restrictions and compliance with these Rules, ~~Service~~Executive Directors ~~may~~must authorise a variation to an existing contract where ~~the consequent change in price (determined in accordance with the contract terms) is such that the annual value of the variation is less than £25,000 or 15% of the original annual contract value (whichever is the lesser) provided that for within the value terms and conditions of the contract post variation remains below the PCR Threshold.~~

~~25.6~~25.7 In respect of contracts below the PCR Threshold ~~in value~~ and subject to any ~~statutory~~legal restrictions and compliance with these Rules, any variation to an existing contract where the consequent change in price (determined in accordance with the contract terms) is ~~greater than £25,000 or 15% of the original annual contract value (whichever is the lesser) must be authorised by:~~ such that the annual value of the variation is:

16.6.1.1 ~~less than £25,000 or 15% of the Director: Quality & Integration (or his or her delegate) in respect of variations relating to contracts for health and care services procured and managed via original annual Contract Value (whichever is the lesser) provided always variation must be authorised by the relevant Executive Director, provided that the value of the contract post-variation remains below the PCR Threshold.~~

16.6.1.2 ~~lesser), the Head of Procurement & Supplier Management for all other Council contracts~~

~~25.6.4~~25.7.1 ~~provided always variation must be authorised by the relevant Executive Director, provided that the value of the contract post-variation remains below the PCR Threshold.~~

17. Conflicts equal to or greater than £25,000 or 15% of Interest and Corruption

~~25.6~~25.7.2 Any interest which may affect the award of a contract under these Rules ~~original annual Contract Value (whichever is the lesser), the variation must be declared. Such interests may include the ownership of shares in a potential supplier, previous employment authorised by a potential supplier or the employment of a family member by a potential supplier. Any officer of the Council participating in a contract award decision or employee of the Procurement Services Team must provide Director - Quality and Integration (or his or her delegate) or the Head of Procurement & Supplier Management or Director: Quality & Integration with an advance written declaration of any such interests.~~

~~25.8~~ The Head of Procurement & Supplier Management or Director: Quality & Integration~~25.11~~ In respect of contracts above £5,000 in Contract Value, officers must ~~either certify ensure that such interests any agreed variations are acceptable or take any necessary action in respect of potential conflicts of interest and the officer should not participate in communicated to the Procurement Team and the award of the contract by the Council.~~

~~Officers must be aware of other requirements of the Council's Constitution with Procurement Team regard to conflicts of interest, bribery and corruption.~~

~~Each contract which the Council enters into shall include a provision which entitles record all such variations, the Council to terminate the contract and recover losses from the contractor resulting from such termination if the contractor or any one acting on the contractor's behalf has:~~

~~offered or given or agreed to give to any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do, or has done or forbore to do, any action in relation to the obtaining or execution of the contract or any other contract with the Council; or shown or has forbore to show favour or disfavour to any person in relation to the contract or any other contract with the Council; or committed an offence under the Prevention of Corruption Acts 1889 to 1916 (or any act or acts as may replace the same) or has given any reward the receipt of which is an offence under the Local Government Act 1972 (or any act as may replace the same) or committed an offence under the Bribery Act 2010.~~

~~18. — Gifts and Hospitality~~

~~No gifts or hospitality should be accepted from any bidders to any contract being let or about to be let by the Council. Acceptance of gifts or hospitality may be a disciplinary offence. Every officer (whether of the Council or Procurement Services Team managing a procurement, letting (or planning to let) a contract or managing a contract for the Council) must inform the Executive Director: Finance & Commercialisation of any offers of gifts or hospitality. Reference should be made to the Council's policy on Gifts and Hospitality in place at such time and other relevant Council policies.~~

~~19. — Exemptions to the Rules~~

~~No exemption can be given which breaches public procurement law.~~

~~An exemption to these Rules may only be agreed by:~~

- ~~a) — the Director: Quality & Integration (or his or her delegate) or~~
- ~~b) — the Head of Procurement & Supplier Management (or his or her delegate).~~

~~If, after considering a request for Exemption, he or she is satisfied that the exemption is justified because:~~

~~the nature of the market for the works to be carried out or the goods or services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of the Rules is justifiable; or~~

~~the contract is for works, goods or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen; or there are other circumstances which are genuinely exceptional.~~

~~No exemption requests will be considered unless and until a Request for Exemption form has been fully completed and submitted to the Procurement Services Team.~~

~~A record of the decision approving an exemption and the reasons for it must be kept by the Procurement Services Team, an entry made in the register of approved exemptions and the Contracts Register updated accordingly.~~

~~Approved exemptions will be conditional on the relevant Service Director providing and agreeing a plan with the Head of Procurement & Supplier Management or the~~

~~Director: Quality & Integration (as appropriate) to mitigate the need for further exemptions relating to the contract.~~

~~An exemption will be deemed to have been approved by the Director: Quality & Integration in the case of a child placement or education funding (or any combination thereof) where:~~

~~The value of such placement or education funding is below the relevant OJEU threshold and~~

~~All compliant frameworks have been considered and are unable to meet the requirement and in any such instance, Rules 19.4 to 19.6 (inclusive) shall not apply.~~

~~This Rule 19.7 applies to services for the placement of a child (including most obviously in a residential home, into foster care or into adoption) and for the provision of associated educational services to that child.~~

~~An exemption shall never be given in relation to either Rule 17 or Rule 18.~~

~~These Rules may also be varied or departed from when, but only when, the Service Director: Legal & Business Operations advises that statute or subordinate legislation requires.~~

PART 10: OFFICER SCHEME OF DELEGATION AND ASSOCIATED DOCUMENTATION, RULES & GUIDANCE



	<u>Page</u>
<u>General Notes</u>	2
1. <u>Chief Executive</u>	5
2. <u>Chief Officers</u>	7
3. <u>Executive Director Wellbeing (Health & Adults) (DASS)</u>	12
4. <u>Director Public Health</u>	13
5. <u>Director Quality & Integration</u>	14
6. <u>Head of Adult Social Care</u>	16
7. <u>Head of Supported Housing & Community Support</u>	17
8. <u>Executive Director Wellbeing (Children & Learning) (DCS)</u>	18
9. <u>Head of Education & Learning</u>	23
10. <u>Head of Children's Social Care</u>	27
11. <u>Head of Children's Safeguarding</u>	29
12. <u>Executive Director Place</u>	31
13. <u>Head of City Services</u>	33
14. <u>Head of Green City & Infrastructure</u>	35
15. <u>Head of Planning & Economic Development</u>	38
16. <u>Head of Property</u>	43
17. <u>Executive Director Communities, Culture & Homes</u>	49
18. <u>Head of Consumer Protection & Environmental Services</u>	52
19. <u>Head of Stronger Communities, Neighbourhoods & Housing</u>	68
20. <u>Head of Culture & Tourism</u>	72
21. <u>City of Culture Bid Director</u>	74
22. <u>Executive Director Business Services (Deputy Chief Executive)</u>	75
23. <u>Service Director: Legal & Business Operations (Monitoring Officer)</u>	76
24. <u>Executive Director: OD & HR</u>	81
25. <u>Executive Director: Business Development</u>	84
26. <u>Executive Director Finance & Commercialisation (S151)</u>	86
27. <u>Head of Financial Planning & Management (Deputy S151)</u>	89
28. <u>Head of Procurement & Supplier Management</u>	90
29. <u>Audit Service & Partnership</u>	92
30. <u>Head of Commercialisation</u>	93

GENERAL NOTES

NB: These notes form part of the Register of Delegated Powers

1. All delegated functions shall be deemed to be exercised on behalf of and in the name of the Council.
2. The exercise of a delegated power, duty or function shall:
 - a. be subject to the City Council's Policy Framework and/or Budget;
 - b. be subject to any Special Procedure and/or Protocol;
 - c. be subject to the requirements of the Constitution and Corporate Standards; and
 - d. be subject to the requirements of the Council Procedure Rules, Financial Procedure Rules, Contract Procedure Rules, Corporate Standards and any delegations contained therein.
3. An officer to whom a power, duty or function is delegated may authorise another officer to exercise that power, duty or function, subject to the requirements that follow:
 - a. such authorisations shall be in writing and shall only be given to an officer over which the officer with the original delegated power etc. has control;
 - b. such authorisations should only be given where there is significant administrative convenience in doing so;
 - c. the officer authorised by the other should act in the name of the officer who received the original delegation;
 - d. no authorisation may be given if the statute or law prohibits it.

Authorisations of this kind should not be considered to be the norm but used only in appropriate circumstances and after careful thought. There can be no additional such delegation. Any mis-categorisation of a delegation as being Executive, non-Executive or anything else shall not invalidate the delegation.
4. References to any Act, Regulation, Order or Byelaw shall be construed as including any re-enactment or re-making of the same, whether or not with amendments.
5. Any reference to any Act of Parliament includes reference to Regulations, subordinate and EU legislation upon which either UK legislation is based, or from which powers, duties and functions of the Council are derived.
6. Where the exercise of powers is subject to prior consultation with another officer, that officer may give his or her views in general terms in advance to apply to any particular circumstances, to remove the need for consultation for each proposal.
7. Subject to any express instructions to the contrary from the delegating body, any power to approve also includes the power to refuse, and the power to impose appropriate conditions.
8. Delegations to officers are subject to:
 - a. the right of the delegating body to decide any matter in a particular case;
 - b. the officer may, in lieu of exercising his/her delegated power, refer to the delegating body for a decision; and
 - c. any restrictions, conditions or directions of the delegating body.

GENERAL NOTES

9. In exercising delegated powers, the officer shall:
 - a. take account of the requirements of the Corporate Standards and Special Procedures and shall address all legal, financial and other professional safeguards as if the matter were not delegated;
 - b. shall exercise the delegation so as to promote the efficient, effective and economic running of that Division, Directorate and the Council, and in furtherance of the Council's visions and values; and
 - c. shall, where and when appropriate, report back to the appropriate delegating body as to the exercise of those delegated powers.
10. Except where otherwise expressly provided either within this Scheme of Delegation or by resolution of the delegating body, the exercise of any delegated power, duty or function is subject to having the appropriate and necessary budgetary provision in place to take the action in the name of and/or on behalf of the Council.
11. Save in respect of any statutory roles that are not capable of delegation, any power conferred on a subordinate officer shall be exercisable by the Executive Director.
12. The compilation of a Register of Delegated Powers is a statutory requirement. The Register is maintained by the Service Director: Legal & Business Operations, and delegations are added to it as they are made by delegating bodies. Officers should take care to inform themselves of any subsequent changes to the Register before solely relying on this document.
13. The Service Director: Legal & Business Operations shall have the power to amend this Register to reflect re-organisations, changes in job titles and vacancies, where said changes result in re-distributing existing delegations and not the creation of new ones.
14. Any post specifically referred to below shall be deemed to include any successor post, or a post which includes within the job description, elements relevant to any particular delegation, which were also present in the earlier post and shall include anyone acting up or seconded. Any power contained within this Register in anticipation of any reorganisation may be exercised in accordance with the preceding Register to the date of that reorganisation.
15. Any reference to a Committee, Panel or Sub-Committee shall be deemed to include reference to a successor Committee or Sub-Committee provided that the subject matter of a particular delegation can be found within the terms of reference of both the earlier and the successor Committee or Sub-Committee.
16. Where a power or duty is delegated to an officer, and the exercise of that power or duty is contingent upon the opinion of the Council that particular conditions or factual circumstances exist, then the officer in question has the power to determine whether or not those circumstances exist or those conditions have been fulfilled in the name of and with the authority of the Council.
17. All enquiries about this register should be made to the Service Director: Legal & Business Operations.
18. All matters of interpretation of this document will be determined by the Service Director: Legal & Business Operations.

GENERAL NOTES

19. If a matter is delegated to an officer, but that delegation cannot be implemented, that should be reported to the delegating body.
20. Functions, matters, powers, authorisations, delegations, duties and responsibilities, etc within this Scheme shall be construed in a broad and inclusive fashion and shall include the doing of anything which is calculated to facilitate or is conducive or incidental to the discharge of anything specified.
21. Non-executive functions are specified in Schedules 1 and 2 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 as amended. Any function that is not therefore specified must be assumed to be executive.
22. Advice on procedures, and matters to be taken into account in exercising officer delegated powers, is set out in the Guidance on Decision-Making issued by the Service Director: Legal & Business Operations.
23. This Scheme of Delegated Powers was approved as part of the Council's Constitution on 18th May 2020. Ad hoc additional revisions will be considered by the Council as appropriate and page revision numbers indicated on replacement pages.
24. For the avoidance of doubt, where a power or duty delegated under this scheme includes at source a power to recover costs, fees or charges, the delegation shall include the power to take all necessary action to recover such fees cost or charges by way of civil debt or otherwise and shall be without prejudice to any other power to charge or recover costs that the Council may have under legislation.
25. Delegations set out in Section 2 onwards, can also be exercised by their relevant officers in relation to functions for which they are responsible and/or manage.
26. Where there is doubt over the responsibility for the exercise of the delegated power, the Chief Executive, Deputy Chief Executive or Service Director: Legal & Business Operations or his or her nominee is authorised to act.

CHIEF EXECUTIVE

1. CHIEF EXECUTIVE

- 1.1 The Chief Executive shall be the Head of Paid Service and be provided by the authority with such resources as s/he deems necessary to perform that role. The Head of Paid Service shall have overall corporate management and operational responsibility for the way in which the organisation delivers its services.
- 1.2 The Chief Executive may decide that any function, question or matter is urgent and:
- a. a decision must be made before the next scheduled meeting of the Executive, Council or of the appropriate Committee or Sub-Committee; or
 - b. a recommendation to the Executive, Council or within the terms of reference of a Committee or Sub-Committee should be implemented prior to the next scheduled meeting of the Executive, Council, Committee or Sub-Committee by which it could be approved;
- in either case, if the Chief Executive is satisfied that it is not expedient, practicable or necessary in the circumstances to convene a special meeting of the Executive, Council or a special meeting or urgent business sub-committee meeting of the Committee or Sub-Committee in question then paragraph 1.4 shall apply.
- 1.3 The Chief Executive shall have the power (or may designate the Deputy Chief Executive or an Executive Director who will then have power) to determine the question or matter or to implement the recommendation (as the case may be) in the name of and without further reference to the Executive, Council or to the appropriate Committee or Sub-Committee.
- 1.4 The exercise by the Chief Executive, Deputy Chief Executive and Executive Director of any powers under this Urgent Matters delegation shall be subject to the following conditions:
- a. that the determination of the question or other matter or implementation of the recommendation is capable of determination under law in this manner;
 - b. that the Chief Executive, Deputy Chief Executive or designated Executive Director before making a decision shall consult with the Leader;
 - c. that the Chief Executive, Deputy Chief Executive or designated Executive Director before making a decision shall consult with the Service Director: Legal & Business Operations and the Executive Director: Finance & Commercialisation or their nominated deputies;
 - d. that a record of all decisions made or recommendations implemented, together with the consultations shall be recorded and maintained by the Service Director: Legal & Business Operations; and
 - e. that any decisions made or recommendations implemented under this provision shall be reported to the next scheduled meeting of the Executive, Council, Committee or Sub-Committee, which would otherwise have dealt with the question or matter.
- 1.5 The Deputy Chief Executive and each Executive Director (in their service area) and Service Director: Legal & Business Operations (all areas) may each exercise the

CHIEF EXECUTIVE

powers of the Chief Executive in the event of his/her incapacity, absence or unavailability.

- 1.6 To appoint annually on 1st April the Chairs of the Local Safeguarding Children's Board and the Local Safeguarding Adults Board.

CHIEF OFFICERS

2. CHIEF OFFICERS (EXECUTIVE MANAGEMENT BOARD MEMBERS, MONITORING OFFICER & DIRECTOR OF PUBLIC HEALTH)

- 2.1 If a function, power or responsibility has not been specifically reserved to the Council, a Committee or the Executive, the Chief Executive, the Deputy Chief Executive, and Executive Director within whose remit the matter falls is authorised to act.
- 2.2 The Council, its Committees and the Executive will make decisions on matters of significant policy. The Deputy Chief Executive and Executive Directors are given express authority to take all necessary actions to implement Council, Committee and Executive decisions that commit resources within agreed budgets in the case of financial resources, as necessary and appropriate.
- 2.3 In relation to all delegated authorities conferred on the Deputy Chief Executive and Executive Directors, the Chief Executive may allocate or reallocate responsibility for exercising particular powers in the interests of effective corporate management as he or she thinks fit.
- 2.4 To take all routine and day-to-day operational service decisions within agreed policies provided they are met from within overall approved budgets in relation to the services for which they are responsible, subject to any other requirements imposed by the Constitution (eg Financial Procedure Rules).
- 2.5 To take all decisions necessary to give effect to implement the contents of any approved Policy Framework plan, in relation to the services for which they are responsible, and within agreed budgets in the case of financial resources, as necessary and appropriate.
- 2.6 To take any action on urgent matters which would otherwise require reference to, or consultation with, the Council, a committee or the Executive if there is no such time for such reference or consultation to be made and provided the Chief Executive, Executive Director: Finance & Commercialisation and Service Director: Legal & Business Operations (or their nominees) agree to the proposed course of action before it is decided. All such decisions shall be reported to the next meeting of the Council, Committee or Executive.
- 2.7 To act and to exercise the functions of the Council under all current or future legislation and Council plans, policies, guidelines and procedures relating to the services and functions managed, operated and controlled by the Executive Director. This should be taken to include all regulations, orders and guidance subsequently issued by Ministers in relation to such services and functions.
- 2.8 To set, approve or vary, following consultation with the relevant Cabinet Member, Executive Director: Finance & Commercialisation and the Service Director: Legal & Business Operations, the scale of fees and charges for all services within their service area. The revised scale of fees and charges must be made available on the Council's internet and/or be available in paper form on request and is subject always to any statutory or common law duty to consult the public or service users.
- 2.9 To write off debt, following consultation with the Executive Director: Finance & Commercialisation, in line with guidance that is issued by the Executive Director: Finance & Commercialisation.

CHIEF OFFICERS

- 2.10 To act under all current or future legislation and Council plans, policies, guidelines and procedures relating to their services and functions managed, operated and controlled by them or their Heads of Service, and shall have the authority to vary or change their services or functions following consultation with the Chief Executive (where there are Head of Paid Service issues), and the Executive Director: Finance & Commercialisation and Service Director: Legal & Business Operations where legislation, regulations, orders or guidance subsequently issued by Ministers in relation to such services or functions require a change in service delivery greater than “de minimus”.
- 2.11 To have the authority and to authorise officers within their functional responsibilities to undertake activities and have powers to undertake those activities including powers of entry, in accordance with relevant legislation as advised from time to time by the Service Director: Legal & Business Operations.
- 2.12 Following consultation with the Service Director: Legal & Business Operations, to take decisions, serve notices, requirements or orders, make applications, exercise powers of entry, provide reports and institute or defend any proceedings before any Magistrate, Court or other Tribunal on behalf of the Council in discharge of the Council’s functions arising under any law or Act within the postholder’s management or control.
- 2.13 Following consultation with the Service Director: Legal & Business Operations, to authorise appropriate officers to administer formal cautions in respect of any criminal offence.
- 2.14 To act under all current and future legislation and Council plans, policies, guidelines and procedures relating to the services and functions managed, operated and controlled by the Executive Director. This should be taken to include all regulations, orders and guidance subsequently issued by Ministers in relation to such services and functions.
- 2.15 To undertake all and any functions and tasks necessary in support of or related to supporting approved partnerships and joint working. This includes joint working with other public bodies and agencies, including the CCG, NHS Trusts and associated bodies, other local authorities and other appropriate bodies. Such organisations may also include representatives of the private sector. This would include Solent LEP, Partnership for South Hampshire (PfSH) and Transport for South Hampshire (TfSH).
- 2.16 To respond to consultations and requests for submission from Government Departments, other local authorities, international, European, academic, research, business representatives and other bodies in respect of: provision and sharing of data and research initiatives; policies, strategies and plans; performance and partnership working.
- 2.17 Following consultation with the Service Director: Legal & Business Operations and Executive Director: Finance & Commercialisation, to submit bids for or tenders involving funding or assistance from central government, the European Commission or from any other source (direct or indirect to the council itself), and to take any further steps including the entering into of any relevant agreements to fulfil the requirements of any bid or tender and to take any necessary or expedient action (including the purchase of services, supplies and works) in the consequential administration of any

CHIEF OFFICERS

such bids or tenders. (NB: this delegation applies not only to lottery bids, but also to any new schemes as yet not in place, and is framed broadly and should apply in the same way).

- 2.18 To complete and submit expressions of interest, enter into and vary, research and development projects and associated partnerships within estimates, including seeking external funding or joining funding partnerships, providing the whole life cost of the project does not have an adverse impact on the council's financial position.
- 2.19 To authorise the attendance by any Member at a conference, meeting or other event, following consultation with the Service Director: Legal & Business Operations, provided the costs are to be met from the relevant Portfolio budget.
- 2.20 Following consultation with the Executive Director: Finance & Commercialisation and the appropriate officers dealing with international matters, to complete and submit expressions of interest for funding or initiatives to any UK or international funding agencies.
- 2.21 To purchase services or sell spare capacity where there is a financial, service or other benefit to the authority, in consultation with the Executive Director: Finance & Commercialisation and Service Director: Legal & Business Operations.
- 2.22 To obtain information under Section 330 of the Town and Country Planning Act 1990 and Section 16 Local Government (Miscellaneous Provisions) Act 1976 about interests in land.^{1&2}
- 2.23 Within the scope of the postholder's employment, to manage investigations and grant authorisations under Section 28 and 29 of the Regulation of Investigatory Powers Act 2000, subject to having completed the required Authorised Officer training.
- 2.24 To execute and authorise the execution of works in default of compliance of any statutory notice served and to demand the recovery of expenses incurred by the local authority.
- 2.25 To serve notice requiring payment for works carried out in default.
- 2.26 To authorise staff to enter premises where such action is necessary to conduct duties and is authorised by legislation appropriate to that Director's service areas.
- 2.27 To make payments of trust monies for the maintenance, advancement or benefit of a beneficiary following consultation with the Executive Director: Finance & Commercialisation.
- 2.28 To pay expenses such as travel expenses, facilitators' expenses for disabled people, interpreters' expenses for non-English speakers and carers' expenses for people with caring responsibilities to enable participation at consultation meetings.

¹ This section of the scheme of delegation should be interpreted widely to aid the smooth running of the organisation and effective deployment of resources and the efficient delivery of services.

² In determining the services for which Executive Directors are responsible, regard should be had to Article 11 of the Council's Constitution which sets out the functions and areas of responsibility for each of the Executive Directors.

CHIEF OFFICERS

- 2.29 To undertake benchmarking, cost comparison consultation and all activities associated with Best Value and to take all actions necessary and expedient to ensure best professional practice and Best Value.
- 2.30 To seek planning permission, conservation area consent and listed building consent in accordance with the Town and Country Planning Act 1990 and The Planning (Listed Buildings and Conservation Areas) Act 1990, subject to:
 - i. the Executive Director: Place being given 14 days to comment on the proposal prior to the submission of the formal application; and
 - ii. the Executive Director: Place agreeing that the proposal was not in conflict with any planning policy of the Council and could be dealt with under delegated powers; if he did not agree his reasons to be given in writing.
- 2.31 Subject to the approval of the Service Director: Legal & Business Operations, to enter into any contract in line with Contract Procedure Rules etc for the provision of services, goods or materials for another body where to do so is considered beneficial to the City Council, providing the payment terms are in line with agreed council policy if there is any variation to these terms or payment is via another means than invoice (ie direct debit) than approval should also be sought from the Executive Director Finance and Commercialisation.
- 2.32 To use all powers necessary to effect the acquisition of services from other authorities or bodies and to set up joint, consortium or other bodies and panels to secure the provision of those services needed to discharge the functions of the Council.
- 2.33 To take any consequential action necessary or expedient in respect of a bid or tender involving funding or assistance from central government, the European Commission or from any other source.
- 2.34 To act in all matters associated with the delivery of regeneration and other programmes, partnerships or arrangements managed and delivered by external partnership bodies where the Council is the accountable body or is responsible for or is a significant stakeholder in the programme, partnership or arrangement, and in particular to do so following consultation with the appropriate board, other body responsible for the management of the programme, partnership or arrangement, and to seek and replace members of such bodies and the Cabinet Member.
- 2.35 To authorise all suitably qualified members of staff under their line management or control to carry out all powers delegated and, following consultation with the Service Director: Legal & Business Operations, to sign statutory notices on behalf of the Council.
- 2.36 To investigate and respond to all complaints, whether under the Council's Customer Complaints procedure or otherwise.
- 2.37 To dispose of any surplus equipment.
- 2.38 To undertake any preparatory work necessary on any project, scheme or other matter intended to be placed before the Executive, the Council, a Committee, Sub-Committee or Officer with appropriate delegated powers so that the Executive, Council, Committee Sub-Committee or Officer with appropriate delegated powers can, with the

CHIEF OFFICERS

benefit of full background information and advice, determine whether or not to proceed with said project, scheme or other matter with or without variation.

- 2.39 a. To settle ex-gratia payments of up to £5,000.
- 2.39 b. In relation to the Customer Complaints Policy, a complaint being considered by the Local Government Ombudsman, or matter being referred or considered by an Officer as instructed by the Chief Executive or by any third party tribunal or entity, to settle and make a payment of compensation, including (but not limited to) an ex-gratia payment of up to £10,000 following consultation with the Service Director: Legal & Business Operations.
- 2.40 To arrange visits, lectures and similar visits to publicise Council and City activities.
- 2.41 To grant a civic reception or luncheon subject to approval of the Service Director: Legal & Business Operations who shall consult with the Mayor.
- 2.42 Where a decision is required to be made by the Council, Executive or any officer, following consultation with the community or part of a community, the relevant Executive Director is authorised to commence that consultation, following consultation with the relevant Cabinet Member, and the decision shall be reported back to the relevant decision-maker for it to then determine whether or not to proceed (including the results of that consultation).
- 2.43 Under the direction of the Service Director: Legal & Business Operations, to take such action as is required or necessary in respect of commissioning, monitoring or approving all reports for submission to any decision-making body of the Council or any partner body.
- 2.44 To make arrangements for managing and ensuring the quality of the information to be included within the Forward Plan in accordance with the Council's Constitution, the Local Government Act 2000 and secondary legislation.
- 2.45 As directed from time to time by the Head of Communications, to take such action as necessary in relation to internal or external communications.
- 2.46 Following consultation with the relevant Cabinet Member and Service Director: Legal & Business Operations to make applications to the Secretary of State in respect of works on common land.
- 2.47 The power to enter into grant agreements for the award of grants derived from Government funded programmes and to determine when a legal charge is required on property to secure the repayment of any grant award.

3. EXECUTIVE DIRECTOR WELLBEING (HEALTH & ADULTS) (DASS)

- 3.1 To discharge the Council's functions with regard to the assessment of need for, and provision of, community care services in accordance with the Part III of the National Health Service and Community Care Act 1990 and any Regulations thereunder.
- 3.2 To act as receiver under legislation relating to mental health.
- 3.3 All Adults Social Care functions exercisable by the Council in its capacity as a local authority, including acting as the Council's Caldicott Guardian (CG).
- 3.4 To accept guardianship applications and subsequent and to determine subsequent applications for discharge by the Authority.
- 3.5 To approve expenditure incurred under Section 48 of the National Assistance Act 1948, in the protection of movable property of persons and to recover such expenditure where applicable.
- 3.6 For the purposes of Section 114 of the Mental Health Act 1983, to issue approvals on behalf of the Council in respect of mental health social workers.
- 3.7 To discharge the Council's functions with regard to the assessment of need for, and provision of, community care services in accordance with the Part III of the National Health Service and Community Care Act 1990 and any Regulations thereunder.
- 3.8 To discharge the Council's functions for care and support in accordance with the Care Act 2014 and any regulations thereunder.
- 3.9 To enter into any agreements including partnership arrangements to authorise a person or organisation to discharge the Council's functions under the Care Act 2014.
- 3.10 Following consultation with the Executive Director: Finance & Commercialisation, to write off debt or waive future charges in respect of care provision where it is felt that an individual would be at risk if the debt were pursued or they chose to withdraw from care on financial grounds. A written record of these decisions setting out the reasons for the write-off or waiving of charges should be kept and a copy provided to the Income & Expenditure Manager. Such reductions or waiving of charges would only be for the minimum period that such risks exist.

4. DIRECTOR OF PUBLIC HEALTH

- 4.1 To undertake overall responsibility for all of the local authority's duties to take steps to improve public health and to provide officers and elected members with appropriate advice, based on a patterns of local health need of what works and potential returns on public health investment.
- 4.2 To undertake any of the Secretary of State's public health protection or health improvement functions delegated to local authorities.
- 4.3 To plan for, and respond to, emergencies that present a risk to public health, after consultation with the council's emergency planning officer where appropriate. For the avoidance of doubt this includes all appropriate functions under the Coronavirus Act 2020 and secondary legislation, including Directions and similar statutory orders.
- 4.4 To undertake local authority's role in co-operating with the police, the probation service and the prison service to assess the risks posed by violent or sexual offenders.
- 4.5 To be responsible for the local authority's public health response as a responsible authority under the Licensing Act 2003, including making representations about licensing applications under sections 5(3), 13(4), 69(4) and 172B(4) of the Licensing Act.
- 4.6 To be responsible for providing Healthy Start vitamins at any maternity or child health clinic commissioned by the Council, in accordance with the Healthy Start and Welfare Food Regulations 2005 as amended.
- 4.7 To produce and update as necessary the Southampton Joint Strategic Needs Assessment in partnership with Southampton City Clinical Commissioning Group.
- 4.8 To lead on and co-ordinate the development, production, publication and updating of the Southampton Joint Health and Wellbeing Strategy in partnership with Southampton City Clinical Commissioning Group.
- 4.9 To produce the Director of Public Health's annual report.
- 4.10 To provide public health advice to NHS commissioners to help secure:
 - a. Commissioning strategies that meet the needs of vulnerable groups
 - b. The development of evidence-based care pathways and service specifications
 - c. Evidence-based prioritisation policies
 - d. Health needs audits and health equity audits and health impact assessments
- 4.11 To ensure delivery of the National Child Measurement Programme.
- 4.12 To secure the delivery of the NHS Health Check assessment.
- 4.13 To ensure appropriate access to sexual health services.
- 4.14 To ensure appropriate clinical governance arrangements are in place in respect of any clinical services commissioned, including sexual health and drug and alcohol services.
- 4.15 To maintain a particular focus on ensuring disadvantaged groups receive the attention they need, with the aim of reducing health inequalities.

5. DIRECTOR: QUALITY & INTEGRATION

- 5.1 To discharge the Council's functions with regard to the assessment of need for, and provision of, community care services in accordance with the Part III of the National Health Service and Community Care Act 1990 as amended or re-enacted, and any Regulations thereunder.
- 5.2 To approve expenditure on the following matters:
 - a. to approve, allocate, modify and amend grants to voluntary organisations, following consultation with the relevant Cabinet Members, the Deputy Chief Executive and Executive Director: Finance & Commercialisation and make decisions to vary the budget allocation within Financial Procedure Rules.
 - b. to approve contributions towards the running costs of new meals-on-wheels schemes and luncheon clubs and variations in costs of existing schemes.
- 5.3 To act as receiver under legislation relating to mental health.
- 5.4 To approve expenditure incurred under Section 48 of the National Assistance Act 1948, in the protection of movable property of persons and to recover such expenditure where applicable.
- 5.5 To take any decision and/or develop approaches that commit Council resources that are within budget and policy to deliver better outcomes for local people to meet the requirements of the Care Act, Children's Act and allied legislation and Public Health responsibilities, after consultation with the Executive Director: Wellbeing (Children & Learning) and the relevant Cabinet Member.
- 5.6 To approve, amend or terminate contracts with providers whose services are commissioned by Southampton City Council or jointly with partners, including the Joint Commissioning Board.
- 5.7 To be responsible for all procurement activities and matters in respect of health and care services procured and managed via the ICU including:
 - a. Providing advice on the Contract Procedure Rules (CPRs);
 - b. Managing procurements with an estimated contract value exceeding £5,000;
 - c. Investigating and advising relevant Chief Officers in respect of incidences of non-compliance with the CPRs;
 - d. Certifying that any interest which may affect the award of a contract under Contract Procedure Rules are acceptable or take any necessary action in respect of potential conflicts of interest and instruct that the officer should not participate in the award of the contract by the Council;
 - e. Approving the appropriate procurement route for any procurement governed by public procurement law or any other legislation and make all subsequent decisions in relation to such procurement whether governed by public procurement law or not.;
 - f. Authorising the nomination by the Council of specific sub-contractors;
 - g. Maintaining the Contracts Register;

DIRECTOR QUALITY & INTEGRATION

- h. Approving the use of framework agreements (including Crown Commercial Services and other Public Purchasing Organisations) in respect of frameworks for health and care services procured and managed via the Integrated Commissioning Unit;
 - i. Authorising extensions to contracts for health and care services procured and managed via the Integrated Commissioning Unit;
 - j. Authorising variations relating to contracts for health and care services procured and managed via the Integrated Commissioning Unit or where the consequent change in price (determined in accordance with the contract terms) is greater than £25,000 or 15% of the original annual contract value (whichever is the lesser);
 - k. Agreeing exemptions to the Contract Procedure Rules relating to health and care services procured and managed via the Integrated Commissioning Unit;
 - l. Approving payments in advance, only with prior written approval of the Service Director: Legal & Business Operations.
- 5.8 Approve the use of framework agreements (including Crown Commercial Services and other Public Purchasing Organisations) in respect of frameworks for health and care services procured and managed via the Integrated Commissioning Unit.
- 5.9 Authorise extensions to contracts for health and care services procured and managed via the Integrated Commissioning Unit.
- 5.10 Authorise variations relating to contracts for health and care services procured and managed via the Integrated Commissioning Unit or where the consequent change in price (determined in accordance with the contract terms) is greater than £25,000 or 15% of the original annual contract value (whichever is the lesser). Agree exemptions to the Contract Procedure Rules relating to health and care services procured and managed via the Integrated Commissioning Unit.
- 5.11 To enter into partnership arrangements with Health bodies and approve future variations to the arrangements under Section 75 of the National Health Services Act 2006 after consultation with the relevant Cabinet Members and the Service Director: Legal & Business Operations.
- 5.12 Following consultation with the Executive Director: Finance & Commercialisation and the Service Director: Legal & Business Operations, to extend, re-negotiate or enter into any further agreements with health bodies in relation to any funding streams allocated to the Southampton City Clinical Commissioning Group, or successor body, or exercised within the Terms of Reference of the Joint Commissioning Board with the specific purpose of being transferred to or from the local authority under a Section 256 or Section 76 of the NHS Act 2006 arrangement and add any such sums to the budget.
- 5.13 Any function exercised on behalf of an NHS body or Joint Commissioning Board relating to children contained within the Health Acts.
- 5.14 To set the fees and charges associated with the Southampton Shared Lives Scheme (formally known as the Adult Placement Scheme).

DIRECTOR QUALITY & INTEGRATION

- 5.15 To exercise all adult social care and health (adults and children) functions and to take any decisions falling within the Terms of Reference of the Joint Commissioning Board between the Council and the CCG / Health Partners, subject to financial procedure Rules and approved budgets.

HEAD OF ADULT SOCIAL CARE

6. HEAD OF ADULT SOCIAL CARE

- 6.1 To discharge the Council's functions with regard to the assessment of need for, and provision of, community care services in accordance with the Part III of the National Health Service and Community Care Act 1990 and any Regulations thereunder.
- 6.2 To act as receiver under legislation relating to mental health.
- 6.3 To accept guardianship applications and subsequent and to determine subsequent applications for discharge by the Authority.
- 6.4 To approve expenditure incurred under Section 48 of the National Assistance Act 1948, in the protection of movable property of persons and to recover such expenditure where applicable.
- 6.5 For the purposes of Section 114 of the Mental Health Act 1983, to issue approvals on behalf of the Council in respect of mental health social workers.
- 6.6 To discharge the Council's functions with regard to the assessment of need for, and provision of, community care services in accordance with the Part III of the National Health Service and Community Care Act 1990 and any Regulations thereunder.
- 6.7 To discharge the Council's functions for care and support in accordance with the Care Act 2014 and any regulations thereunder.
- 6.8 To enter into any agreements including partnership arrangements to authorise a person or organisation to discharge the Council's functions under the Care Act 2014.

7. HEAD OF SUPPORTED HOUSING & COMMUNITY SUPPORT

There are no specific delegations at this point.

8. EXECUTIVE DIRECTOR WELLBEING (CHILDREN & LEARNING) (DCS)

- 8.1 To exercise all the powers and duties exercisable by the Council relating to the enforcement of legislation and byelaws (which for the avoidance of doubt also includes regulations, orders etc) relating to Children's Services, including the licensing of the employment of children.
- 8.2 To act as the Council's Director of Children's Services (DCS) and Caldicott Guardian (CG) in relation to all children's services and children's safeguarding functions, duties and powers.
- 8.3 Following consultation with Service Director: Legal & Business Operations, to institute any proceedings in any court or tribunal for an order under the Children Act 1989 and other associated children's legislation where it is considered appropriate to do so, and to appear on behalf of the Council in any court proceedings:
- 8.4 To pay allowances in respect of children being looked after by the Council in accordance with the scheme approved by the Council for the time being.
- 8.5 To give consents on behalf of the Council where necessary in the interests of children and young persons of whom the Council is in loco parentis.
- 8.6 To approve levels of and variations in fees where the Council has accepted responsibility for children, young persons, or adults attending establishments not maintained or assisted by the Council and alterations in charges for the maintenance of such residents.
- 8.7 To take such actions and decisions as may be required on behalf of the Council acting as an adoption agency.
- 8.8 To approve the reimbursement of or a contribution towards the legal expenses of prospective adopters reasonably incurred during the course of applications to adopt children in the care of the Council, where considered that the prospective adopter's application is in the best interests of the child.
- 8.9 To reduce or waive the charge of providing a home study report for prospective inter-country adopters.
- 8.10 To exercise the functions of the Council in relation to individual children boarded out under the Children Act 1989 and other Regulations.
- 8.11 To take such actions and decisions as are necessary to discharge the Council's duties to promote the welfare of individual children and young persons in the Council's care including (but not limited to):
 - a. giving consent for medical, dental and other treatment, for the issue of passports; and for such other purposes as may be required from time to time;
 - b. appointing persons to review cases where children are kept in secure accommodation;
 - c. appointing an independent person to be a visitor to a particular child in the circumstances set out in paragraph 17 of Schedule 2 to the Children Act 1989 in accordance with the Definition of Independent Visitors (Children) Regulations 1991.

EXECUTIVE DIRECTOR WELLBEING (CHILDREN & LEARNING) (DCS)

- 8.12 To have discretion to reduce or waive any charge in any particular case of exceptional hardship.
- 8.13 To administer boarding policies and fees.
- 8.14 To appoint such professional and technical support staff for the supply of children's activities as are deemed to be acceptable under the Children Act 1989 and to sign and issue written instruments of appointment.
- 8.15 Any function exercised on behalf of an NHS body relating to children.
- 8.16 To make such directions and to take such other steps as necessary or expedient to prevent a breakdown, or continuing breakdown, of discipline or governance at any school or suspend the financial delegation of any school in accordance with the Education Acts.
- 8.17 To exercise all functions under sections 10 to 17 inclusive and 20(9) of the Children Act 2004.
- 8.18 Following consultation with the Local Education Authority Governors' Appointment Panel, to nominate LA governors.
- 8.19 To approve nominations of LA representatives to serve on College Governing Bodies.
- 8.20 Following consultation with the appropriate Governing Body, to short-list candidates for interview for appointment as head teacher.
- 8.21 To approve individual exceptions to the general principle of including the names and addresses of all governors in written information for parents.
- 8.22 To administer within budgetary provision any scheme of aid to pupils with outstanding ability in sport.
- 8.23 To write off bad debts (up to a limit of £5,000) owed to the Council, linked with, attributed to or associated with the discharge of the Council's Children's Services functions.
- 8.24 To exercise (following consultation with the Executive Director: Finance & Commercialisation where affecting the level of Council Tax) all the powers and duties exercisable by the Council under the legislation (which for the avoidance of doubt also includes regulations, orders, etc.)
- | | |
|------------------------------|---|
| Mandatory Awards | Discretionary Major and Minor Awards |
| Special Discretionary Awards | Discretionary European Fees Only Awards |
| Study Awards | Disabled Students Allowances |
- reserving only to the Council those functions precluded from delegation by legislation and referring to the relevant Appeals Panel any appeal that cannot be resolved.
- 8.25 To make modifications / amendments to the approved standard conditions of grant aid.
- 8.26 Following consultation with the relevant Cabinet Member, the Service Director: Legal & Business Operations and the Executive Director: Finance & Commercialisation to amend the terms of reference and membership set for the Schools' Forum and Admissions Forum so far as may be necessary to give effect to any new Act, Regulation or Code of Practice.

EXECUTIVE DIRECTOR WELLBEING (CHILDREN & LEARNING) (DCS)

- 8.27 To issue penalty notices for non-attendance at all Southampton schools in accordance with the Education (Penalty Notices) (England) Regulations 2004 as amended.
- 8.28 To provide financial assistance to community organisations hiring education facilities in the City in order to encourage dual use.
- 8.29 To determine all matters, decisions and appeals relating to school transport and following a consultation with a three person panel comprising senior officers.
- 8.30 Following consultation with the Executive Director: Finance & Commercialisation, to approve all staffing and insurance arrangements for the visits of Youth Bands Orchestras and Choirs.
- 8.31 In exceptional cases, to make available awards to pupils with musical talent who do not attend Southampton schools.
- 8.32 To approve, for music or performing arts courses, any college a Discretionary Award applicant wishes to attend.
- 8.33 To make suitable adjustments annually to the maximum grant available for uniform / dress allowances to pupils of secondary school age to take account of inflation.
- 8.34 Where a family is in receipt of relevant benefits to pay for all initial replacement clothing and incidental expenses while the child is at a boarding school, as long as the family's financial circumstances make them eligible.
- 8.35 To make the maximum clothing grant available to children at boarding schools with expensive clothing lists where families have a very low income, although not qualifying for relevant benefits.
- 8.36 To refer disputes with the governing bodies of schools to the Secretary of State under Section 495 of the Education Act 1996 and to apply to the Secretary of State for him to use his powers to prevent the unreasonable exercise of functions under Section 496 and to use his powers under Section 497 (General Default Powers) and 498 (Appointment of Governors) of the 1996 Act.
- 8.37 To permit playgroups to use any surplus school furniture or equipment as appropriate.
- 8.38 To review and amend the scale of grants for extra-curricular activities to pupils at non-maintained schools as necessary.
- 8.39 To approve educational arrangements with regard to swimming.
- 8.40 Following consultation with the relevant Cabinet Member, schools and governing bodies, to determine school term and holiday dates for future academic years
- 8.41 To appoint supervisors on buses where this is considered to be necessary to ensure the safety of children who are legally entitled to be transported to and from school.
- 8.42 To determine when supervision is necessary in motorcars and to arrange accordingly for pupils attending day schools.
- 8.43 To arrange with parents or private motorists for the transport of children who qualify for transport to ordinary or special schools and to pay mileage rates as set out in the Council's Home to School Transport Policy.
- 8.44 To arrange transport where this is justified by exceptional family circumstances or on medical grounds.

EXECUTIVE DIRECTOR WELLBEING (CHILDREN & LEARNING) (DCS)

- 8.45 To accept a route other than the shortest available in cases where the shortest route could constitute a temporary danger to a pupil.
- 8.46 To vary the charge for privilege transport from time to time.
- 8.47 To approve additional payments in exceptional cases in respect of travel expenses incurred by pupils with special educational needs attending boarding schools.
- 8.48 To approve the payment of travelling expenses to parents of disabled children at residential special schools in cases of hardship where the frequency of visits per term for essential social reasons is in excess of the number of normally permitted visits.
- 8.49 To act in all cases relating to the placement of, or the provision of equipment for disabled children, with professional advice as to the appropriate form of action to be taken.
- 8.50 Following consultation with the relevant Cabinet Member to remove providers of nursery education who are failing to meet the national Code of Practice, or local conditions of funding, from the Directory of Registered Providers and where conditions of funding have been breached and cannot otherwise be remedied to the satisfaction of the Council, to seek the recovery of all or part of any nursery education grant paid to them.
- 8.51 Following consultation with the relevant Cabinet Member and Service Director: Legal & Business Operations, to develop and agree an appropriate process for any decisions to remove nursery education providers from the Directory of Registered Providers with the Southampton Early Years Development and Childcare Partnership, including a right to appeal the decision to an Appeals Panel comprising the Chair of the Early Years and Development Childcare Partnership, the Early Years and Development Childcare Manager and an independent representative for providers (or their respective nominees). All appeals will be conducted in accordance with the agreed procedure.
- 8.52 To oversee arrangements for early years settings on the Directory of Registered Providers in respect of eligible pre-school children receiving their entitlement to early years education and for the annual review of the funding rate that will apply to each provider under the authority's early years funding formula.
- 8.53 To approve the data and inflation rates used in calculating school budget shares including numbers of special unit places.
- 8.54 To approve a catchment area, within the limits imposed by the Secretary of State from time to time, for each school on the Council's approved list, for travelling expenses to be paid within that area or adjacent to it in the light of school organisation changes.
- 8.55 Following consultation with the appropriate Governing Body, to raise or lower the admission limit for a school on a temporary basis.
- 8.56 To agree, following consultation with the Service Director: Legal & Business Operations, the wording, form and content of any Statutory Notice for School Organisational Changes and the arrangements for their publication.

EXECUTIVE DIRECTOR WELLBEING (CHILDREN & LEARNING) (DCS)

- 8.57 Following consultation with the Service Director: Legal & Business Operations, to issue regulations relating to safety matters in educational establishments as the need arises and to secure appropriate monthly arrangements for the review of such safety matters.
- 8.58 To determine requests for the provision of school meals in school holidays.
- 8.59 To approve the granting of a free meal at a further education establishment to certain students enrolled on courses for the unemployed sponsored by the Council, in accordance with the current eligibility for free school meals.
- 8.60 Following consultation with the Executive Director: Finance & Commercialisation, to determine (raise or lower) charges for all types of school meals in accordance with the general policy of the Council on the School Meals Service.
- 8.61 To exercise all functions under Sections 23C to 24D of the Children Act 1989.

9. HEAD OF EDUCATION & LEARNING

- 9.1 Following consultation with the Local Education Authority Governors' Appointment Panel, to nominate LA governors.
- 9.2 To approve nominations of LA representatives to serve on College Governing Bodies.
- 9.3 Following consultation with the appropriate Governing Body, to short-list candidates for interview for appointment as head teacher.
- 9.4 To approve individual exceptions to the general principle of including the names and addresses of all governors in written information for parents.
- 9.5 To administer within budgetary provision any scheme of aid to pupils with outstanding ability in sport.
- 9.6 Following consultation with the relevant Cabinet Member, the Service Director: Legal & Business Operations and the Executive Director: Finance & Commercialisation to amend the terms of reference and membership set for the Schools' Forum and Admissions Forum so far as may be necessary to give effect to any new Act, Regulation or Code of Practice.
- 9.7 To issue penalty notices for non-attendance at all Southampton schools in accordance with the Education (Penalty Notices) (England) Regulations 2004 as amended.
- 9.8 To provide financial assistance to community organisations hiring education facilities in the City in order to encourage dual use.
- 9.9 To determine all matters, decisions and appeals relating to school transport and following a consultation with a three person panel comprising senior officers.
- 9.10 Following consultation with the Executive Director: Finance & Commercialisation, to approve all staffing and insurance arrangements for the visits of Youth Bands Orchestras and Choirs.
- 9.11 In exceptional cases, to make available awards to pupils with musical talent who do not attend Southampton schools.
- 9.12 To approve, for music or performing arts courses, any college a Discretionary Award applicant wishes to attend.
- 9.13 To make suitable adjustments annually to the maximum grant available for uniform / dress allowances to pupils of secondary school age to take account of inflation.
- 9.14 Where a family is in receipt of relevant benefits to pay for all initial replacement clothing and incidental expenses while the child is at a boarding school, as long as the family's financial circumstances make them eligible.
- 9.15 To make the maximum clothing grant available to children at boarding schools with expensive clothing lists where families have a very low income, although not qualifying for relevant benefits.
- 9.16 To refer disputes with the governing bodies of schools to the Secretary of State under Section 495 of the Education Act 1996 and to apply to the Secretary of State for him to use his powers to prevent the unreasonable exercise of functions under Section 496 and to use his powers under Section 497 (General Default Powers) and 498 (Appointment of Governors) of the 1996 Act.

HEAD OF EDUCATION & LEARNING

- 9.17 To permit playgroups to use any surplus school furniture or equipment as appropriate.
- 9.18 To review and amend the scale of grants for extra-curricular activities to pupils at non-maintained schools as necessary.
- 9.19 To approve educational arrangements with regard to swimming.
- 9.20 Following consultation with the relevant Cabinet Member, schools and governing bodies, to determine school term and holiday dates for future academic years
- 9.21 To appoint supervisors on buses where this is considered to be necessary to ensure the safety of children who are legally entitled to be transported to and from school.
- 9.22 To determine when supervision is necessary in motorcars and to arrange accordingly for pupils attending day schools.
- 9.23 To arrange with parents or private motorists for the transport of children who qualify for transport to ordinary or special schools and to pay mileage rates as set out in the Council's Home to School Transport Policy.
- 9.24 To arrange transport where this is justified by exceptional family circumstances or on medical grounds.
- 9.25 To accept a route other than the shortest available in cases where the shortest route could constitute a temporary danger to a pupil.
- 9.26 To vary the charge for privilege transport from time to time.
- 9.27 To approve additional payments in exceptional cases in respect of travel expenses incurred by pupils with special educational needs attending boarding schools.
- 9.28 To approve the payment of travelling expenses to parents of disabled children at residential special schools in cases of hardship where the frequency of visits per term for essential social reasons is in excess of the number of normally permitted visits.
- 9.29 To act in all cases relating to the placement of, or the provision of equipment for disabled children, with professional advice as to the appropriate form of action to be taken.
- 9.30 Following consultation with the relevant Cabinet Member to remove providers of nursery education who are failing to meet the national Code of Practice, or local conditions of funding, from the Directory of Registered Providers and where conditions of funding have been breached and cannot otherwise be remedied to the satisfaction of the Council, to seek the recovery of all or part of any nursery education grant paid to them.
- 9.31 Following consultation with the relevant Cabinet Member and Service Director: Legal & Business Operations, to develop and agree an appropriate process for any decisions to remove nursery education providers from the Directory of Registered Providers with the Southampton Early Years Development and Childcare Partnership, including a right to appeal the decision to an Appeals Panel comprising the Chair of the Early Years and Development Childcare Partnership, the Early Years and Development Childcare Manager and an independent representative for providers (or their respective nominees). All appeals will be conducted in accordance with the agreed procedure.

HEAD OF EDUCATION & LEARNING

- 9.32 To oversee arrangements for early years settings on the Directory of Registered Providers in respect of eligible pre-school children receiving their entitlement to early years education and for the annual review of the funding rate that will apply to each provider under the authority's early years funding formula.
- 9.33 To approve the data and inflation rates used in calculating school budget shares including numbers of special unit places.
- 9.34 To approve a catchment area, within the limits imposed by the Secretary of State from time to time, for each school on the Council's approved list, for travelling expenses to be paid within that area or adjacent to it in the light of school organisation changes.
- 9.35 Following consultation with the appropriate Governing Body, to raise or lower the admission limit for a school on a temporary basis.
- 9.36 To agree, following consultation with the Service Director: Legal & Business Operations, the wording, form and content of any Statutory Notice for School Organisational Changes and the arrangements for their publication.
- 9.37 Following consultation with the Service Director: Legal & Business Operations, to issue regulations relating to safety matters in educational establishments as the need arises and to secure appropriate monthly arrangements for the review of such safety matters.
- 9.38 To decline requests for the provision of school meals in school holidays.
- 9.39 To approve the granting of a free meal at a further education establishment to certain students enrolled on courses for the unemployed sponsored by the Council, in accordance with the current eligibility for free school meals.
- 9.40 Following consultation with the Executive Director: Finance & Commercialisation, to determine (raise or lower) charges for all types of school meals in accordance with the general policy of the Council on the School Meals Service.
- 9.41 To represent the interests of Southampton City Council through attendance at the Sub Regional Group on post 16 commissioning and to take all decisions required pursuant to membership on the group in relation to the exercise of statutory duties for the commissioning of learning and skills for children and young people.
- 9.42 To exercise all powers and duties granted or imposed under the Apprenticeship, Skills, Children and Learning Act 2009 and to do anything necessary to commission services as provided for in accordance with the Council's 16-19 obligations.
- 9.43 To formally sign off regeneration Delivery Plans and Funding Agreements with the appropriate Funding Agencies for all externally funded projects and programmes relating to equalities, cohesion, community safety and community involvement following consultation with the Executive Director: Finance & Commercialisation.
- 9.44 After consultation with the Executive Director: Finance & Commercialisation, to approve, cancel or amend funding agreements for learning providers in relation to post-16 learning.
- 9.45 To pay travelling allowances to eligible students at Further Education establishments on the basis of public transport season ticket costs.
- 9.46 To pay travelling allowances to students qualifying for transport who provide their own vehicles to travel to schools/colleges according to a scale to be determined and varied

HEAD OF EDUCATION & LEARNING

as required following consultation with the Executive Director: Finance & Commercialisation.

- 9.47 To implement in respect of further education students, where appropriate, any changes in transport regulations made which affect pupils aged 16-19 attending secondary schools and colleges.
- 9.48 To work with Post-16 learning providers to ensure that transport is not a barrier to participation in learning, and to implement activities and provide financial support where appropriate.

10. HEAD OF CHILDREN'S SOCIAL CARE

- 10.1 Following consultation with Service Director: Legal & Business Operations, to institute any proceedings in any court or tribunal for an order under the Children Act 1989 and other associated children's legislation where it is considered appropriate to do so, and to appear on behalf of the Council in any court proceedings:
- 10.2 To pay allowances in respect of children being looked after by the Council in accordance with the scheme approved by the Council for the time being.
- 10.3 To give consents on behalf of the Council where necessary in the interests of children and young persons of whom the Council is in loco parentis.
- 10.4 To approve levels of and variations in fees where the Council has accepted responsibility for children, young persons, or adults attending establishments not maintained or assisted by the Council and alterations in charges for the maintenance of such residents.
- 10.5 To take such actions and decisions as may be required on behalf of the Council acting as an adoption agency.
- 10.6 To approve the reimbursement of or a contribution towards the legal expenses of prospective adopters reasonably incurred during the course of applications to adopt children in the care of the Council, where considered that the prospective adopter's application is in the best interests of the child.
- 10.7 To reduce or waive the charge of providing a home study report for prospective inter-country adopters.
- 10.8 To exercise the functions of the Council in relation to individual children boarded out under the Children Act 1989 and other Regulations.
- 10.9 To take such actions and decisions as are necessary to discharge the Council's duties to promote the welfare of individual children and young persons in the Council's care including (but not limited to):
 - a. giving consent for medical, dental and other treatment, for the issue of passports; and for such other purposes as may be required from time to time;
 - b. appointing persons to review cases where children are kept in secure accommodation;
 - c. appointing an independent person to be a visitor to a particular child in the circumstances set out in paragraph 17 of Schedule 2 to the Children Act 1989 in accordance with the Definition of Independent Visitors (Children) Regulations 1991.
- 10.10 To have discretion to reduce or waive any charge in any particular case of exceptional hardship.
- 10.11 To administer boarding policies and fees.
- 10.12 To appoint such professional and technical support staff for the supply of children's activities as are deemed to be acceptable under the Children Act 1989 and to sign and issue written instruments of appointment.
- 10.13 Any function exercised on behalf of an NHS body relating to children.

HEAD OF CHILDREN'S SOCIAL CARE

- 10.14 To make such directions and to take such other steps as necessary or expedient to prevent a breakdown, or continuing breakdown, of discipline or governance at any school or suspend the financial delegation of any school in accordance with the Education Acts.
- 10.15 To exercise all functions under sections 10 to 17 inclusive and 20(9) of the Children Act 2004.
- 10.16 To write off bad debts (up to a limit of £5,000) owed to the Council, linked with, attributed to or associated with the discharge of the Council's Children's Services functions.
- 10.17 To exercise (following consultation with the Executive Director: Finance & Commercialisation where affecting the level of Council Tax) all the powers and duties exercisable by the Council under the legislation (which for the avoidance of doubt also includes regulations, orders, etc.)
- | | |
|------------------------------|---|
| Mandatory Awards | Discretionary Major and Minor Awards |
| Special Discretionary Awards | Discretionary European Fees Only Awards |
| Study Awards | Disabled Students Allowances |
- reserving only to the Council those functions precluded from delegation by legislation and referring to the relevant Appeals Panel any appeal that cannot be resolved.
- 10.18 To make modifications / amendments to the approved standard conditions of grant aid.

11. HEAD OF CHILDREN'S SAFEGUARDING

- 11.1 Following consultation with Service Director: Legal & Business Operations, to institute any proceedings in any court or tribunal for an order under the Children Act 1989 and other associated children's legislation where it is considered appropriate to do so, and to appear on behalf of the Council in any court proceedings:
- 11.2 To pay allowances in respect of children being looked after by the Council in accordance with the scheme approved by the Council for the time being.
- 11.3 To give consents on behalf of the Council where necessary in the interests of children and young persons of whom the Council is in loco parentis.
- 11.4 To approve levels of and variations in fees where the Council has accepted responsibility for children, young persons, or adults attending establishments not maintained or assisted by the Council and alterations in charges for the maintenance of such residents.
- 11.5 To take such actions and decisions as may be required on behalf of the Council acting as an adoption agency.
- 11.6 To approve the reimbursement of or a contribution towards the legal expenses of prospective adopters reasonably incurred during the course of applications to adopt children in the care of the Council, where considered that the prospective adopter's application is in the best interests of the child.
- 11.7 To reduce or waive the charge of providing a home study report for prospective inter-country adopters.
- 11.8 To exercise the functions of the Council in relation to individual children boarded out under the Children Act 1989 and other Regulations.
- 11.9 To take such actions and decisions as are necessary to discharge the Council's duties to promote the welfare of individual children and young persons in the Council's care including (but not limited to):
 - a. giving consent for medical, dental and other treatment, for the issue of passports; and for such other purposes as may be required from time to time;
 - b. appointing persons to review cases where children are kept in secure accommodation;
 - c. appointing an independent person to be a visitor to a particular child in the circumstances set out in paragraph 17 of Schedule 2 to the Children Act 1989 in accordance with the Definition of Independent Visitors (Children) Regulations 1991.
- 11.10 To have discretion to reduce or waive any charge in any particular case of exceptional hardship.
- 11.11 To administer boarding policies and fees.
- 11.12 To appoint such professional and technical support staff for the supply of children's activities as are deemed to be acceptable under the Children Act 1989 and to sign and issue written instruments of appointment.
- 11.13 Any function exercised on behalf of an NHS body relating to children.

HEAD OF CHILDREN'S SAFEGUARDING

- 11.14 To make such directions and to take such other steps as necessary or expedient to prevent a breakdown, or continuing breakdown, of discipline or governance at any school or suspend the financial delegation of any school in accordance with the Education Acts.
- 11.15 To exercise all functions under sections 10 to 17 inclusive and 20(9) of the Children Act 2004.
- 11.16 To write off bad debts (up to a limit of £5,000) owed to the Council, linked with, attributed to or associated with the discharge of the Council's Children's Services functions.
- 11.17 To exercise (following consultation with the Executive Director: Finance & Commercialisation where affecting the level of Council Tax) all the powers and duties exercisable by the Council under the legislation (which for the avoidance of doubt also includes regulations, orders, etc.)
- | | |
|------------------------------|---|
| Mandatory Awards | Discretionary Major and Minor Awards |
| Special Discretionary Awards | Discretionary European Fees Only Awards |
| Study Awards | Disabled Students Allowances |
- reserving only to the Council those functions precluded from delegation by legislation and referring to the relevant Appeals Panel any appeal that cannot be resolved.
- 11.18 To make modifications / amendments to the approved standard conditions of grant aid.

12. EXECUTIVE DIRECTOR: PLACE

- 12.1 To enter into professional transport, sustainability, planning and building control memberships in the interests of the authority.
- 12.2 To liaise with relevant authorities in Hampshire, PfSH, Solent Transport, Transport for the South East and the Solent LEP on strategic spatial planning, transport and energy issues.
- 12.3 To determine fees and charges under the Building (Local Authority Charges) Regulations, after consultation with the BC Partnership.
- 12.4 To issue and refuse safety certificates, under the Safety at Sports Grounds Act 1975 and Fire Safety and Safety of Places of Sports Act 1987.
- 12.5 Power to obtain information under Section 330 of the Town and Country Planning Act 1990 about interests in land or under section 171C Town and Country Planning Act 1990.
- 12.6 Following appropriate consultation with the relevant Cabinet Member, the spokespersons of other political groups for Environment and Transport and where appropriate, with members of partner authorities to prepare “proofs of evidence” presented on behalf of the Council to any relevant examination or inquiry.
- 12.7 To monitor the application of the Planning Enforcement Policy, conduct any necessary reviews of the policy and, after consultation with the Service Director: Legal & Business Operations, to make any changes to the policy necessary.
- 12.8 To formally sign off regeneration Delivery Plans and Funding Agreements with the appropriate Funding Agencies for all externally funded projects and programmes relating to equalities, cohesion, community safety and community involvement following consultation with the Executive Director: Finance & Commercialisation.
- 12.9 Following consultation with the relevant Cabinet Member and the Executive Director: Finance & Commercialisation, to agree for the City Council to act as the accountable body on behalf of formally constituted “friends” groups, resident, tenant or community groups, or sports clubs applying for external grant funding of less than £125,000 to improve the city’s open spaces and associated assets and infrastructure. This responsibility may include procuring supplies, goods or services on behalf of the grant recipient through identifying the most economically advantageous quote or tender, certifying receipt of goods and services, agreeing practical completion of site works, authorising payment of invoices, controlling and monitoring project expenditure, and keeping accurate and auditable financial records for the purpose of reclaiming project expenditure from the external grant funding body.
- 12.10 To determine applications for registration under s4 of the Hampshire Act 1983.
- 12.11 To authorise officers to exercise powers of entry in respect of the Town and Country Planning Act 1990, including section 196A, section 214B and section 324 relating to their functional responsibilities.
- 12.12 To appoint officers for the implementation of the Council’s functions under all relevant legislation under which the Executive Director: Place is empowered to act.

EXECUTIVE DIRECTOR PLACE

- 12.13 To authorise the institution of legal proceedings for the contravention or failure to comply with notices served under the legislation under which the Executive Director: Place is empowered to act.
- 12.14 In relation to Examination of a Neighbourhood Development Plan in accordance with s.38A of the Planning & Compulsory Purchase Act 2004 and Schedule 4B of the Town & Country Planning Act 1990, to determine whether or not the procedural requirements for the preparation of the Plan have been met, to take all action necessary to consult on the Plan, to prepare, following consultation with the relevant Cabinet and Ward Members, the Council's comments on the Plan and to submit the Plan together with all ancillary documents for Examination.
- 12.15 To take all action necessary to receive, process, carry out statutory consultation on and to determine any application for designation of a neighbourhood area received in accordance with Sections 61G and 61H of the Town & Country Planning Act 1990.
- 12.16 To determine applications for exceptional relief from, and applications to deliver payment in kind for, Community Infrastructure Levy, following consultation with the relevant Cabinet Member, Executive Director: Finance & Commercialisation and Service Director: Legal & Business Operations.
- 12.17 To undertake all functions in relation to planning, transport planning, flood risk management, energy management and sustainability exercisable by the Council.
- 12.18 To change the decision-making body and managerial responsibilities for any property within the relevant portfolios in line with any amendments to the terms of reference for Executive decision-making bodies, Committees and Sub-Committees, following consultation with the Executive Director: Finance & Commercialisation and Head of Property Services.
- 12.19 In relation to Environment and Transport functions, to enter into any partnership and governance arrangements with external organisations, contribute to the work of the Partnership for Urban South Hampshire (PUSH) in the preparation of strategic plans.
- 12.20 To agree the settlement of both capital and revenue elements of the concessionary fares schemes in accordance with DfT guidance and the Council's own appeals procedures, following consultation with the Executive Director: Finance & Commercialisation, the Service Director: Legal & Business Operations and the relevant Cabinet Member.

13. HEAD OF CITY SERVICES

- 13.1 To agree to waive charges for allotments.
- 13.2 To decide and accept the most suitable tender for mobile catering services in the parks and enter into a contract with that operator.
- 13.3 Following consultation with the Service Director: Legal & Business Operations, to make applications under Section 38 of the Commons Act 2006.
- 13.4 Following consultation with the relevant Cabinet Member, the Service Director: Legal & Business Operations and the Executive Director: Finance & Commercialisation, to agree for the City Council to act as the accountable body on behalf of formally constituted “friends” groups, resident, tenant or community groups, or sports clubs applying for external grant funding of less than £125,000 to improve the city’s open spaces and associated assets and infrastructure. This responsibility may include procuring supplies, goods or services on behalf of the grant recipient through identifying the most economically advantageous quote or tender, certifying receipt of goods and services, agreeing practical completion of site works, authorising payment of invoices, controlling and monitoring project expenditure, and keeping accurate and auditable financial records for the purpose of reclaiming project expenditure from the external grant funding body.
- 13.5 To commence impoundment procedures when a horse is deemed to pose an unacceptable risk to public safety, private property, adversely affect public rights to recreation, or is significantly damaging the environment.
- 13.6 All Waste and Fleet Transport service functions exercisable by the Council in its capacity as a local authority.
- 13.7 All powers necessary and expedient in relation to the Council’s statutory duties to collect and dispose of municipal waste, including but not limited to the authority to enter into contracts necessary to give effect to or facilitate this function.
- 13.8 To liaise with waste collection authorities in Hampshire on all strategic waste issues, ensuring appropriate consultation with colleagues on non-specific waste issues such as spatial planning.
- 13.9 To determine the charges for the collection of trade refuse, garden waste, textile and shoe banks and MOTs.
- 13.10 To set or vary charges for residents using the special bulky domestic refuse collection service waste receptacles, including bulk bin containers, where these are not provided free in accordance with Council policy, following consultation with the appropriate Cabinet Member and the spokesperson for each opposition party.
- 13.11 To require the production of a trade waste transfer document and the power to issue a fixed penalty for failing to so provide pursuant to section 34A of the Clean Neighbourhood and Environment Act 2005.
- 13.12 To take any action in relation to, or associated with the Council’s LGV Operators Licences and road traffic legislation.
- 13.13 To take any action in relation to or associated HGV Operators’ Licences.

HEAD OF CITY SERVICES

- 13.14 To procure and maintain the Council's vehicle fleet in accordance with the Council's Contract Procedure Rules and the relevant regulatory frameworks.
- 13.15 Power to make, modify or vary, revoke and confirm Tree Preservation Orders under Sections 198 and 201 of the Town and Country Planning Act 1990 except where valid objections are received.
- 13.16 To determine applications for works to trees that are subject to protection by Tree Preservation Order and to impose such conditions on any consent that s/he deems appropriate.
- 13.17 To serve a notice to plant replacement trees, where they are a requirement of the land owner's duty to replace under Section 206 of the Town and Country Planning Act 1990 or where replacements have been conditioned under a tree works decision notice.
- 13.18 To execute works in default of non-compliance with a notice to replant trees and to recover all reasonable costs from the landowner.
- 13.19 To determine whether to proceed with an applicant's case, in pursuance of section 68(2) – 68(5) of Anti-Social Behaviour Act 2003 (High Hedges).
- 13.20 To determine whether or not, and to what extent to refund fees pursuant to s68(8) of the Anti-Social Behaviour Act 2003 (High Hedges).
- 13.21 To execute works in default of the remedial work detailed in any remedial notice under the Anti-Social Behaviour Act 2003 (High Hedges).
- 13.22 To undertake a six-monthly review of the level of the fee to be charged for the service under Part 8 of the Anti-Social Behaviour Act 2003 and to vary the fee level as necessary to ensure that the costs of providing the service are recovered in the financial year (High Hedges).
- 13.23 To authorise an appropriate officer to enter land for any purpose pursuant to Part 8 of the Anti-Social Behaviour Act 2003 (High Hedges).
- 13.24 To approve modifications to the Southampton's Tree Operational Risk Management System (STORMS) following consultation with the Executive Director: Legal & Governance, the Council's Risk and Insurance Manager and the Council's Health and Safety Manager to ensure the system remains fully effective.
- 13.25 To serve a notice on any owner of land on which a tree is situated that is in such a condition that there is imminent danger of its causing damage to persons or property pursuant to section 23 of the Local Government (Miscellaneous Provisions) Act 1976, after consultation with the Executive Director: Legal & Governance.
- 13.26 To authorise any officer to enter land for the purposes of assessing the condition of tree or trees on another land pursuant to section 24 of the Local Government (Miscellaneous Provisions) Act 1976.

14. HEAD OF GREEN CITY & INFRASTRUCTURE

- 14.1 To liaise with relevant authorities in Hampshire and PUSH and the Solent LEP on flood risk management issues.
- 14.2 To represent the Council on flood defence, coastal defence and European Marine Site Management Groups.
- 14.3 To grant, but not refuse, street trading consents in respect of Guildhall Square, except for the sale of fruit and vegetables, subject to the terms and conditions of the licence and other legal criteria as appropriate including but not limited to those indicated in Appendix 4 of the City Services Committee on 21st December 1992, to restrict the hours of occupation and operation to between 8:00 am and 9:00 pm on any day, not excluding Sunday, save as restricted by law, for up to a maximum of 30 traders at any one time and subject to any supervision of any provision that may then be in force.
- 14.4 To enter into, vary and determine public transport contracts in order to optimise the delivery of transport policy objectives and maintain reliable services.
- 14.5 To liaise with and respond to consultation from neighbouring authorities, from public transport operators and public transport infrastructure providers on services, routes and timetables and other bodies on local and strategic transport matters including public transport services, routes and timetables, and implications.
- 14.6 Following consultation with the Service Director: Legal & Business Operations:
 - a. to introduce temporary road closures and other temporary traffic restrictions on the highway;
 - b. to maintain a list of all closures authorised under this delegated procedure, including the reason for the restriction and its predicted and actual duration.
- 14.7 Authority to do anything necessary on behalf of the Highway Authority to give effect to decisions relating to Sections 37, 38 and 278 of the Highways Act, 1980, including entering into agreements, approving plans, inspecting works and requiring the necessary fees from developers when negotiating works and agreements for the adoption of highways on behalf of the Highway Authority.
- 14.8 To determine and vary the Capital Programme in accordance with the policies and other criteria set by the Authority.
- 14.9 To serve notice requiring payment for works carried out in default and execute work in default of compliance of any notice served and to demand the recovery of expenses incurred by the local authority.
- 14.10 To act as “Engineer”, “Employer” or any designation attributable to any other officer under a standard form of contract or partnership arrangement for the purposes of engineering contracts let by the authority.
- 14.11 To issue street works licences and permits to control street works and roadworks carried out on the public highway.
- 14.12 Following consultation with the relevant Cabinet Member, annually review the Transport Asset Management Plan.

HEAD OF GREEN CITY & INFRASTRUCTURE

- 14.13 To issue permits allowing vehicles into “Pedestrian Only” streets in order to carry out essential works.
- 14.14 To agree street naming and numbering.
- 14.15 To enter into agreements with external bodies for the purpose of maintaining and managing the highway, transport asset management, on and off street car parks maintenance and management.
- 14.16 To act as Traffic Manager to meet the duty of the Traffic Management Act 2004 and ensure that the road network in Southampton is properly managed.
- 14.17 To grant use of the Above Bar pedestrian precinct and Bargate pedestrian area in accordance with conditions laid down and Part VIIA of the Highways Act 1980 where applicable, and where appropriate to make a proper charge.
- 14.18 To exercise all Energy Management and Sustainability functions exercisable by the Council in its capacity as a local authority.
- 14.19 To make any order or decision, grant any consent or licence or take any ancillary action and enforcement (including setting, varying and removing charges), relating to highways and traffic management and parking matters such as but not confined to, Traffic Regulation Orders, under the following legislation, subject to the right of appeal to the Appeals Panel by any person permitted under the relevant legislation to object to the making of any such order or decision:

Anti-Social Behaviour Act 2003

Clean Neighbourhood and Environment Act 2005

Countryside and Rights of Way Act 2000

Crime and Disorder Act 1998 (Section 17)

Criminal Justice and Public Order Act 1994

Disabled Persons Badges Act 2013

Gambling Act 2005

Hampshire Act 1983

Highways Act 1980

Licensing Act 2003

Local Government Act 1972 (Section 111)

Local Government Act 2000 (Section 2)

Local Government (Miscellaneous Provisions) Act 1976

New Roads and Street Works Act 1991

Public Health Act 1875

Public Health Act 1925

Refuse Disposal (Amenity) Act 1978

Road Humps Regulations 1990

Road Traffic Act 1988 (re cycle races)

Road Traffic Act 1991

Road Traffic Regulation Act 1984 (including orders made under Pedestrian Crossings Regulations and Traffic Signs Regulations and General Directions)

Transport Acts 1985 and 2000

Road Traffic Regulation (Special Events) Act 1994

Road Traffic (Temporary Restrictions) Act 1991

Scrap Metal Dealers Act 2013

HEAD OF GREEN CITY & INFRASTRUCTURE

Town and Country Planning Acts
Town Police Clauses Act 1847
Traffic Calming Act 1992
Traffic Management Act 2004
Transport Acts 1985 and 2000

15. HEAD OF PLANNING & ECONOMIC DEVELOPMENT

- 15.1 To exercise all Planning functions exercisable by the Council in its capacity as a local authority.
- 15.2 To determine planning applications and any other applications, submissions, consents, etc required to be made and to be determined by the Local Planning Authority subject to the following restrictions:
- a. For applications for planning permission (therefore, applications for advertisement consent, prior approval, time limited applications, lawful development certificates, etc are excluded) that fall within the major, minor or other category (as defined by the Government), and where within the standard 21-day publicity period a request made in writing on the prescribed Call-in Form, giving valid and material planning grounds, by a ward member of the ward in which the application site predominantly falls, or where at least five written letters of representation (where such representation is contrary to the officer's recommendation) (discounting petitions, pro-forma and circulated standard letters) on valid and material planning grounds have been received from five different individuals within the administrative ward of the City the development lies shall be brought to the Planning and Rights of Way Panel meeting for consideration. If a request by a member is received after the publicity period, or the necessary five independent properly addressed letters of representation (where such representation is contrary to the officer's recommendation) are received after the publicity period, the consideration of referral to the Panel will be at the discretion of the Planning and Development Manager after consultation with the Chair of the Planning and Rights of Way Panel;
 - b. Where officers recommend approval where the proposal is contrary to the development plan and where three or more objections are received in writing from at least three different individuals;
 - c. applications which are considered to be of particular interest, strategic importance or wider public interest shall be referred to the Planning and Rights of Way Panel;
- 15.3 Where appropriate, to instruct the Service Director: Legal & Business Operations to serve any notices in pursuance of regularising breaches of planning (and other relevant legislation), commence court proceedings and to complete or seal agreements, , in respect of (but not restricted to) the following:
- a. Notices under Section 215 of the Town and Country Planning Act 1990 (Amenity Notices);
 - b. Notices under Section 171 of the Town and Country Planning Act 1990 (Planning Contravention Notices);
 - c. Notices under Section 187A of the Town and Country Planning Act 1990 (Breach of Conditions Notices);

HEAD OF PLANNING & ECONOMIC DEVELOPMENT

- d. Notices under section 172 of the Town and Country Planning Act 1990 (Enforcement Notices)
- e. To institute emergency proceedings to take necessary enforcement action to restrain breaches of planning control (including listed building control), under section 171E (temporary stop notices); section 183 (stop notices); section 187B (injunctions restraining breach of planning control) of the Town and Country Planning Act 1990; section 44A of the Listed Buildings Act 1990 (injunctions restraining breach of listed building control); section 214A (injunctions in relation to tree preservation orders), following consultation with the Service Director: Legal & Business Operations;
- f. Directions under Article 4 of the General Permitted Development Order 1995 removing development rights to demolish a building upon a receipt of a predetermination application subject to a report for confirmation being submitted to a subsequent meeting of the Planning and Rights of Way Panel;
- g. Hazardous substances contravention's notices;
- h. Revocation or modification of Hazardous Substances Consents;
- i. Prosecution for illegal display of advertisements;
- j. To decide whether an assessment and environmental statement is required under the Environmental Assessment Regulations; and to respond to requests for screening and scoping opinions under those Regulations;
- k. To decide whether development is likely to have a significant effect on land protected under international designation; and to carry out appropriate assessment as required by the Habitat Regulations where the Council is the competent authority;
- l. Authority to enter into agreements, approve plans, inspect works and require reasonable fees from developers on behalf of the Council, as highway authority, when negotiating works agreements for the adoption of highways under Sections 38 and 278 of the Highways Act 1980;
- m. To agree to the adoption of new highways arising from new development under Section 38 of the Highways Act 1980 by the Council as highway authority;
- n. To allocate or reallocate postal numbers in respect of any properties in the City;
- o. To issue and serve notices under the Advance Payment Code of the Highways Act 1980;
- p. To inspect Private Streets and where necessary instruct the Service Director: Legal & Business Operations to serve notices where required for the repair of such streets. To initiate works in default of compliance with the requirements of such notices;
- q. To authorise persons to enter any land without a warrant or under warrant in accordance with Sections 196A and 196B of the Town and Country Planning Act 1990 or under section 324 of the same Act;
- r. To authorise the Service Director: Legal & Business Operations to sign unilateral undertakings, or enter into agreements under Section 106 of the

HEAD OF PLANNING & ECONOMIC DEVELOPMENT

Town and Country Planning Act 1990, to undertake deeds of variation and subsequently amend any terms previously agreed, unless the Planning and Rights of Way Panel has asked for those discussions to be referred back to it;

- 15.3 Power to make, modify or vary, revoke but not confirm Tree Preservation Orders under Sections 198 and 201 of the Town and Country Planning Act 1990 and to confirm such orders except where valid objections are received.
- 15.4 To make any order, notice or decision, grant any license, make any charge or take any enforcement action considered necessary or expedient pursuant to Clean Neighbourhood and Environment Act 2005 and all associated secondary legislation, following consultation with the Service Director: Legal & Business Operations.
- 15.5 To determine applications for works to trees that are subject to protection by Tree Preservation Order and to impose such conditions on any consent that s/he deems appropriate.
- 15.6 To serve a notice to plant replacement trees, where they are a requirement of the land owner's duty to replace under Section 206 of the Town and Country Planning Act 1990 or where replacements have been conditioned under a tree works decision notice.
- 15.7 To execute works in default of non-compliance with a notice to replant trees and to recover all reasonable costs from the landowner.
- 15.8 To agree street naming and numbering.
- 15.9 Power to issue Planning Enforcement Notices under any planning or listed building legislation, subject to the preparation of an enforcement report and Planning and Rights of Way Panel and Ward members not requiring a report to the Planning and Rights of Way Panel.
- 15.10 Power to issue a certificate of existing or proposed lawful use or development (Sections 191(4) and 192(2) of the Town and Country Planning Act 1990).
- 15.11 To act in all matters associated with the delivery of neighbourhood renewal, inclusion, community safety and community involvement and other programmes, partnerships or arrangements managed by external partnership bodies where the Council is the accountable body or is responsible for or is a partner in the programme, partnership or arrangement, and in particular to do so following consultation with the board or other body responsible for the management of the programme, partnership or arrangement, and to seek and replace members of such bodies.

NB: Action should only follow appropriate consultation. Where land use and planning processes are involved this must be with the Executive Director: Finance & Commercialisation, Service Director: Legal & Business Operations and the Executive Director: Place. Where there is existing or intended Council ownership this must include the Head of Property.

Building Control

- 15.12 To represent the Council and recommend decisions on building control operational issues at the Building Control Governing Board set up to manage the Partnership between Southampton and Eastleigh.
- 15.13 Discharge, save for any reservations shown below, the powers set out in the paragraph following the reservations.

HEAD OF PLANNING & ECONOMIC DEVELOPMENT

The powers referred to above shall not include the following:

- a. powers where an individual officer is required by law to hold a relevant qualification and that officer does not hold that qualification;
- b. powers which fall outside the individual's actual authority as determined by his/her post or are not covered by an instruction by management; or
- c. any other situation where an individual officer is prevented, for whatever proper reason, from exercising that power.

The powers that may be exercised include, without prejudice to the generality of the following, the power to serve (which term includes signature and issue) notices and the power to exercise any statutory (or common law) power conferred by the legislation referred to below, including any subordinate legislation, ie Regulations, Orders and Byelaws etc, made thereunder. Such powers will also extend to legislation (primary and subordinate etc.) not referred to below, always provided that the officer is not excluded by virtue of any reservation set out in the preceding paragraph. All of these powers are also exercisable by the Executive Director: Place.

15.14 In relation to the Building Act 1984, to:

- a. serve notice giving approval / rejection in respect of Building Regulations plans (Section 16);
- b. serve notice giving approval / rejection in respect of building over sewers (Section 18);
- c. serve notice giving approval of buildings with short-lived materials and get appropriate conditions or to reject the plans (Section 19);
- d. to reject plans for buildings with unsatisfactory drainage (Section 21);
- e. to serve notice re lapse of deposit of plans (Section 32);
- f. to carry out tests on materials and components etc for conformity with Building Regulations (Section 33);
- g. to serve notice to alter / remove work etc (Section 36);
- h. to serve notice to make satisfactory provision for drainage (Section 59);
- i. to serve notice regarding entrances, exits, etc (Section 71);
- j. to serve notice regarding means of escape in case of fire (Section 72);
- k. to serve a notice regarding the raising of chimneys (Section 73);
- l. to take any action necessary in respect of dangerous structures (Sections 77 & 78);
- m. to serve notice re ruinous dilapidated and neglected sites (Section 79);
- n. to accept notices of intention to demolish (Section 80);
- o. to serve notice requiring shoring and weatherproofing to adjoin buildings (Section 81);
- p. to enter buildings to ascertain if a breach of relevant legislation has occurred (Section 95).

15.15 To serve notice to require builders to open up works (Regulation 14 of the Building Regulations).

15.16 To serve notice and/or carry out works of boarding up of dangerous buildings (Section 29 of the Local Government Miscellaneous Provisions Act 1982).

HEAD OF PLANNING & ECONOMIC DEVELOPMENT

- 15.17 To refer questions, as to whether or not certain work complies with the Building Regulations to the appropriate Government department.
- 15.18 To deal with “type” relaxations to the Building Regulations instigated by the appropriate Government department.
- 15.19 To authorise prosecution for non-compliance with notices served and non-compliance of the Building Regulations.
- 15.20 To deal with Partnership applications on behalf of other local authorities in accordance with the nationally agreed Local Authority Building Control Partnership Scheme.
- 15.21 To deal with System Approvals in accordance with the nationally agreed scheme.
- 15.22 To approve or refuse plans deposited under the Hampshire Act 1980 for the provision of a satisfactory means of escape for fire brigade vehicles and personnel, for precautions, against fire and cubic content of buildings and special precautions for underground car parks.
- 15.23 Apply and enforce regulations in relation to sustainability and security issues under the Sustainable and Secure Buildings Act 2004
- 15.24 To enter premises and issue safety certificates for sports stadia under the Safety at Sports Grounds Act 1975.
- 15.25 To give advice on discrimination issues including surveying the built environment as required under the Equalities Act 2010.
- 15.26 To enter premises for the purposes of consulting and advising on the licensing objectives and compliance with the Licensing Act 2003.
- 15.27 To act as authorised officers for the purposes of gaining entry for inspection of premises under the Local Government (Miscellaneous Provisions) Act 1982.
- 15.28 To make any order, notice or decision, grant any licence, make any charge or take any enforcement action considered necessary or expedient pursuant to Clean Neighbourhood and Environment Act 2005 and all associated secondary legislation, following consultation with the Executive Director: Legal & Governance.

Economic Development

- 15.29 To liaise with economic partnerships and other economic bodies to represent the Council’s interests on economic issues.
- 15.30 To liaise with skills partnerships and other skills economic bodies to represent the Council’s interests on skills issues.
- 15.31 To approve Section 106 Employment and Skills Plans.
- 15.32 To approve the letting of contracts for the provision of learning, skills and employment related services.

16. HEAD OF PROPERTY

- 16.1 To deal with applications for landlord's consent to carry out alterations, except in cases where some unusual factor is present and on which a policy decision is needed. Where consent is given, the under mentioned Standard Conditions I or II be attached as appropriate:

Standard Condition I:

- a. Compliance in all respects with all byelaws, licences and other consents applicable to the property and, in particular, with the conditional planning permission
- b. The work to be completed in all respects to the satisfaction of the City Council, which shall be evidenced by the City Council's certification to that effect.
- c. The consent as landowner shall not affect, restrict or diminish the powers or rights of the City Council as a local authority.

Standard Condition II (applicable where a formal licence is required):

- d. Compliance in all respects with all byelaws, licences and other consents applicable to the property and, in particular, with the conditional planning permission
 - e. The execution of such formal deed containing such provisions to safeguard the interests of the City Council as the Service Director: Legal & Business Operations may determine.
- 16.2 To approve the principle of and negotiate and agree terms of sale of freehold reversionary interests secured on individual dwellings originally constructed by either the Council or self-build groups to the owner-occupier;
- 16.3 Following consultation with the Leader and relevant Cabinet Member, to approve the terms of sale of all other property providing the consideration does not exceed £500,000. Consultation is not required for garden land sales to householders, residential freehold reversions or statutory transfers.
- 16.4 To approve terms of sale of property exceeding £500,000 in value providing the consideration does not exceed £1.5 million, following consultation with the Leader and relevant Cabinet Member.
- 16.5 To agree with the Valuation Office Agency assessments in respect of all properties for which the Council is the ratepayer, and to make references to the Valuation Tribunal as appropriate.
- 16.6 To revise charges made for room bookings within Civic Buildings.
- 16.7 To approve the surrender or assignment of any lease, licence, wayleave or easement by Agreement between the parties. If any lease, licence, wayleave or easement relates to properties of strategic (meaning the property or the area in which it is located is the subject of potential development or other plans), cultural, community or heritage interest, this must be done after consultation with the Leader and relevant Cabinet Member.
- 16.8 To approve terms for acquisition of land pursuant to an authorised agreement under Section 106 Town and Country Planning Act 1990, or as a condition in a planning

HEAD OF PROPERTY

consent provided there are no abnormal or onerous liabilities attached to the acquisition, the purchase price is nominal and there is finance allocated for ongoing maintenance.

- 16.9 To approve variations to the terms of leases, licences, easements or wayleaves, covenants or any other transaction when the consideration for the variation does not exceed £100,000 per annum or a premium payment of £1,000,000, and where the Council is incurring the additional consideration, provided sufficient finance is available. If leases, licences, easements or wayleaves, covenants or any other transaction relates to properties of strategic (meaning the property or the area in which it is located is the subject of potential development or other plans), cultural, community or heritage interest, then this must be done after consultation with the Leader and relevant Cabinet Member.
- 16.10 To approve the following up to the financial limits specified, subject to sufficient finance being available:
- a. easements granted by or granted to the Council;
 - b. disturbance claims or ex gratia payments;
 - c. settlement and apportionment of well-maintained payments due under the Housing Acts where agreement can be reached with the parties;
 - d. lettings up to and including on a year to year basis;
 - e. any other lettings, renewals or rent / licence fee reviews provided the new / reviewed rent / fee is no more than £50,000 less than the amount previously due;
 - f. the restructure of ground leases where additional rental is generated and/or where the consideration comprises wholly or partly of a premium payment and the premium does not exceed £500,000; and
 - g. applications for rent reductions on Investment Property providing corresponding estate management benefits are secured by the Council and the new terms are not below market value, to be exercised following consultation with the Executive Director: Finance & Commercialisation.

If any of the above relate to properties of strategic (meaning the property or the area in which it is located is the subject of potential development or other plans), cultural, community or heritage interest, then this must be done after consultation with the Leader and relevant Cabinet Member.

- 16.11 Following consultation with the relevant Executive Director, to grant licences for works on land.
- 16.12 Following consultation with the Leader and relevant Cabinet Member, to approve the exchange of land with a third party where the Council's existing land value is estimated to be no more than £500,000.
- 16.13 To approve the exchange of land with a third party where the Council's existing land value is estimated to be greater than £500,000 providing the consideration does not exceed £1.5 million, following consultation with the relevant Cabinet Member .

HEAD OF PROPERTY

- 16.14 To approve appropriations between relevant function areas and statutory holding powers except where public notice of the proposed appropriation is required and objections are received.
- 16.15 To approve any major alteration, demolition, refurbishment or new project on land in which the Council has an interest providing that the proposed expenditure does not exceed £1.5 million. This must be done after consultation with the Leader and relevant Cabinet Member, if this relates to properties of strategic (meaning the property or the area in which it is located is the subject of potential development or other plans), cultural, community or heritage interest.
- 16.16 To approve the temporary use of property, pending long-term use.
- 16.17 To manage the Council's investment and general purpose property portfolios.
- 16.18 To perform all functions of the Council in respect of its responsibilities and powers under the Party Walls etc Act 1996, including the service and response to Statutory Notices, appointment of Party Wall Surveyors and compliance with all steps required by any Party Walls Award.
- 16.19 Authority to exercise the powers and duties of the Council under the Landlord and Tenant (Covenants) Act 1995.
- 16.20 To grant and sign licences in a form approved by the Service Director: Legal & Business Operations.
- 16.21 To approve the acceptance of formal tenders for land disposals, whether the highest bid or not, up to £1.5 million capital (where the principle of the disposal has already been approved) or £150,000 per annum revenue income. Consultation with the Leader or relevant Cabinet Member only required if s/he has expressed a wish to be consulted when giving approval in principle.
- 16.22 To agree compensation under Land Compensation legislation where no interest in the land is acquired by the Council.
- 16.23 To carry out site investigations and soil surveys, where necessary, to establish the development potential of vacant land subject to the availability of the necessary finance to carry out such investigations.
- 16.24 To place property on the market with a view to a disposal. Consultation with the Leader and relevant Cabinet Member is required prior to placing a property on the open market for sale. Consultation is also required prior to placing a property on the open market to let if the property is of strategic (meaning the property or the area in which it is located is the subject of potential development or other plans), cultural, community or heritage interest.
- 16.25 To appoint external agents or consultants to provide specialist services in respect of the Council's property portfolio, subject to compliance with Financial Procedure Rules and Contract Procedure Rules.
- 16.26 To approve the acquisition of a lease or licence in property where service areas of the Council operate partnerships with external bodies and funding is available.
- 16.27 To approve the acquisition of interests in property, provided the consideration does not exceed a premium payment of £500,000 or £100,000 per annum, provided sufficient finance is available, after consultation with the relevant Cabinet Member and the Executive Director for Finance.

HEAD OF PROPERTY

- 16.28 Following consultation with the Leader and the relevant Cabinet Member in relation to the principle, to authorise the variation of individual projects in the approved Capital Building Maintenance (non-housing) programme during its implementation, should this be required as a result of urgent or unforeseen repair needs arising, or services requirement changes.
- 16.29 To add new projects or remove projects from the approved Capital Building Maintenance (non-housing) programme project list following consultation with the relevant Cabinet Member.
- 16.30 To vary the timing and cost of projects already within the approved Capital Building Maintenance (non-housing) Programme as may be required, following consultation with the relevant Cabinet Members (for the Capital Programme and the building concerned, if different).
- 16.31 To approve claims for dilapidations in respect of leasehold interests granted by the Council, or granted to the Council, provided the consideration does not exceed £1 million, and provided sufficient finance is available. Where leases are granted to the Council and costs exceed £250,000, consultation with the Leader and relevant Cabinet Member must take place.
- 16.32 To authorise lease surrenders and/or renewals to Scout or Guide Groups or other community or charitable organisations which include any underlet for any purpose authorised by Section 1 Localism Act at rents less than best consideration where it is proposed to underlet to a nursery provider or similar community use.
- 16.33 Following consultation with the Leader and the relevant Cabinet Member in relation to the principle, to approve lettings or lease renewals at less than best consideration where the principle of letting to the organisation concerned has already been approved (by virtue of a previous letting or any other appropriate means) or where the Council is obliged to renew a letting by virtue of Landlord and Tenant legislation.
- 16.34 Following consultation with the Leader and relevant Cabinet Member in relation to the principle, to approve lettings or lease renewals at less than best consideration for any property for up to a five year period.
- 16.35 After consultation with the relevant Cabinet Member, to enter into option agreements, disposals or any other property transactions with the Public Sector plc, to progress redevelopment and property schemes in line with the Council's Corporate Property Strategy or such other strategy or policy approved by the Council for managing the Council's corporate property.
- 16.36 After consultation with the Leader of the Council, the Executive Director: Finance & Commercialisation and the Council's Capital Board to approve the acquisition or sale of property or other investments for the Property Investment Fund.
- 16.37 Following consultation with the Leader and the relevant Cabinet Member in relation to the principle, and together with the Executive Director: Place and following consultation with the Service Director: Legal & Business Operations, to undertake the acquisition of land for a development scheme,
- 16.38 To liaise with economic partnerships and other economic bodies to represent the Council's interests on economic issues.

HEAD OF PROPERTY

- 16.39 To approve any transaction, subject to the approval of the Executive Director: Finance & Commercialisation and Executive Director: Place. If leases, licences, easements or wayleaves, covenants or any other transaction relates to properties of strategic (meaning the property or the area in which it is located is the subject of potential development or other plans), cultural, community or heritage interest, then this must be done after consultation with the Leader and relevant Cabinet Member.
- 16.40 To determine applications for home loss payments under the Land Compensation Act 1973.
- 16.41 To appoint external agents or consultants to provide specialist services in respect of the Council's major development schemes.
- 16.42 Where the Council has resolved to make a Compulsory Purchase Order settle terms for the purchase of property and valid heads of claim, subject to the approval of the Executive Director: Finance & Commercialisation.
- 16.43 After consultation with the Service Director: Legal & Business Operations to accept Blight Notices which are valid and which are served in respect of major development schemes proposals.
- 16.44 To make minor amendments to boundaries after consultation with the relevant Cabinet Member to disposals in respect of approved major development schemes.
- 16.45 To allow developers on to council land to carry out site investigations subject to the granting of an appropriate licence.
- 16.46 In relation to the Private Sector Housing Strategy to:
- a. alter existing or introduce new formulae to calculate loan repayment sums in respect of financial assistance packages;
 - b. approve adjustments to the occupancy terms for the grant element of existing and new financial assistance packages; and
 - c. approve the introduction of subsequent financial assistance packages developed, and any significant alterations to the criteria of existing packages following consultation with the relevant Cabinet Member and the Executive Director: Finance & Commercialisation.
- 16.47 To authorise and implement changes to the Decommissioning of Housing Stock Policy as required, following consultation with the Head of Stronger Communities, Neighbourhoods & Housing, the Cabinet Member responsible and Executive Director: Finance & Commercialisation.
- 16.48 To approve after consultation with the relevant Cabinet Member terms for the repurchase of property sold through the Right to Buy process and compensation payments to business tenants to facilitate site assembly for Estate Regeneration Projects, where Cabinet approval exists for these land acquisitions.
- 16.49 Following consultation with the relevant Cabinet Member responsible, Service Director: Legal & Business Operations, Executive Director: Finance & Commercialisation and Executive Director: Place to demolish properties or dispose of land held within the Housing Revenue Account subject to best consideration being received for vacant properties, vacant sites or garages for the purposes of estate regeneration and the development of new housing.

HEAD OF PROPERTY

- 16.50 Following consultation with the relevant Cabinet Member responsible, Service Director: Legal & Business Operations, Executive Director: Finance & Commercialisation and subject to funding and budgetary approval being in place, to acquire land for the purposes of estate regeneration and to secure demolition of any buildings if appropriate.
- 16.51 Following consultation with the Leader, relevant Cabinet Member, Executive Director: Finance & Commercialisation and the Service Director: Legal & Business Operations to accept, in accordance with Financial Procedure Rules any grant funding towards the costs of the homes and development projects and as a consequence:
- a. increase the capital budget for this project by the value of the grants received; and
 - b. increase the scheme approval sums by the value of the grant received.
- 16.52 Following consultation with the relevant Cabinet Member, Service Director: Legal & Business Operations, Executive Director: Finance & Commercialisation to:
- a. procure a development / investment partner or partners to redevelop the regeneration sites;
 - b. enter into a development agreement to deliver the redevelopments including, if required, disposal of freehold;
 - c. acquire, where terms can be agreed, adjoining parcels of land; and
 - d. accept, in accordance with Financial Procedure Rules, any grant funding towards the costs of the redevelopment of the estate regeneration sites.
- 16.53 To approve home loss, disturbance and ex-gratia payments for removal expenses for displaced tenants on modernisation or major works of Council dwellings.
- 16.54 To accept written in-house bids for the maintenance and improvement of HRA buildings following consultation with the Executive Director: Finance & Commercialisation.
- 16.55 To accept written bids and arrange and enter into suitable supplier contract arrangements for the provision of maintenance and improvement schemes and to do anything necessary to implement, subject to the formal approval of the proposed partnering arrangements by the Executive Director: Finance & Commercialisation after consultation with the Service Director: Legal & Business Operations.
- 16.56 To determine appropriate officers to act as security administrators for the HCA Investment Management System.
- 16.57 To approve variation to the terms of leases, licences, easements or wayleaves, covenants or any other transaction, after consultation with the Executive Director: Finance & Commercialisation and Service Director: Legal & Business Operations.
- 16.58 To acquire dwellings repurchased under Part XVI Housing Act 1985, following consultation with the Executive Director: Finance & Commercialisation, subject to finance being available.

17. EXECUTIVE DIRECTOR COMMUNITIES, CULTURE & HOMES

- 17.1 To serve Notices of Seeking Possession and/or Notices to Quit where appropriate and to take necessary action upon the expiry of such Notices.
- 17.2 To institute proceedings for the recovery of possession of property and/or land occupied by squatters.
- 17.3 To serve notices and to institute forfeiture proceedings to residential leaseholders in appropriate cases.
- 17.4 To evict, where lawful, necessary and expedient.
- 17.5 To authorise a one-off reduction in rent by up to a maximum of £500 where some or all of the dwelling is unusable due to major works or loss of services.
- 17.6 To authorise the sale of Council houses and flats in accordance with the Right to Buy legislation and the shared ownership scheme for all mortgagees, their management and subsequent repayment.
- 17.7 To authorise variations in shop leases, rents and terms of tenure where this is consistent with effective management of estates, contributes to social enterprise or tackling worklessness, or provides services which support the local community.
- 17.8 To authorise the repossession, under the County Court Rules 1981 of properties sold under the Right to Buy Legislation and the shared ownership scheme following default on Mortgage Payments rent and/or leasehold maintenance and major works costs.
- 17.9 To approve home loss, disturbance and ex-gratia payments for removal expenses for displaced tenants on modernisation or major works of Council dwellings.
- 17.10 To determine transfer by applications by tenants on management grounds.
- 17.11 To authorise attendance and representation of the Council at Leasehold Valuation Tribunal (LVT) for the purposes of presenting information as required and to agree decisions or proposals made through the LVT process in accordance with the Council's legal responsibilities in the discharging of the Council's housing functions.
- 17.12 To discharge the Council's functions as a local housing authority in respect of the day to day routine management, maintenance, improvement and repair of properties or land held under the powers of the Housing Act 1985 or any re-enactment thereof including those properties sold under the Right to Buy Scheme and any other properties managed but not funded from the Housing Revenue Account in accordance with agreed policies and the Council's relevant Procedure Rules.
- 17.13 To grant tenancies to people left in occupation, and joint tenancies in accordance with Annex C of the Code of Guidance on Parts VI and VII of the Housing Act 1996.
- 17.14 To take any decisions or actions necessary in relation to community safety and anti-social behaviour, including the submission of funding bids, approving projects related to community safety and anti-social behaviour, authorising enforcement action, approving specific projects to meet targets in corporate plans and any projects relating to community cohesion, tackling social exclusion and discrimination.
- 17.15 To determine applications made under the Leasehold Reform, Housing and Urban Development Act 1993.

EXECUTIVE DIRECTOR COMMUNITIES, CULTURE & HOMES

- 17.16 To institute proceedings under the Protection from Eviction Act 1977.
- 17.17 To institute proceedings under Section 1 Accommodation Agencies Act 1953.
- 17.18 After consultation with the Executive Director: Wellbeing (Children & Learning):
 - a. determine and alter as necessary a scale of reasonable charges in respect of enforcement action under s49 of the Housing Act; and
 - b. determine and alter as necessary an administrative fee for works carried in default of notices.
- 17.19 To allocate acquired properties, hostel accommodation and property allocated for short life. In addition, in exceptional circumstances, to approve the permanent rehousing of applicants, both to be exercised outside the Council's Points Scheme.
- 17.20 To discharge the Council's functions and duties under Part III Housing Act 1985 and Part VII of the Housing Act 1996 (homelessness) and to make all administrative decisions in this regard.
- 17.21 To let empty acquired properties to housing co-operatives or Housing Associations for housing use and to obtain any necessary consent, following consultation with the Executive Director: Finance & Commercialisation.
- 17.22 To grant secure tenancies to tenants where a return to their previous address is either not feasible or where to do so would be in the interests of the best management of the stock.
- 17.23 To take all decisions and exercise all discretionary power in relation to properties which have proved hard to let.
- 17.24 To operate the Special Needs quota exceptional allocations policy as approved. This policy to include PDO referrals in accordance with the Potentially Dangerous Offenders protocol and MAPPAs in accordance with the Multi-Agency Public Protection Agreement.
- 17.25 To determine the appropriate number of temporary units of accommodation to be used for this purpose at any one time, including the approval to use SCC "normal" stock as temporary accommodation for the discharge of duties under the Homelessness Act 2002.
- 17.26 To review and amend the current Allocations Policy.
- 17.27 To grant exceptions to the Allocations policy.
- 17.28 To allocate the Government Homelessness Directorate grant received, following consultation with the Homelessness Steering Group, relevant Cabinet Member and Executive Director: Finance & Commercialisation.
- 17.29 To determine applications under Section 3(5) Housing Defects Act 1984.
- 17.30 To authorise payments under the Tenants Right to Compensation or Improvements and the Right to Repair.
- 17.31 To determine when the Landlord Controlled Heating should be switched on and off, after consultation with the relevant Cabinet Member to determine and revise the level of charges for Landlord Controlled Heating in future years.

EXECUTIVE DIRECTOR COMMUNITIES, CULTURE & HOMES

- 17.32 To make financial amendments to the Housing Revenue Account Business Plan and refresh every two years, following consultation with the relevant Cabinet Member.
- 17.33 To grant tenancies to applicants in accordance with the Allocations Policy and to grant temporary service tenancies.
- 17.34 To make decisions on the application of the Disabled Adaptations in Council Housing Policy in individual cases and to make amendments to the policy as required.
- 17.35 To undertake the discharge of any of the Council's functions relating to the welfare of civilians under the Civil Defence Acts 1937 to 1948 and under Section 138 of the Local Government Act 1972 as amended by Civil Contingency Act 2004.
- 17.36 To commence a programme of consultation and engagement with residents and stakeholders on sites identified for redevelopment, subject to consultation with the Head of Stronger Communities, Neighbourhoods & Housing, the relevant Cabinet Member and where the site involves Council homes following consultation with the Executive Director: Place.
- 17.37 Following consultation with the relevant Cabinet Member and appropriate stakeholders to review and amend service policies and strategies.
- 17.38 To grant a service concession to procure services that meet the Council's service plans, following consultation with the Executive Director: Finance & Commercialisation or Service Director: Legal & Business Operations and the relevant Cabinet Member.
- 17.39 To authorise and implement changes to the Decommissioning of Housing Stock Policy as required, following consultation with the Cabinet Member responsible and Executive Director: Finance & Commercialisation.
- 17.40 To amend the allocations criteria for supported housing, following consultation with the relevant Cabinet Member and tenants.
- 17.41 To make any order, notice or decision, grant any licence, make any charge or take any enforcement action considered necessary or expedient pursuant to Clean Neighbourhood and Environment Act 2005 and all associated secondary legislation,
- 17.42 To enter into professional memberships in the interests of the authority.

18. HEAD OF CONSUMER PROTECTION & ENVIRONMENTAL SERVICES

- 18.1 To act under all current or future legislation and Council plans, policies, guidelines and procedures relating to the services and functions managed, operated and controlled by the Executive Director. This should be taken to include all regulations, orders and guidance subsequently issued by Ministers in relation to such services and functions.
- 18.2 To undertake all Environmental Health and Consumer Protection Services functions exercisable by the Council in its capacity as a local authority. This includes Registration and Bereavement Services' functions.
- 18.3 To act as Proper Officer for Registration under the Registration Service Act 1953.
- 18.4 Exercise the functions of the Council including all powers and duties of the Council in terms of the following legislation and any subsequent or similar legislation or replacing or expanding legislation:

Administration of Justice Act 1970

Administration of Justice Act 1985

Agriculture (Miscellaneous Provisions) Act 1968

Agriculture Acts

Agriculture Produce (Grading and Marketing) Acts 1928 and 1931

Animals Act 1971

Animal and Animal Products (Import and Export) (England and Wales) Regulations 2000

Animal Boarding Establishments Act 1963

Animal Feed (Hygiene Sampling etc and Enforcement) (England) Regulations 2015

Animal Health Act 1981

Animal Health Act 2002

Animal Welfare Act 2006

Anti-Social Behaviour Act 2003

Anti-Social Behaviour Act 2006

Anti-Social Behaviour, Crime and Policing Act 2014

Beef Labelling (Enforcement) (England) Regulations 2000

Bovines and Bovine Products (Trade) Regulations 1998

Breeding of Dogs Act 1973 & 1991

Breeding and Sale of Dogs (Welfare) Act 1999

Breeding of Dogs (Licensing Records) Regulations 1999

Brucellosis (England Order 2015)

Building Act 1984

Burial Act 1853

Business Names Act 1985

Business Protection from Misleading Marketing Regulations 2008

HEAD OF CONSUMER PROTECTION & ENVIRONMENTAL SERVICES

Bye-laws for Hairdressers and Barbers
Cancellation of Contracts made in a Consumer's Home or Place of Work etc. Regulations 2008
Cancer Act 1939
Cattle Identification Regulations 2007
Cemeteries Order 1977
Children & Families Act 2014
Children and Young Persons (Protection from Tobacco) Act 1991
Children and Young Persons Act 1933
Chronically Sick & Disabled Persons Act 1970
Civil Enforcement Of Parking Contraventions (England) General Regulations 2007
Civil Enforcement of Parking Contraventions (England) Representations and Appeals Regulations 2007
Civil Contingencies Act 2004
Civil Partnership Act 2004
Clean Air Act 1993
Clean Air Act 1983 – Motor Fuel (Composition and Content) Regulations
Clean Neighbourhood and Environment Act 2005
Common Agriculture Policy (Wine) (England & Northern Ireland) Regulations 2001
Companies Act 2006
Consumer Credit Act 1974
Consumer Protection (Distance Selling) Regulations 2000
Consumer Protection Act 1987
Consumer Protection from Unfair Trading Regulations 2008
Consumer Rights Act 2015
Control of Pesticide Regulations 1986
Control Of Pollution Act 1974, Part 3 (except sections 70(2), (3) and 71), sections 91-94, section 97 and Part 6.
Control of Pollution (Anti-Fouling Paint) Regulations 1986
Control of Pollution Act 1974
Control of Pollution (Amendment) Act 1989
Copyright, Designs and Patents Act 1988
Courts and Legal Services Act 1990
Countryside and Rights of Way Act 2000
Crime and Disorder Act 1998
Criminal Justice Act 1988
Criminal Justice and Public Order Act 1994

HEAD OF CONSUMER PROTECTION & ENVIRONMENTAL SERVICES

Criminal Justice & Police Act 2001
Customs and Excise Management Act 1979
Dairy Products (Hygiene) Regulations 1985
Dangerous Dogs Act 1991
Dangerous Wild Animals Act 1976
Deregulation Act 2015
Designation of Local (Southampton Port Health Authority) District Order 1978.
Development of Tourism Act 1969 Tourism (Sleeping Accommodation Price Display) Order 1977
Disabled Persons Parking Badges Act 2013
Dogs (Fouling of Land) Act 1996
Ecodesign for Energy-Using Products Regulations 2007
Education Reform Act 1988
Energy Act 1976
Energy Conservation Act 1981
Energy Efficiency (Private Rented Property)(England & Wales) Regulations 2015
Enterprise Act 2002
Environment Act 1995
Environmental Protection Act 1990
Environmental Protection (Duty of Care) Regulations 1991
Environmental Protection (Microbeads)(England) Regulations 2017
Estate Agents Act 1979
European Communities Act 1972 (save as amended by the European Union (Withdrawal) Act 2018)
European Union (Withdrawal) Act 2018 as it continues to give effect to the following Regulations or Orders under which this local authority has an enforcement duty:

- African Horse Sickness (England) Regulations 2012
- Animal and Animal Products (examination for Residues and Maximum Residue Limits)(England and Scotland) Regulations 2015
- Animal By-Products (Enforcement)(England) Regulations 2013
- Animal Feed (Basic Safety Standards)(England) Regulations 2019
- Avian influenza (Preventative Measures)(England) Regulations 2006
- Avian Influenza (Vaccination)(England) Regulations 2008
- Biofuel Labelling Regulations 2004
- Bluetongue Regulations 2008
- Business Protection from Misleading Marketing Regulations 2008
- Cat and Dog Fur (Control of Import, Export and Placing on the Market) Regulations 2008
- Cattle Identification Regulations 2007
- Construction Products Regulations 2013

HEAD OF CONSUMER PROTECTION & ENVIRONMENTAL SERVICES

Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013

Consumer Protection from Unfair Trading Regulations 2008

Consumer Rights (Payment Surcharges) Regulations 2012

Cosmetic Products Enforcement Regulations 2013 and the EU Cosmetic Products Regulation 1223/2009

Crystal Glass (Descriptions) Regulations 1973

Detergents Regulations 2010

Diseases of Swine Regulations 2014

EC Fertilisers (England and Wales) Regulations 2006

Eggs and Chicks (England) Regulations 2009

Electrical Equipment (Safety) Regulations 2016

Electromagnetic Compatibility Regulations 2016

Energy Information Regulations 2011

Energy Performance of Buildings (England and Wales) Regulations 2012

Equine Identification (England) Regulations 2018

Financial Services (Distance Marketing) Regulations 2004

Fluorinated Greenhouse Gases Regulations 2015

Food Information Regulations 2014

Food Safety & Hygiene (England) Regulations 2013

Foot-and-Mouth Disease (Control of Vaccination) (England) Regulations 2006

Footwear (Indication of Composition) Labelling Regulations 1995

Gas Appliances (Enforcement) and Miscellaneous Amendments Regulations 2018

General Product Safety Regulations 2005

Genetically Modified Organisms (Traceability and Labelling)(England) Regulations 2004

Infant Formula and Follow On Formula (England) Regulations 2007

Materials and Articles in Contact With Food (England) Regulations 2012

Measuring Container Bottles (EEC Requirements) Regulations 1977

Measuring Instruments Regulations 2016

Non- Automatic Weighting Instruments Regulations 2016

Novel Foods (England) Regulations 2018

Official Controls (Animals, Feed and Food, Plant Health Fees etc.) Regulations 2019 in so far as it relates to food law

Official Feed and Food Controls (England) Regulations 2009 in so far as it relates to food law

Olive Oil (Marketing Standards) Regulations 2014

Organic Products Regulations 2009

Package Travel and Linked Travel Arrangements Regulations 2018

Packaging (Essential Requirements) Regulations 2015

Passenger Car (Fuel Consumption and CO2 Emissions Information) Regulations 2001

Personal Protective Equipment (Enforcement) Regulations 2018

Poultry Meat (England) Regulations 2011

HEAD OF CONSUMER PROTECTION & ENVIRONMENTAL SERVICES

Pressure Equipment (Safety) Regulations 2016
Products of Animal Origin (Disease Control)(England) Regulations 2008
Pyrotechnic Articles (Safety) Regulations 2015
Quality Schemes (Agricultural Products & Foodstuffs) Regulations 2018
Quick Frozen Food Stuffs (England) Regulations 2007
Radio Equipment Regulations 2017
REACH Enforcement Regulations 2008
Recreational Craft Regulations 2017
Registration of Establishments (Laying Hens) (England) Regulations 2003
Rights of Passengers in Bus and Coach Transport (Exemptions and Enforcement) Regulations 2013
Scotch Whisky Regulations 2009
Simple Pressure Vessels (Safety) Regulations 2016
Specified Products from China (Restrictions On First Placing On The Market) (England) Regulations 2008
Spirit Drinks Regulations 2008
Supply of Machinery (Safety) Regulations 2008
Textile Products (Labelling and Fibre Composition) Regulations 2012
Timeshare, Holiday Products, Resale and Exchange Contracts Regulations 2010
Tobacco and Related Products Regulations 2016
Toys (Safety) Regulations 2011
Trade in Animals and Related Products Regulations 2011
Transmissible Spongiform Encephalopathies (England) Regulations 2018
Veterinary Medicines Regulations 2013
Volatile Organic Compounds in Paints, Varnishes and Vehicle Refinishing Products Regulations 2012
Weights and Measures (Packaged Goods) Regulations 2006
Welfare of Animals at Time of Killing (England) Regulations 2015
Wine Regulations 2011
Zoonoses (Monitoring) (England) Regulations 2007

Explosives Acts 1875

Fair Trading Act 1973

Fireworks Act 2003

Food Act 1984

Food and Environment Protection Act 1985

Food Safety Act 1990

Food Hygiene (England) Regulations 2006

Food Safety and Hygiene (England) Regulations 2013

Food Standards Act 1999

Foot and Mouth Disease (Control of Vaccinations) (England) Regulations 2001

Forgery and Counterfeiting Act 1981

HEAD OF CONSUMER PROTECTION & ENVIRONMENTAL SERVICES

Fraud Act 2006
Fuel (Lead Content of Petrol) Regulations 1981 (as amended);
Fur Farming (Prohibition) Act 2000
General Food Regulations 2004
Gambling Act 2005
Hallmarking Act 1973
Hampshire Act 1983
Health Act 2006
Health & Social Care Act 2008
Health and Safety at Work etc Act 1974 together with the following Regulations made under the 1974 Act:
 The Ammonium Nitrate Materials (High Nitrogen Content) Safety Regulations 2003
 The Biocidal Products and Chemicals (Appointment of Authorities and Enforcement) Regulations 2013
 The Chemicals (Hazard Information and Packaging for Supply) Regulations 2009
 The Dangerous Substances and Explosive Atmospheres Regulations 2002,
 The Explosives Regulations 2014,
 The Petroleum (Consolidation) Regulations 2014, and
 The provisions of the following Acts mentioned in Schedule 1 to the 1974 Act;
 Explosives Act 1875
 Public Health Acts 1936 and 1961
Health Protection (Coronavirus, Restrictions) (England) Regulations 2020
Health Protection (Local Authority Powers) Regulations 2010
Highways Act 1980
Home Safety Act 1961
House to House Collections Act 1939
Housing Act 1985
Housing Act 1996
Housing Act 2004
Housing Regeneration Act 2008
Horse Passports Regulations 2009
Hypnotism Act 1952
International Health Regulations 2005
Intoxicating Substances (Supply) Act 1986
Knives Act 1997
Legal Services Act 2007
Licensing Act 2003
Local Authority Cemeteries Order 1977

HEAD OF CONSUMER PROTECTION & ENVIRONMENTAL SERVICES

Local Government Act 1972 (Section 111)
Local Government (Miscellaneous Provisions) Acts 1976 and 1982
Marriage Act 1994
Medicines Act 1968
Motor Cycle Noise Act 1987
Motor Fuel (Sulphur Content of Gas Oil) Regulations 1981
Motor Vehicle (Safety Equipment for Children) Act 1991
Noise Act 1996
Noise and Statutory Nuisance Act 1993
Non-Automatic Weighing Instruments Regulations 2000
Offensive Weapons Act 2019
Olympic Symbol etc (Protection) Act 1995
Organic Products Regulations 2001
Ozone Depleting Substances Regulations 2015
Performing Animals (Regulation) Act 1925
Pesticides (Fees and Enforcement) Act 1989
Pet Animals Act 1951 and Pet Animals Act 1951 (Amendment) Act 1983
Petroleum (Consolidation) Act 1928.
Plastic Materials and Articles In Contact With Food (England) Regulations 2009
Poisons Act 1972
Police and Criminal Evidence Act 1984
Police, Factories etc (Miscellaneous Provisions) Act 1916
The Southampton Port Health Authority Order 2010
Prevention of Damage by Pests Act 1949
Prices Act 1974
Private Water Supply Regulations 2016 and 2017
Proceed of Crimes Act 2002
Processed Animal Proteins (England) Regulations 2001
Products of Animal Origin (Import and Export) Regulations 1991
Products of Animal Origin (Import and Export) (Amended) Regulations 1997
Property Misdemeanors Act 1991
Protection of Animals (Amendment) Act 2000
Protection of Animals Act 1911
Psychoactive Substances Act 2016
Public Health Acts Amendment Act 1907
Public Health (Control of Disease) Act 1984
Public Health (Infectious Diseases) Regulations 1988

HEAD OF CONSUMER PROTECTION & ENVIRONMENTAL SERVICES

Public Health Act 1936

Public Health Act 1961

Public Health Ships Regulations 1979 as amended by the Public Health Ships (Amendment)(England) Regulations

Refuse Disposal (Amenity) Act 1978

Registered Designs Act 1949

Redress Schemes for Letting Agencies Work and Property Management Work (Requirement to Belong To Scheme etc) (England) Order 2014

Road Traffic Acts 1988 and 1991

Road Traffic Regulation Act 1984

Scrap Metal Dealers Act 2013

Sheep and Goats (Records, Identification & Movement)(England) Order 2009

Single Use Carrier Bags Charges (England) Order 2015

Site Waste Management Plans Regulations 2008

Slaughterhouses Act 1974

Solicitors Act 1974

Standardised Packaging of Tobacco Products Regulations 2015

Sunbed (Regulation) Act 2010

Telecommunications Act 1984

Tenant Fees Act 2019 (and the Housing & Planning Act 2016 as it relates to Client Money Protection Schemes)

Theft Act 1968

Timeshare Act 1992

Tobacco Advertising and Promotion Act 2002

Town and Country Planning Act 1990

Town Police Clauses Act 1847

Trade Descriptions Act 1968

Trade Marks Act 1938

Trade Marks Acts 1994

Traffic Management Act 2004

Transport Act 2000

Unfair Terms in Consumer Contracts Regulations 1999

Unsolicited Goods and Services Acts 1971 and 1975

Video Recordings Act 2010

Vehicles (Crime) Act 2001

Water Act 2003

Weights and Measures Act 1985

Zoo Act 1981

HEAD OF CONSUMER PROTECTION & ENVIRONMENTAL SERVICES

This delegation is subject to a requirement to consult with the Service Director: Legal & Business Operations prior to the service of any order, notice or commencement of any legal proceedings.

- 18.5 To determine applications for information to be treated as commercially confidential under Section 22 of the Environmental Protection Act 1990 (as amended).
- 18.6 To sign and serve notices under Sections 33, 34, 46, 47, 59 and 71 of the Environmental Protection Act 1990 (as amended) to deal with waste.
- 18.7 To sign and serve notices under Sections 80 and 80A of the Environmental Protection Act 1990 (as amended) dealing with the abatement of nuisances.
- 18.8 To authorise as enforcement officers such members of professional and technical support staff who are deemed to have suitable qualifications in respect of Section 19 of the Food and Environment Protection Act 1985, as amended by the Pesticides (Fees and Enforcement) Act 1989.
- 18.9 To issue and sign written instruments of appointment under the Act and regulations.
- 18.10 To grant authorised officers the power to sign and serve notices under Section 19 of the Food and Environment Protection Act 1985.
- 18.11 To appoint such members of professional and support staff deemed to have suitable qualifications under Section 5(6) of the Food Safety Act 1990.
- 18.12 To appoint suitable specialists under Section 32(4) of the Food Safety Act 1990.
- 18.13 All powers and duties under the Health Protection (Local Authority Powers) Regulations 2010 including but not restricted to the powers under Sections 2 to 11 to deal with children attending school, decontamination of persons and premises and to restrict access to and move dead bodies.
- 18.14 To introduce increased charges for the issue of Ship Sanitation control and exemption certificates for coastal vessels.
- 18.15 To discharge the functions, duties and powers to control disease on ships and aircraft as conferred by the Public Health (Ships) Regulations 1979 and Public Health (Aircraft) Regulations 1979 as amended in 2007 to implement the requirements of the International Health Regulations 2005. To include the appointment of a medical officer, medical practitioners and authorised officers to exercise the powers conferred by the regulations.
- 18.16 All powers and duties under the Public Health (Control of Disease) Act 1984 as amended by the Health and Social Care Act 2008 including but not restricted to the powers under Sections 45M and 76 to deal with the protection of health from the risk of infection and deal with defective premises.
- 18.17 To exercise duties under the Public Health (Control of Disease) Act as amended by the Health and Social Care Act 2008 to arrange for a body to be removed to a mortuary for burial or cremation.
- 18.18 In accordance with the Public Health (Infectious Diseases) Regulations 1988, to require persons to discontinue or refrain from engaging in any occupations connected with food and to take such other step as empowered under the Regulations.

HEAD OF CONSUMER PROTECTION & ENVIRONMENTAL SERVICES

- 18.19 To make payments by way of compensation, to persons required to discontinue or refrain from engaging in any occupation connected with food.
- 18.20 To appoint Public Analysts under the Food Safety and Agriculture Acts.
- 18.21 To exercise all powers necessary and expedient in relation to the Council's collection of healthcare waste functions (commercial and domestic), including but not limited to the authority to enter into any contracts necessary to give effect to or facilitate this function.
- 18.22 To institute proceedings under the Protection from Eviction Act 1977.
- 18.23 To institute proceedings under Section 1 Accommodation Agencies Act 1953.
- 18.24 To make minor modifications to the approved terms and conditions of financial assistance provided in accordance with the Council's Private Sector Housing Strategy or such other strategy or policy in relation to this function.
- 18.25 To consider and determine any application from any person considered to be a special case and who therefore falls outside the Private Sector Housing Strategy or such other strategy or policy in relation to this function.
- 18.26 To provide temporary rehousing, subject to a maximum period of four months where financial assistance repair work takes place in accordance with the Council's Private Sector Housing Strategy or such other strategy or policy in relation to this function.
- 18.27 To amend the system of prioritising enquiries and applications for financial assistance arising from owner-occupiers and/or private sector tenants to ensure resources are targeted towards those living in the worst housing conditions and in greatest need in relation to the Private Sector Housing Strategy or such other strategy or policy in relation to this function.
- 18.28 To determine when a land charge is required on a property to secure the repayment of any financial assistance granted in accordance with the Council's Private Sector Housing Strategy or such other strategy or policy in relation to this function.
- 18.29 To approve applications for the provision of financial assistance in accordance with the Council's Private Sector Housing Strategy or such other strategy or policy in relation to this function.
- 18.30 To waive financial assistance repayment conditions in relation to the Council's Private Sector Housing Strategy or such other strategy or policy in relation to this function.
- 18.31 To authorise Environmental Health Officers and other authorised officers to take all enforcement action, powers and provision as appropriate, under the Housing Act 2004, and any subsequent secondary legislation, in accordance with the Council's enforcement policies.
- 18.32 Determine and alter as necessary a scale of reasonable charges in respect of enforcement action under s49 of the Housing Act;
- 18.33 Determine and alter as necessary a scale of reasonable fees in respect of the licensing of houses in multiple occupation under s63(3) of the Housing Act; and
- 18.34 Determine and alter as necessary an administrative fee for works carried in default of notices.

HEAD OF CONSUMER PROTECTION & ENVIRONMENTAL SERVICES

- 18.35 To seek confirmation from the appropriate national authority of a designation for an Additional Licensing Scheme under section 56 of the Housing Act 2004, following consultation with those persons likely to be affected by any such scheme.
- 18.36 To seek confirmation from the appropriate national authority of a designation for a Selective Licensing Scheme under section 80 of the Housing Act.
- 18.37 To approve the use of the Enforced Sale Procedure.
- 18.38 To determine when a local land charge is required on property to secure the repayment of any grant awarded in accordance with the Council's Private Sector Housing Strategy or such other strategy or policy in relation to this function.
- 18.39 To make necessary revision to the Enforcement Policy as the need arises, following consultation with the relevant Cabinet Member.
- 18.40 To authorise Environmental Health Officers and other authorised officers to take all enforcement action, powers and provision as appropriate, under the Housing Act 2004, and any subsequent secondary legislation, in accordance with the Council's enforcement policies.
- 18.41 To seek confirmation from the appropriate national authority of a designation for an Additional Licensing Scheme under section 56 of the Housing Act 2004, following consultation with those persons likely to be affected by any such scheme.
- 18.42 To seek confirmation from the appropriate national authority of a designation for a Selective Licensing Scheme under section 80 of the Housing Act.
- 18.43 To affix statutory notices to and to arrange for the removal of, vehicles deemed to be abandoned on public land.
- 18.44 To undertake any necessary investigative work for the purposes of enforcement including issue a fixed penalty notices or any other notice on any person or person found littering, flyposting, or committing graffiti.
- 18.45 To serve street litter control notices.
- 18.46 To undertake all functions, powers and duties including authorising legal action in respect of Blue Badge & Parking Permit fraud.
- 18.47 To enter into agreements with external bodies for the purposes of maintaining graves, memorials and crematoria.
- 18.48 To inspect burial grounds for the purposes of ensuring that the rules and regulations imposed by the burial authority are adhered to.
- 18.49 To remove unauthorised memorials situated within the burial authority's land, including cemeteries and crematoria.
- 18.50 To keep a register of all burials and cremations.
- 18.51 To authorise the disposal of cremated remains.
- 18.52 To approve the grant, renewal, refusal and revocation of licences to approved premises under the Marriage Act 1994 as the Proper Officer for Registration.
- 18.53 To authorise officers to exercise powers of entry and other statutory powers including, but not limited to, search and seizure conferred by the legislation set out in 14.4 referred to below and elsewhere in the Scheme relating to Environmental Health

HEAD OF CONSUMER PROTECTION & ENVIRONMENTAL SERVICES

Officers, Environmental Health practitioners, Trading Standards Officers, Fair Trading Officers and other Enforcement Officers. This is deemed to include all secondary legislation and any other superseding enactments relating to the acts below that may from time to time come into force.

- 18.54 To undertake any duties in respect of new work in the areas of strategy, community safety and equalities.
- 18.55 To authorise legal proceedings or other action to be taken to recover possession of any property or land which is being occupied by travellers, squatters or other unlawful occupants.
- 18.56 To appoint officers for the implementation of the Council's functions under all legislation, including the power to appoint a Chief Inspector of Weights and Measures under the Weights and Measures Act 1985, Environmental Health Officers and other Environmental Health practitioners (including Environmental Health Technicians and Scientific Officers), Trading Standards Officers, Fair Trading Officers and other Enforcement Officers.
- 18.57 To execute works by agreement, at the expense of the owner or occupier, in respect of any notice served.
- 18.58 To authorise and institute any legal proceedings, the issue of simple cautions and, where authorised by the Finance and: Legal & Business Operation, to prosecute or defend any such proceedings, in relation to any powers listed or implied under the delegations to the Executive Director: Communities, Culture & Homes, Environmental Health Practitioners, the Chief Inspector of Weights & Measures, Trading Standards Officers and Fair Trading Officers.
- 18.59 To authorise and issue any Fixed Penalty Notices, relating to any function or responsibility under the Executive Director's management or control.
- 18.60 In addition to the statutory offences referred to in this scheme, to investigate, institute and authorise legal proceedings and where authorised by the Service Director: Legal & Business Operations, to prosecute in respect of any statutory conspiracy offences and common law offences to include conspiracy and conspiracy to defraud; and authorisations to officers contained within this scheme shall include powers to investigate any statutory conspiracy offences and common law offences such as conspiracy and conspiracy to defraud.
- 18.61 In respect of all statutory and common law offences referred to within this scheme, where authorised by the Service Director: Legal & Business Operations, and where deemed appropriate and reasonable to institute, or authorise legal proceedings and to prosecute where the cause of action arises or the place of offence is outside of Southampton City Council boundaries where such action deliver a benefit to the residents of the City of Southampton.
- 18.62 To grant, but not refuse, consent for performances of hypnotism under the Hypnotism Act 1952.
- 18.63 To approve local certification of films that are capable of classification without difficulty and which are not likely to cause public concern, following consultation with the Chair of the Licensing Committee.

HEAD OF CONSUMER PROTECTION & ENVIRONMENTAL SERVICES

- 18.64 Subject to any requirement to place any matter before a duly convened Licensing Committee, to undertake the following functions under the Licensing Act 2003:
- a. where no objection or adverse representation is made to an application, to determine the following applications:
 - i. for a personal licence;
 - ii. for a premises licence or a club premises certificate;
 - iii. for a provisional statement;
 - iv. to vary a premises certificate or club premises certificate;
 - v. to vary a designated premises supervisor;
 - vi. to transfer a premises licence;
 - vii. for an interim authority;
 - viii. to serve counter notices in respect of temporary event notices ;
 - ix. for removal of the mandatory designated supervisor condition for community premises.
 - b. in all cases, to determine the following matters:
 - i. a request to be removed as a designated premises supervisor;
 - ii. to decide whether a representation is irrelevant, frivolous, vexatious, etc;
 - iii. to keep a register under Section 8 of the Act;
 - iv. to enter premises as an authorised officer of the Council pursuant to Sections 96, 108 and 179 of the Act;
 - v. to agree to dispense with a hearing pursuant to Regulation 9 Licensing Act 2003 (Hearings) Regulations 2005;
 - vi. consultation of other responsible authorities on minor variation applications;
 - vii. applications for minor variations of premises licences and club premises certifications;
 - viii. to suspend premises licences or club premises certificates where the annual fee or late night levy has not been paid;
 - ix. to withdraw club premises certificates where a club does not satisfy the conditions for being a qualifying club in relation to a qualifying club activity.
- 18.65 To enter premises for the purposes of consulting and advising on the licensing objectives and compliance with the Licensing Act 2003.
- 18.66 To serve a closure notice under section 19 of the Criminal Justice and Police Act 2001 where premises are being, or within the last 24 hours have been, used for the unauthorised sale of alcohol for consumption on, or in the vicinity of, the premises.
- 18.67 To issue a closure notice under sections 76 to 91 (Chapter 3) of the Anti-Social Behaviour, Crime and Policing Act 2014, if satisfied that there are reasonable grounds:
- (a) that the use of particular premises has resulted, or (if the notice is not issued) is likely soon to result, in nuisance to members of the public, or.

HEAD OF CONSUMER PROTECTION & ENVIRONMENTAL SERVICES

(b) that there has been, or (if the notice is not issued) is likely soon to be, disorder near those premises associated with the use of those premises.

and that the notice is necessary to prevent the nuisance or disorder from continuing, recurring or occurring.

- 18.68 To ensure that any appropriate body or individual has been consulted before issuing a notice under 14.80.
- 18.69 To vary and cancel a closure notice under 14.80.
- 18.70 To serve a closure notice, an extension notice, a cancellation notice and variation notice, and to enter any premises for the purposes of complying with section 79(2)(a) Anti-Social Behaviour, Crime and Policing Act 2014.
- 18.71 Where appropriate, to apply to the Magistrates' Court for a closure order.
- 18.72 To carry out appropriate consultation and to recommend to Council on the making, extension, variation and discharge of Public Spaces Protection Orders under sections 59 to 75 (Chapter 2) of the Anti-Social Behaviour, Crime and Policing Act 2014.
- 18.73 To inspect licensed sex establishments.
- 18.74 To renew sex establishment licences where no objection is made.
- 18.75 To grant by way of renewal, but not refuse, street trading consents for Above Bar Pedestrian Precinct.
- 18.76 To grant, but not refuse, applications for street collection permits and house-to-house collection licences under the Police, Factories, etc, (Miscellaneous Provisions) Act 1916 and the House to House Collections Act 1939.
- 18.77 To determine applications for hackney carriage licences, in accordance with Council policy and to suspend and revoke such licences.
- 18.78 To determine applications for private hire vehicle licences, in accordance with Council policy and to suspend and revoke such licences.
- 18.79 To determine applications for hackney carriage drivers' licences, in accordance with Council policy and to suspend and revoke such licences.
- 18.80 To determine applications for private hire drivers' licences, in accordance with Council policy and to suspend and revoke such licences.
- 18.81 To determine applications for private hire operators' licences, in accordance with Council policy and to suspend and revoke such licences.
- 18.82 To make or vary a hackney carriage table of fares and to determine objections to any proposal to make or vary a table of fares.
- 18.83 Subject to any requirement to place any matter before a duly convened Licensing Committee to undertake the following functions under the Gambling Act 2005:
- i. to determine applications for premises licences where no relevant representations are received.
 - ii. to determine applications to vary premises licences in respect of which no representations have been received.
 - iii. to determine whether a representation is vexatious, frivolous or would not influence the authority's determination of the application.

HEAD OF CONSUMER PROTECTION & ENVIRONMENTAL SERVICES

- iv. to determine applications for transfer of premises licences where no representations are received.
- v. to revoke premises licences for failure to pay the annual fee.
- vi. to determine that a premises licence has lapsed.
- vii. to reinstate a lapsed premises licence where no representations are received.
- viii. to reject an application for review of a premises licence on various grounds.
- ix. to initiate a review of a premises licence.
- x. to determine that representations about a review of a premises licence is frivolous, vexatious or will certainly not influence a review of a premises licence.
- xi. to determine action following a review of a premises licence where no hearing is held and all parties agree in advance to the relevant action.
- xii. to determine applications for a provisional statement in respect of which no representations are received.
- xiii. to disregard representations made in respect of applications for premises licences after issue of a provisional statement.
- xiv. to issue a counter notice to a temporary use notice where the number of permitted days are exceeded.
- xv. to object to a temporary use notice.
- xvi. to institute criminal proceedings in respect of an offence under the provisions of the Act.
- xvii. to determine applications for family entertainment centres.
- xviii. to notify the lapse of family entertainment centre gaming permit.
- xix. to register non-commercial societies for small lotteries.
- xx. to refuse applications for registration for small society lotteries.
- xxi. to revoke registrations of societies for small society lotteries.
- xxii. to cancel registrations of societies for small society lotteries in the event of non-payment of the annual fee.
- xxiii. to determine applications for variation of club gaming permits and club registration permits and cancellation of permits where no representations are received.
- xxiv. to cancel club gaming permits and club registration permits for failure to pay the annual fee.
- xxv. to determine applications for grant, variation or transfer of licensed premises gaming machine permits.
- xxvi. to cancel licensed premises gaming machine permits and vary the number or category of machines where no representations are received.
- xxvii. to cancel licensed premises gaming machine permits for failure to pay the annual fee.
- xxviii. to determine applications for prize gaming permits and applications for renewal of prize gaming permits.

HEAD OF CONSUMER PROTECTION & ENVIRONMENTAL SERVICES

- xxix. to determine that a prize gaming permit has lapsed.
- 18.84 Under the Police & Social Responsibility Act 2001 (PSR Act), to determine whether the holders of any relevant late night authorisations fall within any permitted exemption or reduction categories and in particular whether the holders of any relevant late night authorisations who are members of any approved business-led best practice scheme fall within the permitted reduction category.
- 18.85 To determine the aggregate amount of expenses of the Council that are permitted deductions under section 130(1)(b) of the PSR Act 2011.
- 18.86 To publish annual notices under section 130(5) of the PSR Act 2011 relating to anticipated expenses and the net amount of the levy payments.
- 18.87 To make adjustments to payments in accordance with paragraph 7 of the Late Night Levy (Application and Administration) Regulations 2012.
- 18.88 To determine from time to time when and for what purposes the Council will apply the non-specified proportion of the net amount of the levy payments.
- 18.89 To obtain additional software licences for any library IT when the user base expands.
- 18.90 To set levels of royalty payment and agree licences to print.
- 18.91 To sign agreements for copying from books and journals.
- 18.92 Subject to obtaining the necessary licences for the library service only, to take multiple abstracts from national newspapers.
- 18.93 To accept publicity for display from outside bodies, subject to any legal requirements and policies adopted by the Council.
- 18.94 To take whatever action is necessary in respect of library fines, and costs / charges for lost books, photocopying, loans, etc, including waiving or reducing.
- 18.95 To deal with applications for the use of car parks on their individual merits, normally to be granted only to charities and non-profit organisations, following consultation with the Service Director: Legal & Business Operations.
- 18.96 To grant permission for use of Council car parks for display purposes.
- 18.97 To advertise proposed disabled persons' parking bays in accordance with Council policy.
- 18.98 In accordance with orders made under the Road Traffic Regulation Act 1984 and subsequent legislation and Council policy to take actions to manage the residents parking schemes, and in relation to parking control the waiving of the penalty, standard or excess charge: the acceptance of an alternative amount in lieu of the penalty, standard or excess charge: the service of notices to ascertain the identity of the driver of a vehicle, the initiation of prosecutions and the issue of permits, dispensations and waivers.
- 18.99 In accordance with orders made under the Road Traffic Regulation Act 1984 and subsequent legislation and Council policy to take actions necessary to manage the pay and display and pay on foot systems of parking control in car parks and lorry parks; issue of penalty, standard and excess charges notices and notices of offence; the sale

HEAD OF CONSUMER PROTECTION & ENVIRONMENTAL SERVICES

of prepaid parking tickets; the collection of parking charges; the initiation of prosecutions; and the issue of permits, dispensations and waivers.

18.100 To register unpaid penalty charges (Charge Certificates) at the Traffic Enforcement Centre (County Court Bulk Centre) and to seek warrants of execution to complete the recovery process.

18.101 To present the Council's evidence to the National Parking Adjudication Service.

18.102 To approve the issue of civil penalty notices in Cemetery Road and to respond to appeals (challenges) against the issue of any notice.

19. HEAD OF STRONGER COMMUNITIES, NEIGHBOURHOODS & HOUSING

- 19.1 To serve Notices of Seeking Possession and/or Notices to Quit where appropriate and to take necessary action upon the expiry of such Notices.
- 19.2 To institute proceedings for the recovery of possession of property and/or land occupied by squatters.
- 19.3 To serve notices and to institute forfeiture proceedings to residential leaseholders in appropriate cases.
- 19.4 To evict, where lawful, necessary and expedient.
- 19.5 To authorise a one-off reduction in rent by up to a maximum of £500 where some or all of the dwelling is unusable due to major works or loss of services.
- 19.6 To authorise the sale of Council houses and flats in accordance with the Right to Buy legislation and the shared ownership scheme for all mortgagees, their management and subsequent repayment.
- 19.7 To authorise variations in shop leases, rents and terms of tenure where this is consistent with effective management of estates, contributes to social enterprise or tackling worklessness, or provides services which support the local community.
- 19.8 To authorise the repossession, under the County Court Rules 1981 of properties sold under the Right to Buy Legislation and the shared ownership scheme following default on Mortgage Payments rent and/or leasehold maintenance and major works costs.
- 19.9 To approve home loss, disturbance and ex-gratia payments for removal expenses for displaced tenants on modernisation or major works of Council dwellings.
- 19.10 To determine transfer by applications by tenants on management grounds.
- 19.11 To authorise attendance and representation of the Council at Leasehold Valuation Tribunal (LVT) for the purposes of presenting information as required and to agree decisions or proposals made through the LVT process in accordance with the Council's legal responsibilities in the discharging of the Council's housing functions.
- 19.12 To discharge the Council's functions as a local housing authority in respect of the day to day routine management, maintenance, improvement and repair of properties or land held under the powers of the Housing Act 1985 or any re-enactment thereof including those properties sold under the Right to Buy Scheme and any other properties managed but not funded from the Housing Revenue Account in accordance with agreed policies and the Council's relevant Procedure Rules.
- 19.13 To grant tenancies to people left in occupation, and joint tenancies in accordance with Annex C of the Code of Guidance on Parts VI and VII of the Housing Act 1996.
- 19.14 To take any decisions or actions necessary in relation to community safety and anti-social behaviour, including the submission of funding bids, approving projects related to community safety and anti-social behaviour, authorising enforcement action, approving specific projects to meet targets in corporate plans and any projects relating to community cohesion, tackling social exclusion and discrimination.
- 19.15 To determine applications made under the Leasehold Reform, Housing and Urban Development Act 1993.

HEAD OF STRONGER COMMUNITIES, NEIGHBOURHOODS & HOUSING

- 19.16 To institute proceedings under the Protection from Eviction Act 1977.
- 19.17 To institute proceedings under Section 1 Accommodation Agencies Act 1953.
- 19.18 Determine and alter as necessary a scale of reasonable charges in respect of enforcement action under s49 of the Housing Act; and
- 19.19 Determine and alter as necessary an administrative fee for works carried in default of notices.
- 19.20 To allocate acquired properties, hostel accommodation and property allocated for short life. In addition, in exceptional circumstances, to approve the permanent rehousing of applicants, both to be exercised outside the Council's Points Scheme.
- 19.21 To discharge the Council's functions and duties under Part III Housing Act 1985 and Part VII of the Housing Act 1996 (homelessness) and to make all administrative decisions in this regard.
- 19.22 To let empty acquired properties to housing co-operatives or Housing Associations for housing use and to obtain any necessary consent.
- 19.23 To grant secure tenancies to tenants where a return to their previous address is either not feasible or where to do so would be in the interests of the best management of the stock.
- 19.24 To take all decisions and exercise all discretionary power in relation to properties which have proved hard to let.
- 19.25 To operate the Special Needs quota exceptional allocations policy as approved. This policy to include PDO referrals in accordance with the Potentially Dangerous Offenders protocol and MAPPAs in accordance with the Multi-Agency Public Protection Agreement.
- 19.26 To determine the appropriate number of temporary units of accommodation to be used for this purpose at any one time, including the approval to use SCC "normal" stock as temporary accommodation for the discharge of duties under the Homelessness Act 2002.
- 19.27 To review and amend the current Allocations Policy.
- 19.28 To grant exceptions to the Allocations policy.
- 19.29 To grant tenancies to applicants in accordance with the Allocations Policy and to grant temporary service tenancies.
- 19.30 To amend the allocations criteria for supported housing, following consultation with the relevant Cabinet Member and tenants.
- 19.31 To allocate the Government Homelessness Directorate grant received, following consultation with the Homelessness Steering Group, relevant Cabinet Member and Executive Director: Finance & Commercialisation.
- 19.32 To determine applications under Section 3(5) Housing Defects Act 1984.
- 19.33 To authorise payments under the Tenants Right to Compensation or Improvements and the Right to Repair.

HEAD OF STRONGER COMMUNITIES, NEIGHBOURHOODS & HOUSING

- 19.34 To determine when the Landlord Controlled Heating should be switched on and off, after consultation with the relevant Cabinet Member to determine and revise the level of charges for Landlord Controlled Heating in future years.
- 19.35 To make financial amendments to the Housing Revenue Account Business Plan and refresh every two years, following consultation with Executive Director: Communities, Culture & Homes and the relevant Cabinet Member.
- 19.36 To make an ex-gratia payment to 'under occupying' tenants who move to smaller properties in accordance with housing policy.
- 19.37 To make decisions on the application of the Disabled Adaptations in Council Housing Policy in individual cases and to make amendments to the policy as required.
- 19.38 To undertake the discharge of any of the Council's functions relating to the welfare of civilians under the Civil Defence Acts 1937 to 1948 and under Section 138 of the Local Government Act 1972 as amended by Civil Contingency Act 2004.
- 19.39 Following consultation with the relevant Cabinet Member and appropriate stakeholders to review and amend service policies and strategies.
- 19.40 To grant a service concession to procure services that meet the Council's service plans, following consultation with the Executive Director: Finance & Commercialisation or Service Director: Legal & Business Operations and the relevant Cabinet Member.
- 19.41 To authorise and implement changes to the Decommissioning of Housing Stock Policy as required, following consultation with the Cabinet Member responsible and Executive Director: Finance & Commercialisation.
- 19.42 In relation to the Housing General Fund Capital Programme, Home Improvement Loans and the Disabled Facilities Grant Scheme Approval and following consultation with the relevant Cabinet Member and Executive Director: Finance & Commercialisation, to approve capital expenditure under Financial Procedure Rules in accordance with the sums included in the approved capital programme subject to the capital resources being available.
- 19.43 To act in all matters associated with the delivery of neighbourhood renewal, inclusion, community safety and community involvement and other programmes, partnerships or arrangements managed by external partnership bodies where the Council is the accountable body or is responsible for or is a partner in the programme, partnership or arrangement, and in particular to do so following consultation with the board or other body responsible for the management of the programme, partnership or arrangement, and to seek and replace members of such bodies.
- (Action should only follow appropriate consultation at the outset. Where land use and planning processes are involved this must be with the Executive Director: Finance & Commercialisation, Service Director: Legal & Business Operations and the Executive Director: Place. Where there is existing or intended Council ownership this must include the Service Lead: Capital Assets).
- 19.44 To formally sign off regeneration Delivery Plans and Funding Agreements with the appropriate Funding Agencies for all externally funded projects and programmes

HEAD OF STRONGER COMMUNITIES, NEIGHBOURHOODS & HOUSING

relating to equalities, cohesion, community safety and community involvement following consultation with the Executive Director: Finance & Commercialisation.

- 19.45 To make amendments to the Partnership Terms of Reference and membership for Southampton Connect, the Safe City Partnership and the Prevent Working Group, in consultation with the relevant Partnership Chair, lead Cabinet Member and Service Director: Legal & Business Operations.
- 19.46 To liaise with the Police on matters regarding the Prevent duty and related matters.

20. HEAD OF CULTURE & TOURISM

- 20.1 To approve the provision of new leisure and culture facilities identified and provided for in the medium term financial plan plans subject to the proposals not requiring the appropriation or disposal of an interest in an Open Space within the meaning of Section 229 or 232 of the Town and Country Planning Act 1990.
- 20.2 To approve the implementation of discount prices where considered appropriate to meet market conditions, to improve operational efficiency, to achieve financial benefits or to encourage participation by the Authority's target groups.
- 20.3 To negotiate fees for hiring of indoor and outdoor entertainment.
- 20.4 To subsidise the cost of facilities for any event held at any of the City Council's leisure, libraries and cultural facilities in accordance with the Council's approved terms and conditions.
- 20.5 To undertake negotiations on behalf of the Council in respect of proposed special events in the City.
- 20.6 To grant permission for the use of Speakers' Corner at Hoglands Park, and where appropriate, to make proper charge.
- 20.7 To grant permission for events, entertainments, markets and promotional activities on public lands (including the Guildhall Square open space, Cultural Quarter and Above Bar Precinct) and, where applicable, to make appropriate charges.
- 20.8 In association with the Chipperfield Advisory Committee, to select and acquire works of art for the collection under the Chipperfield Bequest, up to the value of £125,000, subject to the necessary finance being available.
- 20.9 To select and acquire works of art for the collection under the Smith Bequest.
- 20.10 To grant permission for loans from and to the collections and to permit the reproduction of work from the collection.
- 20.11 To select works and subjects and to arrange for their reproduction for art gallery and museum purposes, subject to proper charges being made where appropriate.
- 20.12 To enter into standard agreements for the carrying out of archaeological works
- 20.13 To allocate the annual interest on the sports fund to support outstanding individual sportsmen and sportswomen resident in the City.
- 20.14 To negotiate on and accept prices for events, including trade fees and admission charges, subject to the proviso that these conform to any relevant Council policy.
- 20.15 To revise the Implementation Plan for the Arts and Heritage Acquisition and Disposal Policies for Museum Accreditation, following consultation with the relevant Cabinet Member.
- 20.16 To use the David and Liza Brown Bequest Fund for the purchase of works of art for the Art Gallery's permanent collection in the future.
- 20.17 To grant permission for filming requests on Council land or premises, following consultation with the Service Director: Legal & Business Operations and to make a charge, where applicable.

HEAD OF CULTURE & TOURISM

- 20.18 To act as City liaison to promote filming at privately owned locations and to charge and retain a location finder's administrative charge, where applicable.
- 20.19 To provide appropriate support to the Southampton 2025 and similar bodies following consultation with the relevant Cabinet Member.
- 20.20 Ability to make operational decisions on opening / closing museum, archive and library venues due to range of factor e.g. pandemic, health and safety, staffing shortages / illness.
- 20.21 Exercise the functions of the Council including all powers and duties of the Council in terms of the following legislation and any subsequent or similar legislation or replacing or expanding legislation:
- Cultural Property (Armed Conflict) Act 2017
 - Dealing in Cultural Objects 2003
 - Museums and Libraries Act 1964
 - Public Records Act 1958 (places of deposit)
 - Scheduled Ancient Monuments Act 1979
 - Treasures Act 1996;

CITY OF CULTURE BID DIRECTOR

21. CITY OF CULTURE BID DIRECTOR

- 21.1 Secure substantial fundraising/ sponsorship for City of Culture.
- 21.2 Making the final decision on the Bidding team to present / meet the City of Culture Judging Panel.
- 21.3 Making final decisions on the City of Culture programme to support City of Culture.

22. EXECUTIVE DIRECTOR BUSINESS SERVICES (DEPUTY CHIEF EXECUTIVE)

- 22.1 To make amendments to the Council's equality policies in order to address evolving legal and performance requirements.
- 22.2 To lead on all policies relating to equalities, social cohesion and community engagement.
- 22.3 To commission, monitor and approve all reports for submission to any decision-making body of the Executive, the Council, Committees, Panels and Sub-Committees and to ensure their compliance with all the Procedures and other rules contained within the Constitution and with Corporate Standards and legal and financial requirements, following consultation with Executive Directors, and the Executive Director: Finance & Commercialisation.
 - a. defining the overall standards to be adhered to for that particular service area; and
 - b. commissioning advice on changes to policy.
 - c. To approve changes to Level 1 and Level 2 strategies and plans following consultation with the Leader and relevant Cabinet Member.
- 22.4 To undertake reviews of decisions of Assets of Community Value (ACVs).
- 22.5 To undertake all functions delegated to any Executive Director or Service Lead under the Deputy Chief Executive's management or control.
- 22.6 To approve the disposal of assets belonging to deceased residents to persons entitled to them after payment of proper claims on account of funeral expenses or sums due to the Council.
- 22.7 To authorise the removal of parts of the body of deceased residents in accordance with the wish expressed by the resident during lifetime (where the Council is lawfully in possession of the body).
- 22.8 To take any consequent decision regarding the development and implementation of a specific spending plan for the Common Assessment Framework project after consultation with the relevant Cabinet Member and the Executive Director: Finance & Commercialisation.
- 22.9 To appoint members to the Joint Venture PSP Board (following consultation with the Cabinet Member for Finance and Customer Experience).

23. SERVICE DIRECTOR; LEGAL & BUSINESS OPERATIONS

The Service Director: Legal & Business Operations is the Monitoring Officer for the purposes of Section 5 Local Government and Housing Act 1989 and is the Officer appointed to monitor the Council's legal affairs.

- 23.1 To provide or arrange for the provision of legal advice to the Council, shared services, partner bodies and organisations, etc including obtaining Counsel's opinion and instructing external solicitors as appropriate either on a case by case, or in any other appropriate manner or form.
- 23.2 To be any Proper Officer, required by any legislation.
- 23.3 To undertake, appoint and vary the appointment of any Proper Officer required by any legislation.
- 23.4 To receive and consider a certificate received under Section 47(2) National Assistance Acts 1948 and 1951 to make an application for an order for removal.
- 23.5 To issue a direction to unauthorised campers to leave land and to request an Order from the Magistrates Court if the direction to leave is not complied with, pursuant to Section 77 Criminal Justice and Public Order Act 1994.
- 23.6 To approve designated deputies to carry out the functions of a Proper Officer for the purposes of Section 47 National Assistance 1948 and Section 1 National Assistance (Amendment) Act 1951.
- 23.7 In the absence of any other Officer with delegated powers, Committee or Sub-Committee, to perform the Council's powers and duties in respect of:
- a. Coroner Services;
 - b. Magistrates' Court Committee;
 - c. Probation Service;
 - d. Hampshire Combined Fire Authority.
- 23.8 To grant authorisations for the dissemination of information under Section 142 Local Government Act 1972 and Section 115 Highways Act 1980.
- 23.9 To grant permissions, consents and licences under the Highways Act 1980 for the provision of services for the benefit of the public, eg recreation and refreshments on the highway, construction of bridges, cycle facilities, highway amenities, etc.
- 23.10 To undertake the Council's functions under the Commons Registrations Act 1965 and any subsequent or ancillary legislation, in so far as the power to register common land, town, or village greens is exercisable solely for the purpose of giving effect to (a) an exchange of lands affected by an order under Section 19(3) of, or paragraph 6(4) of Schedule 3 to, the Acquisition of Land Act 1981 (c.67), or (b) an Order under Section 147 of the Inclosure Act, 1845 or Section 16 / 17 of the Commons Act 2006.
- 23.11 To carry out all functions and responsibilities associated with the Local Land Charges Act 1975, any subsequent legislation or regulations and the Council's responsibilities for maintaining and operating the Register of Local Land Charges including, but not limited to, the setting of fees.
- 23.12 To enter into agreements on appropriate terms and conditions on behalf of the City Council, as the lead organisation and responsible recipient of any grant funding received.

SERVICE DIRECTOR: LEGAL & BUSINESS OPERATIONS

- 23.13 To enter into grant agreements for the award of grants derived from Government funded regeneration programmes up to £100,000 in value and to determine when a legal charge is required on property to secure the repayment of any grant awarded.
- 23.14 To act as the Council's Senior Information Risk Officer.
- 23.15 To take all action pursuant to information law including, but not limited to the Data Protection Act, GDPR (or equivalent), Freedom of Information Act 2000, the Regulation of Investigatory Powers Act 2000 and all relevant secondary legislation and guidance (including European Directives).
- 23.16 To make decisions in respect of the use and release of digital images and other data arising from CCTV equipment under the control of the division, including responding to requests from the police, insurers, media and members of the public.
- 23.17 To determine all matters arising from the Local Government & Social Care Ombudsman) in whatever manner is appropriate, including agreeing appropriate remedies to complaints on behalf of the Council.
- 23.18 To determine the eligibility and suitability of applicants and to appoint a pool from which the members of the Independent Education Appeals and Review Panels are to be drawn.
- 23.19 To determine the category of members of the pool (lay or independent members) and to maintain a list of pool members.
- 23.20 To appoint three members of the pool to sit as an Independent Education Appeal or Review Panel and to appoint one of their number to act as chair of the panel when constituted.
- 23.21 To act as Clerk to the Independent Education Appeal and Review Panels and to appoint officers to act as clerks at hearings of the Panels.
- 23.22 To enter into legal agreements pursuant to Section 38 and 278 Highways Act 1980, where a decision has been taken to grant planning consent or resolved to grant planning consent subject to the completion of the appropriate highway agreements.
- 23.23 All functions, powers and duties under the Wildlife and Countryside Act 1981 as amended by the Countryside and Rights of Way Act 2000 and other legislation and guidance in relation to Rights of Ways and associated functions.
- 23.24 All functions, powers and duties under the Wildlife and Countryside Act 1981 as amended by the Countryside and Rights of Way Act 2000 and other legislation, including but not limited to duty to keep a definitive map and statement under review.
- 23.25 To take action, where necessary, under section 149 of the Highways Act 1980 to undertake prosecutions to remove obstructions from footpaths and pavements.
- 23.26 Power to issue notices under Part VII of the Town and Country Planning Act 1990.
- 23.27 Power to institute criminal or civil proceedings for non-compliance with notices issued under Part VII of the Town and Country Planning Act 1990.
- 23.28 To enter into any necessary planning obligations on behalf of the Council prior to the grant of planning permission.
- 23.29 Power to agree and recommend the terms of variation or enter into any Deed of Variation for a planning obligation where the overall effect of the planning obligation is still achieved.

SERVICE DIRECTOR: LEGAL & BUSINESS OPERATIONS

- 23.30 To obtain information about people interested in land under Section 16 of the Local Government (Miscellaneous Provisions) Act 1976.
- 23.31 To take any action (including, but not limited to, issuing, withdrawing, waiving, enforcing and cost recovery) after consultation with the Executive Director: Communities, Culture & Homes pursuant to the Anti-Social Behaviour Act 2003 (High Hedges).
- 23.32 To make any order, notice or decision, grant any license, make any charge or take any enforcement action considered necessary or expedient pursuant to Clean Neighbourhood and Environment Act 2005 and all associated secondary legislation.
- 23.33 To prepare, approve, conclude, sign or seal all legal documentation for the Council.
- 23.34 (i) To investigate, institute or authorise legal proceedings and to prosecute and defend any proceedings (statutory or common law or howsoever arising) brought by or against the Council or take any other action necessary to protect the legal position of the City Council.
- (ii) In respect of all statutory and common law offences referred to within this scheme, where deemed appropriate and reasonable to institute, or authorise legal proceedings and prosecutions where the cause of action arises or the place of offence is outside of Southampton City Council boundaries where such action deliver a benefit to the residents of the City of Southampton.
- 23.35 To appear and to authorise officers including those not within the managerial control of the Service Director: Legal & Business Operations to:
- (i) issue statutory notices or documents under any legislation, and
- (ii) appear on behalf of the City Council in proceedings in the County Court, pursuant to Section 60 County Courts Act 1984, as amended by s125 (7) of County and Legal Services Act 1990, and in the Magistrates' Court pursuant to Section 223 Local Government Act 1972 or other courts or tribunals at his/her discretion.
- 23.36 To recover all debts with the exception of outstanding general rates, community charges, national non domestic rates, Council tax, mortgages and rent arrears.
- 23.37 To settle any claim whether proceedings have been initiated or not, up to £250,000 following consultation with the Executive Director: Finance & Commercialisation. This excludes insurance claims and matters dealt with by partners such as Balfour Beatty LLP.
- ~~23.38 To determine the procurement route for any procurement governed by the EU procurement regime or any other legislation and make all subsequent decisions in relation to such procurement whether governed by the EU Public Procurement regime or not.~~
- ~~23.39~~23.38 To amend the Constitution pursuant to any decision of the Council or where any change in the law requires a consequential change in the body of the Constitution.
- ~~23.40~~23.39 To take any action necessary or appropriate in relation to Corporate Governance, Standards, the Ethical Framework or any other related issue to Members, ethics, qualification and disqualification, and in this context, subject to any decisions of the Governance Committee, to take any consequential action arising from a breach of the Code of Conduct for Members / Employees, and any other related provisions or issues.

SERVICE DIRECTOR: LEGAL & BUSINESS OPERATIONS

~~23.41~~23.40 To determine all matters delegated to in his/her capacity as Proper Officer under the Council's Constitution, which may be amended from time to time, including delegations under the following rules:

- Council Procedure Rules
- Executive Procedure Rules
- Overview and Scrutiny Procedure Rules
- Budget and Policy Framework Rules
- Access to Information Rules

~~23.42~~23.41 To fill vacant Executive appointments following consultation with the Leader.

~~23.43~~23.42 To determine Council, Committee and Executive decision-making administrative procedures and the timetable for meetings in so far as they relate to the notice of key decisions, Forward Plan, despatch of agendas and compliance with the Local Government Acts 1972 and 2000 (and regulations made thereunder) and compliance with the Council's Rules of Procedure.

~~23.44~~23.43 Following consultation with the Executive Director: Finance & Commercialisation, to grant specific indemnities to supplement the Standard Indemnity (as amended) where considered that the form of the Standard Indemnity (as amended) provides insufficient protection for the needs of the Council, Members and/or officers in question.

~~23.45~~23.44 To undertake all functions and responsibilities not the responsibility of other officers associated with the Access to Information provisions contained within the Local Government Acts 1972 and 2000 (and regulations made thereunder).

~~23.46~~23.45 Following consultation with Group Secretaries, to fill vacancies on all appointments to outside bodies and organisations that arise subject to changes being reported to the next Council meeting.

~~23.47~~23.46 To appoint members nominated by external organisations to any bodies set up under statutory requirements, partnership or other arrangements, excluding members of the Council.

~~23.48~~23.47 To sign on behalf of the Council, Members' Declaration of Interest forms and to maintain any statutory or voluntary registers of Members' interests.

~~23.49~~23.48 To take any action necessary or appropriate in relation to the operation of the Mayor's Office, in relation to the activities or functions organised on behalf of or involving the Mayor and/or Sheriff.

~~23.50~~23.49 To make arrangements for the appointment, operation and remuneration of an Independent Remuneration Panel to recommend the level of allowances paid to Members.

~~23.51~~23.50 To determine the eligibility of Members and others and authorise payment to those entitled to such allowances.

~~23.52~~23.51 To revise the Members' Allowance Scheme in line with changes to the National Minimum Wage and any other change to the rate identified in the Scheme.

~~23.53~~23.52 To make appointments to the role of Designated Independent Person under the Localism Act 2011.

SERVICE DIRECTOR: LEGAL & BUSINESS OPERATIONS

~~23.54~~23.53 To determine the political balance requirement in respect of the membership of any bodies within the scope of the provisions of the Local Government and Housing Act 1989.

~~23.55~~23.54 To authorise the temporary replacement of Committee and Sub-Committee members in accordance with the published procedure under Council Procedure Rules.

~~23.56~~23.55 To determine the fees and charges for local elections in accordance with the decision of the Hampshire and Isle of Wight Election Fees Working Party.

~~23.57~~23.56 To produce and revise Corporate Standards, Codes of Conduct, Special Procedures and Protocols and any other appropriate documentation, whether associated with the Constitution or not for Officers, Members and third parties as appropriate.

~~23.58~~23.57 To make arrangements for the receipt and opening of all tenders invited in accordance with the provisions of the Council's Contracts Procedure Rules.

~~23.59~~23.58 To approve appointments to the Southern Group Valuation Tribunals.

~~23.60~~23.59 To determine applications made under the Community Right to Bid (CRTB) regulations.

~~23.61~~23.60 To sign or endorse any documents on behalf of the authority where so requested by a citizen, eg authentication details, etc.

~~23.62~~23.61 To issue and certify all forms of authorisation, including identity cards, for all Council officers and employees.

~~23.63~~23.62 To certify as a true and correct record any documents in accordance with Section 229 Local Government Act 1972.

~~23.64~~23.63 To implement the Incident List and Exclusion Policy and to issue and vary a procedure under which the Council shall operate said policy.

23.64 (To the duly appointed Returning Officer / Electoral Registration Officer): As Returning Officer and Electoral Registration Officer, to undertake all functions and responsibilities for local, national, European and any other elections, in accordance with UK and European legislation and regulations, save where otherwise provided including, but not limited to, the registration functions and duties (including varying the location of polling places where required) and the determination of fees and charges for local elections in accordance with the decision of the Hampshire and Isle of Wight Election Fees Working Party

23.65 Approve the model forms of conditions of contract and, in conjunction with the Head of Procurement and Supplier Management:

a) keep a list of all model forms of conditions of contract that gives details of when the conditions were last updated;

a)b) review all current model forms of conditions of contract, on a regular basis including when applicable legislation is introduced.

24. SERVICE DIRECTOR: OD & HR

- 24.1 Following consultation with the relevant Cabinet Member, to negotiate and adopt revised personnel procedures and associated conditions of service where there is no change in policy or strategy.
- 24.2 To make such operational requirements as to comply with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 as referred to in the revised Officer Employment Procedure Rules.
- 24.3 To review the defined levels of post at which action can be taken under HR and Organisational Development procedures, including termination of employment, consistent with changes in the Council's organisational structures.
- 24.4 To approve changes in the designation of posts.
- 24.5 To approve any variations or changes to the approved pay and allowances framework.
- 24.6 To apply, vary or end the payment of a market supplement provided that funding is available within divisional budgets, following consultation with the relevant Cabinet Member.
- 24.7 Following consultation with the relevant Executive Director, to approve the payment of honoraria.
- 24.8 To determine applications for the re-assessment of the grade of posts, whether initiated by management or an employee.
- 24.9 To review and vary the value of long service awards, following consultation with the relevant Cabinet Member.
- 24.10 To review and update the level of allowances paid to employees in accordance with the conditions of service, eg the allowance paid to appointed first aiders, following consultation with the relevant Cabinet Member.
- 24.11 Provided that the cost can be met from within existing budgetary provision and the maximum of the grade is not exceeded, to authorise up to two accelerated increments following examination success or for other reasons.
- 24.12 To authorise the allocation and payment of car allowances.
- 24.13 To authorise any advancement against salary payments.
- 24.14 To approve payments of up to twice the maximum salary of spinal column point 21 in respect of the Personal Injury Scheme, following consultation with the relevant Cabinet Member.
- 24.15 To grant extensions of sick pay for up to two months at either full or half pay dependent on the circumstances.
- 24.16 To vary the amount of trade union facility time approved corporately, subject to the availability of finance, following consultation with the relevant Cabinet Member.
- 24.17 To appoint professional and technical support staff that are deemed to have suitable qualifications, as inspectors under Section 19 Health and Safety at Work etc. Act 1974 and for those officers to exercise all statutory powers relating to enforcement, including but not limited to bringing proceedings.
- 24.18 To authorise suitable specialists under Section 20 (2)(c)(i) of the Health and Safety at Work etc Act 1974.

EXECUTIVE DIRECTOR: OD & HR

- 24.19 To take action under the Council's HR Policies and Procedures, including any work associated with consequential appeals, whether within the Council or otherwise.
- 24.20 To appoint officers for the implementation of the Council's functions as prescribed by Procedure Rules and Recruitment Policy.
- 24.21 To authorise and implement changes in structures or establishments, or to the movement of posts within career grades, where such changes lead to a reduction or no change in employee numbers (full time equivalents) and costs, where no posts are regraded and where all arrangements are in line with the approved pay and allowances framework. Any proposed change or variation to the approved pay and allowances framework may only be authorised by the Chief Executive.
- 24.22 To delete posts from the organisational structure. Any other variations in the organisational structure are subject to approval from the appropriate Executive Director.
- 24.23 To agree an overlap period for the appointment of employees provided the necessary finance is available within service budgets.
- 24.24 To authorise the appointment of temporary employees provided that the necessary finance is available within service budgets or financed from external sources.
- 24.25 To authorise the employment or extension of employment of employees beyond 65 years of age in accordance with the conditions of service.
- 24.26 To approve and authorise overtime in accordance with the scheme of allowances, subject to the necessary finance being available.
- 24.27 To authorise attendance of employees on courses of study for an initial or second qualification, together with the granting of financial assistance towards approved expenses, in line with Council.
- 24.28 Subject to budgetary provision, to approve the attendance of employees at conferences, courses and seminars.
- 24.29 To approve payment of subscriptions for membership of professional associations (only one per employee) when the job description specifies that such membership is obligatory.
- 24.30 To authorise subsistence payments in accordance with the Council's approved schemes.
- 24.31 To approve an occasional payment to an employee where a Service has a need for language interpretation where the number of occasions on which the additional skills are required are minimal in accordance with the defined rate of payment, and to approve payment where either there is a substantial use of language interpretation skills or the service requires the language skills to be made available on demand.
- 24.32 To authorise up to 18 days paid leave of absence per annum for employees undertaking public duties and to approve additional paid or unpaid leave up to a maximum of 10 days.
- 24.33 To authorise up to 28 days paid leave of absence per annum for employees undertaking duties as a Member of a relevant Council (Local Government and Housing Act 1989).
- 24.34 To authorise leave of absence without pay for over three months for post entry training or for other reasons.

EXECUTIVE DIRECTOR: OD & HR

- 24.35 To grant compassionate leave of up to six days.
- 24.36 To grant compassionate leave in excess of six days.
- 24.37 To approve other special leave, with or without pay.
- 24.38 To grant extensions of sick pay in excess of two months at either full or half pay dependent on the circumstances.
- 24.39 To decide each new request for paid time off work for trade union activities or for training or for time off work without pay for trade union duties.
- 24.40 To undertake and discharge the roles of Proper Officer in respect of the appointment or dismissal of statutory and non-statutory Chief Officers and Deputy Chief Officers, Executive Directors and Service Leads.
- 24.41 To lead on all aspects of organisation design of the Council to ensure it remains fit for purpose.
- 24.42 In respect of the resolution dated 16th April 2002 of Employment Panel regarding Appointment and Dismissal of Chief Officers and Executive Directors to implement and adopt arrangements in the event of exceptional circumstances and following consultation with the relevant Cabinet Member.
- 24.43 To consider and resolve any redundancy, severance payments and early release of pension benefits after consultation with Executive Director: Finance & Commercialisation and Service Director: Legal & Business Operations (requests from schools will be required to submit a business case).
- 24.44 To approve changes in the number (full time equivalents) or grades on the organisational structure of directorates, where such changes are within overall employee costs, financed from external sources or from ongoing service budgets, and where accommodation is available, following consultation with the relevant Cabinet Member.
- 24.45 To make payments to staff in accordance with the adopted Policy Statement on Discretionary Severance and Payments arrangements where an unreduced pension is payable and where there is no discretionary element, after consultation with the Executive Director: Finance & Commercialisation.
- 24.46 To undertake all functions and responsibilities associated with Emergency Planning.

25. SERVICE DIRECTOR: BUSINESS DEVELOPMENT

- 25.1 To issue releases and comments to the media and public as and when necessary in the context of the relevant legal constraints and Council policy.
- 25.2 To edit and publish internal and external communications.
- 25.3 To approve changes and enhancements to the City Council's website and its technology and standards and similar initiatives.
- 25.4 In cases of urgency, and/or when an appropriate Member or officer is not available, to act as a spokesperson for the Council.
- 25.5 To publish and edit the Council's website (Internet), intranet (Staff Stuff) and any subsequent related media.
- 25.6 To commission the sale of advertising or sponsorship in Council (or Council related) publications or on council property subject to legal, etc constraints and Council policy.
- 25.7 To prepare and implement communication plans where required.
- 25.8 To design and implement such short term incentive and/or promotional / marketing schemes that are considered necessary to meet market conditions, to improve operational efficiency and/or to achieve financial benefits at any leisure venue or within any area of leisure activity.
- 25.9 To ensure that the Council complies with the recommended Code on Local Authority Publicity.
- 25.10 To commission market research and customer insight.
- 25.11 The provision and sharing of data and research initiatives.
- 25.12 To develop and implement a system for collecting and analysing data to understand and communicate Southampton's relative position in the Public Health Outcomes Framework.
- 25.13 To update the Southampton Joint Strategic Needs Assessment to inform future planning and commissioning of services to improve health outcomes and reduce health inequalities as new data and information becomes available in agreement with the Director of Public Health.
- 25.14 To be responsible for the completion and updating of the Policy Framework Plans following consultation with the Service Director: Legal & Business Operations, and implementing the Council's Performance Management Framework.
- 25.15 To make minor and technical amendments to any Level 1 and Level 2 strategies, following consultation with the relevant Cabinet Member and Deputy Chief Executive, provided the amendments only make updates to data or actions based on latest evidence and performance and only following consultation with the Service Director: Legal & Business Operations where such changes require amendment to the Council's Constitution.
- 25.16 To approve dispensation for those not able to adopt Customer Care Corporate Standards, policies or strategy.
- 25.17 To enter into professional Customer Service memberships in the interests of the Authority.
- 25.18 To approve the hosting of national or international events.

EXECUTIVE DIRECTOR: BUSINESS DEVELOPMENT

IT

- 25.19 To initiate tendering processes for IS/IT products and services, subject to consultation with the Service Director: Legal & Business Operations and Executive Director: Finance & Commercialisation.
- 25.20 To vary, renegotiate and amend leases and other IT contract details in agreement with the Service Director: Legal & Business Operations, where these improve service or reduce costs.
- 25.21 To approve changes and exceptions to IS/IT Corporate Standards and Policy.
- 25.22 To enter into professional IT memberships in the interests of the Authority.
- 25.23 To initiate projects to explore new technology opportunities for the Authority, subject to appropriate budgetary provision.
- 25.24 Enter into any arrangements necessary in the event of a disaster recovery situation affecting IT, and to approve exemptions to Contract Procedure Rules for emergency disaster recovery work for IT services and provision in the best interests of the Authority, following consultation with the Service Director: Legal & Business Operations and the appropriate Director and Head of [Procurement and Supplier Management](#).
- 25.25 To produce and vary IT procedures, including IT ordering procedures provided these do not conflict with Financial Procedure Rules or Contract Procedure Rules subject (in respect of ordering / contractual issues) to the agreement of the Executive Director: Finance & Commercialisation and the Head of [Procurement and Supplier Management](#).
- 25.26 To review annually or at any such other periods as may be considered necessary, all IT plans and risks associated with them following consultation with Executive Directors.
- 25.27 To prepare or approve the form and content of all IT plans, proposals, policies, standards, strategy and acquisitions.
- 25.28 To approve the acceptance of IT contracts other than the lowest for contracts up to £150,000 in value subject to the approval of the Executive Director: Finance & Commercialisation.
- 25.29 To approve dispensation for those not able to adopt IS/IT Corporate Standards, policies or strategy.

26. EXECUTIVE DIRECTOR FINANCE & COMMERCIALISATION (S151)

- 26.1 To have authority to take all action as is necessary or expedient to fulfil the statutory obligations under Section 151 Local Government Act 1972.
- 26.2 To vary the limit on the value of houses on which advances under the Housing (Financial Provisions) Act 1958, may be made to employees subject to existing income requirements.
- 26.3 To determine the instalment date in respect of the Statutory Instalment Scheme for the Council Tax.
- 26.4 To make arrangements with the Council's bankers regarding the operation of the Council's bank accounts and the terms on which they are conducted.
- 26.5 To exercise all the powers and duties exercisable by the City Council under the legislation (which for the avoidance of doubt also includes regulations, orders, etc.) concerning:
- | | | |
|---------------------|------------------------------|-----------------|
| Council Tax | National Non-Domestic Rating | Housing Benefit |
| Council Tax Benefit | General Rates | |
- reserving only to the Council those functions specifically precluded from delegation by legislation.
- 26.6 To approve the Council Tax Base for the City.
- 26.7 To approve the National Domestic Rates Return (NNDR1) for submission to the Government.
- 26.8 To take all and any decisions necessary or required to be taken by an officer of the Council in relation to the Council's Treasury Management activities and to authorise all officers within the Finance Division to undertake operational Treasury Management activity consistent with those decisions and the Annual Treasury Management Strategy.
- 26.9 To set the mortgage interest rate for Council mortgages in accordance with the Housing Act 1985.
- 26.10 To introduce and operate a Discretionary Housing Payments Scheme in accordance with the Discretionary Financial Assistance Regulations 2001.
- 26.11 To write off any arrears accrued by tenants where he or she is satisfied that:
- arrears arose because the tenant was given incorrect or insufficient Housing Benefit advice; and
 - the tenant was not warned that this advice was a provisional estimate and any difference would have to be made good.
- 26.12 In relation to water rates and budget warmth debts, to write off any debts which have been accepted and cannot be recovered.
- 26.13 To set the rent to be charged to tenants for each leased dwelling to ensure that the costs of the overall scheme are at least covered by rental income.
- 26.14 After consultation with the Executive Director: Communities, Culture & Homes and the Service Director: Legal & Business Operations, to enter into business agreements for the provision of financial assistance provided by external partners in relation to the

EXECUTIVE DIRECTOR FINANCE (S151)

- Private Sector Housing Strategy or such other strategy or policy dealing with such matters.
- 26.15 To provide or arrange for the provision of financial advice to the Council, including from external sources.
 - 26.16 To negotiate all loans of money to the City Council (including bank overdrafts) within the City Council's overall borrowing powers.
 - 26.17 To act as the Council's Registrar of stocks, bonds, mortgages and other securities, and maintain adequate records of all borrowings of money by the City Council.
 - 26.18 To invest or utilise such surplus monies of the City Council and to realise such investments as considered proper and in the City Council's interest.
 - 26.19 To be responsible to the Council for the purchase, sale, realisation or exchange of investments.
 - 26.20 To enter into any operating leasing agreements that might be required.
 - 26.21 To write off any debts of the Council up to £200,000 and to establish, write-off limits for Council Officers and guidance for debt write-off in the case of hardship or safeguarding individuals.
 - 26.22 To approve any direct debit arrangements for the Council.
 - 26.23 After consultation with the Executive Director: Children & Families, to make an advance of funds to post-16 learning providers.
 - 26.24 To issue a Financial Notice to Improve in accordance with the Apprenticeships, Skills, Children & Learning Act 2009.
 - 26.25 After consultation with the Executive Director: Children & Families, to issue a capital related borrowing consent in relation to post-16 learning providers.
 - 26.26 After consultation with the Executive Director: Children & Families, to issue a solvency related borrowing consent in relation to post-16 learning providers.
 - 26.27 After consultation with the Executive Director: Children & Families, to use intervention powers under the Apprenticeships, Skills, Children and Learning Act 2009.
 - 26.28 To act as the Council's Money Laundering Officer.
 - 26.29 To review annually or at such other periods as is considered necessary all risks and insurances following consultation with appropriate Executive Directors, and make arrangements and agree terms with insurers for those risks considered to be economic to transfer to the Council's insurers.
 - 26.30 To support services areas and EMB in the management of operational and strategic risk;
 - 26.31 To arrange appropriate risk financing measures and provide advice and guidance on the extent of insurance or self-insurance arrangements.
 - 26.32 Where appropriate, to arrange the placement of cover with insurers including the negotiation of premium rates and policy terms.
 - 26.33 To provide and manage a claims handling service to process claims made by directorates and by members of the public.
 - 26.34 Following consultation with the Council Capital Board and the Service Director: Legal & Business Operations, shall be empowered to take all decisions or actions necessary to develop, implement and deliver transformation projects approved by the Council Capital Board in line with Financial Procedure Rules including but not limited to

EXECUTIVE DIRECTOR FINANCE (S151)

incurring expenditure, structural re-organisations, service reorganisations and entering into contracts and partnership arrangements to deliver services as required together with all ancillary matters necessary to give effect to or conducive to the delivery of such projects. All proposals which are estimated to exceed £5 million shall be considered by Cabinet. The Financial Procedure Rules ceiling requiring reference to Council is waived for such proposals.

- 26.35 To monitor and allocate S106, Community Infrastructure Levy monies in consultation with Council Capital Board.
- 26.36 To manage the Council payment terms and cash handling policy.
- 26.37 To accept and approve to spend all future COVID funding following consultation with the Cabinet Member for Resources & Income Generation, the Leader, relevant portfolio holder and relevant Executive Director in whose areas the funding implementation impacts. This must be reported to Cabinet quarterly for transparency. (To be reviewed in February 2021).

HEAD OF FINANCIAL PLANNING & MANAGEMENT (DEPUTY S151)

27. HEAD OF FINANCIAL PLANNING & MANAGEMENT (DEPUTY S151)

27.1 To act as the Council's Section 151 officer in the absence of the Executive Director: Finance & Commercialisation.

No other specific delegations.

28. HEAD OF PROCUREMENT & SUPPLIER MANAGEMENT

- 28.1 To provide advice on the Contract Procedure Rules (CPRs).
- 28.2 To investigate and advise Chief Officers in respect of incidences of non-compliance with the CPRs.
- 28.3 To authorise use of contracts other than “corporate contracts” (defined as contracts procured for universal use across Council services).
- 28.4 To authorise the nomination by the Council of specific sub-contractors.
- 28.5 To maintain and publish the Contracts Register.
- 28.6 To authorise named individuals to be the Council’s nominated professional officers for inclusion in appropriate contracts.
- 28.7 To approve all exemptions to [Contract Procedure Rules CPRs](#) other than those relating to health and care services procured and managed via the Integrated Commissioning Unit.
- 28.8 To approve acceptance of tenders other than the most economically advantageous.
- 28.9 To authorise Executive Directors to participate in contracts arranged by the Central Business Consortium member authorities.
- 28.10 To approve procedures specifying the requirements of [Contract Procedure Rules CPRs](#) and local procedures implementing those requirements.
- 28.11 To approve the appropriate procurement route for any procurement governed by public procurement law or any other legislation and make all subsequent decisions in relation to such procurement whether governed by public procurement law or not;
- 28.12 To approve [OJEU](#) advertisements [under the PCR Procedure set out in the CPRs](#);
- 28.13 To approve a regime for setting up, amending, reviewing and managing supplier lists
- 28.14 To approve payments in advance, only with prior written approval of the Service Director: Legal & Business Operations-
- 28.15 To approve framework agreements (other than those relating to health and care serviced procured and managed via the Integrated Commissioning Unit) (including those available under Crown Commercial Services and other Public Purchasing Organisations) for use within the Council following an assessment of the terms of the framework ensuring that it offers best value and legal compliance.
- 28.16 To manage all procurement procedures and authorise such other person or department as he or she may direct, to do so.
- 28.17 To manage all high-value transactions, and authorise such other person or department as he or she may direct to do so, working with the relevant client departments / directorates.
- 28.18 To authorise any variations to an existing contract (other than those relating to health and care serviced procured and managed via the Integrated Commissioning Unit) and if relevant a consequent change in price, determined in accordance with the contract terms where the annual value of the variation is greater than £25,000 or 15% of the original annual contract value (whichever is the lesser).
- 28.19 To authorise all extensions and variations to a contract awarded under the Public Contracts Regulations 2015, the Concession Contracts Regulations 2016 or the

HEAD OF PROCUREMENT & SUPPLIER MANAGEMENT

Utilities Contracts Regulations 2016 (other than those relating to health and care services procured and managed via the Integrated Commissioning Unit).

- 28.20 To certify that any interest which may affect the award of a contract under Contract Procedure Rules are acceptable or take any necessary action in respect of potential conflicts of interest and instruct that the officer should not participate in the award of the contract by the Council.
- 28.21 To take all and any decisions necessary or required to be taken by the Council under the Council's strategic and key managed contracts, including:-
- a. the Highways Services Partnership (HSP) with Balfour Beatty Living Places Limited
 - b. the Street Lighting PFI with Tay Valley Lighting (Southampton) Limited
 - c. the ROMTV (Citywatch) Contract with Balfour Beatty Living Places Limited
 - d. the leisure management contract with Places for People Limited
 - e. the Guildhall management contract with Live Nation
 - f. the golf course management contract with Mytime Active
 - i the Schools PFI with Pyramid Schools; and
 - k. any other contract designated by the Chief Executive as a strategic contract for the purposes of this delegation.

Except where the decision to be made is a Key Decision in which case the delegation may only be exercised following consultation with the Service Director: Legal & Business Operations and the relevant Cabinet Member.

28.22 In conjunction with the Service Director, Legal and Governance

- a) keep a list of all model forms of conditions of contract that gives details of when the conditions were last updated; and
- b) review all current model forms of conditions of contract, on a regular basis including when applicable legislation is introduced.

29. AUDIT SERVICE & PARTNERSHIP

No specific delegations.

HEAD OF COMMERCIALISATION

30. HEAD OF COMMERCIALISATION

No specific delegations.

This page is intentionally left blank