

Public Document Pack



TRAFFORD COUNCIL

Tuesday, 7 July 2015

Trafford Town Hall
Talbot Road
Stretford
M32 0TH

Dear Councillor,

Your attendance is requested at a meeting of the Council of the Borough of Trafford on **WEDNESDAY, 15 JULY 2015, at 7.00 P.M.** in the **COUNCIL CHAMBER, TRAFFORD TOWN HALL, TALBOT ROAD, STRETFORD**, for the transaction of the business set out below:

- | | Pages |
|--|--------------|
| 1. Minutes | |
| To approve as a correct record the Minutes of the Annual Meeting of the Council held on 28 May 2015 for signature by the Mayor as Chairman. | 1 - 12 |
| 2. Announcements | |
| To receive any announcements from the Mayor, Leader of the Council, Members of the Executive, Chairmen of Scrutiny Committees and the Head of Paid Service. | |
| 3. Questions By Members | |
| This is an opportunity for Members of Council to ask the Mayor, Members of the Executive or the Chairman of any Committee or Sub-Committee a question on notice under Procedure Rule 10.2. | |
| 4. Review and Consideration of Harmonised Contract Procedure Rules for Stockport, Trafford and Rochdale | |
| To consider a report of the Executive Member for Finance and the Director of Legal and Democratic Services. | 13 - 46 |

Note: Since the report is recommending changes to the Council's Constitution, in accordance with procedure rules, the report has been considered by Scrutiny Committee: 17 June 2015; Standards Committee: 24 June 2015; and the Executive: 29 June 2015 before recommendation to the Council.

5. **The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015**
- To consider a report of the Acting Director of Human Resources. 47 - 50
6. **Treasury Management Annual Performance 2014/15 Report**
- To consider a joint report of the Executive Member for Finance and the Director of Finance, which has been recommended to the Council by the Executive on 29 June 2015 and the Accounts and Audit Committee on 30 June 2015. 51 - 64
7. **Treasury Management Strategy: The Local Authority Property Investment Fund**
- To consider a joint report of the Executive Member for Finance and the Director of Finance, which has been recommended to the Council by the Executive on 29 June 2015 and the Accounts and Audit Committee on 30 June 2015. 65 - 74
8. **Annual Scrutiny Report**
- To receive the Annual Scrutiny Report from the Chairmen of the Scrutiny Committee and the Health Scrutiny Committee. 75 - 78
9. **Accounts and Audit Committee Annual Report to Council 2014/15**
- To consider a report of the 2014/15 Chairman and Vice-Chairman of the Accounts and Audit Committee. 79 - 94
10. **Report of the Independent Remuneration Panel**
- To consider a report of the Chief Executive. 95 - 98
11. **Motions**
- To consider the following motions submitted in accordance with Procedure Rule 11:
- (a) **Motion Submitted by the Conservative Group - Children's Services**
- This Council acknowledges the hard and dedicated work routinely undertaken by the Children's Services Directorate which has resulted in the following OFSTED evaluations:-
- Children's Safeguarding Services judged joint highest in the country, with 'Good with Outstanding Features'.

Continued

- Services for Care Leavers judged as 'Outstanding' (the first Outstanding rating in the country).
- Leadership and management of these services judged as 'Outstanding', the only local authority in the North West to receive this rating.
- Children's Services supporting Children in Need of Protection, services for Looked After Children, and Adoption services judged as 'Good'.
- Effectiveness of Trafford's Safeguarding Children Board judged as 'Good' (highest across Greater Manchester and in top 28% nationally).
- Strong recognition of the positive impact of Trafford's unique integrated service for children and families.

Following closely on the highest national scoring for Trafford's Youth Offending Service (the first Local Authority to achieve a 4* rating in three inspected criteria), the Council can be justifiably proud of its Children's Services and the efforts of all to ensure that every child and young person in Trafford gets off to the best start in life.

(b) Motion Submitted by the Conservative Group - Healthier Together Proposals

This Council welcomes the Government's ground-breaking decision in February to devolve healthcare to Greater Manchester ("GM") and, as a result, the announcement (amongst other proposals) of plans to introduce 7 day GP access across the whole of GM.

The Council notes the decision of the Committees in Common ("CiC") on 17 June (as a part of the 'Healthier Together' proposals) to commission 4 rather than 5 hospitals in Greater Manchester that will specialise in general surgery and emergency medicine for patients with life threatening conditions. It also notes (i) that Salford Royal, Central Manchester University Hospitals NHS FT ("CMFT") and Royal Oldham have already been earmarked as specialist providers in this regard; and (ii) that a new partnership working arrangement has been entered into between University Hospital of South Manchester NHS Foundation Trust (UHSM) and CMFT.

Doubt now remains in relation to future service provision at UHSM, albeit it is understood that a further decision of the CiC is due on 15th July (the date of tonight's Council meeting) in this regard.

It is vital that residents continue to have close access to emergency, high-risk services and this Council is concerned that this continues for everyone who lives in Trafford.

This Council therefore calls upon NHS commissioners to:

- i. fully explain how changes under Healthier Together will benefit Trafford residents; and
- ii. to meaningfully engage with Trafford Council and Health Scrutiny in this regard.

This Council in return pledges to consider, debate and respond to the Healthier Together proposals in a constructive and collaborative manner reflecting considered, evidence based decision making in the new devolved health and social care environment.

(c) Motion Submitted by the Conservative Group - Trafford Community Leisure Trust

This Council notes the positive and strong working relationship that continues between Trafford Community Leisure Trust (TCLT) and the Council in regards to the continuation of leisure provision in Trafford.

In April, TCLT and the Council released a joint statement announcing the end of the contract between the two organisations. However, to ensure a seamless transition for staff and residents whilst work was undertaken on future next steps, a six-month extension was agreed.

The Council notes the next steps in this regard:

- The 6-month extension to the contract with TCLT will come to a natural end on 30 September 2015;
- That work is underway to secure the provision of leisure facilities within the borough from September 2015, including the transfer-in of the operation to the Council in a seamless and transparent manner which will protect staff and services;
- It continues to be business as usual at all TCLT facilities in Trafford now and until a new provider is found;
- The Council reiterates the comments made in the April statement that 'Sport is a huge part of Trafford's heritage and features heavily in everyday lives therefore it is a key priority for the Council, as we continue to work closely with the Trafford Partnership and its Sports & Physical Activity Partnership, to ensure that Trafford develops a modern and fit-for-purpose leisure provision that meets current and future demands of residents.'

The Council agrees to work collectively with all partners to support the continued provision of leisure facilities across the borough and is committed to achieving a sustainable and high quality service.

(d) Motion Submitted by the Labour Group - Public Health Cuts

On 5 June 2015, the Government announced further spending cuts for the current financial year.

£200 million is set to be taken from Local Authority Public Health grants. Trafford has already had to make cuts of £850,000 to this budget as part of the last budget setting exercise.

Trafford Council has a Health and Wellbeing Strategy in place “that is based upon the principles of prevention and early intervention”. The priority outcomes being:

Every child has the best start in life.
A reduced gap in life expectancy.
Improved mental health and wellbeing.

The foreword of the strategy states “the only way we can achieve our vision is by improving the efficiency and effectiveness of our services, diverting more resources into prevention.”

To stand by this vision and commitment this Council must invest to save and in the longer term reduce the demand on the NHS and social care.

This Council calls upon the Government to reconsider this short sighted approach to the proposed cuts to the public health budget when in reality greater investment is needed in early intervention and prevention and to stand by its previous commitments as set out in the local government finance settlement in March 2015.

(e) Motion Submitted by the Labour Group - HIV Testing Services

Trafford Council,

- i. Recognises the importance of local action in coordinating and commissioning accessible and effective HIV testing to reach the undiagnosed and reduce late HIV diagnosis
- ii. Recognises that Trafford’s HIV prevalence is 1.9 diagnosed per 1000 residents, just short of being categorised as high (over 2 diagnosed per 1,000 residents). Council therefore commits to strengthening its own provision of HIV testing services through working with local NHS partners, HIV charities and patient groups
- iii. Recognises that late HIV diagnosis is a Public Health Outcomes Indicator in the Public Health Outcomes Framework
- iv. Recognises the volume and quality of public health and local government guidelines and performance indicators designed to support local authority implementation and monitoring of appropriate and effective testing guidelines.

Continued

The Council further notes,

- i. That an estimated 100,000 people were living in England with HIV in 2012; 22% were unaware of their status
- ii. That there is an impact of late diagnosis on individual health, public health and health budgets. Late diagnosis increases the likelihood of the need for complex and expensive treatment and the risk of onward transmission to others. 47% of people diagnosed with HIV in 2012 were diagnosed late (with a CD4 count <350mm³)
- iii. That if diagnosed early, put on a clear treatment pathway and guaranteed access to antiretroviral therapy (ART), people living with HIV can expect to have a near-normal life expectancy and live healthy and active lives.

Recognising the weight of evidence in favour of expanding local HIV testing services, Trafford Council:

- i. Resolves to:
 - Act to halve the proportion of people diagnosed late with HIV (CD4 count <350mm³) in Trafford by 2020
 - Act to halve the proportion of people living with undiagnosed HIV Trafford by 2020
- ii. Further resolves to:
 - Ensure that rates of late diagnosed HIV are included as an indicator in its Joint Strategic Needs Assessment (JSNA)
 - Ask the Director of Public Health to provide a report outlining what needs to be done locally in commissioning and provision of services in order to halve late diagnosed and undiagnosed HIV by 2020
 - Become a supporter of the Halve It Coalition by contacting the Halve It secretariat (info@halveit.org.uk) informing them of this resolution and by agreeing to be listed as a Halve It coalition supporter.

(f) Motion Submitted by the Labour Group - Bus Franchising

This Council recognises that clean and modern public transport is a vital component of a prosperous local economy and vital to a clean environment. It notes that bus travel remains the dominant public transport provision. However, Council also recognises that the lack of integration of bus services in Greater Manchester has hindered the provision compared to other major world renowned cities including London.

Continued

This Council therefore welcomes the proposed new responsibilities granted to the incoming elected mayor for franchising bus services across Greater Manchester.

In making this welcome, Council holds that there is potential for growing the bus provision across Trafford and affirms its commitment to work with transport authorities and operators to make this a reality. Council recognises however that there is deficiency of bus infrastructure in Trafford, particularly in our town centres, and it continues to be ambitious in seeking to improve these interchanges as opportunities arise.

Yours sincerely,



THERESA GRANT
Chief Executive

Membership of the Council

Councillors J. Holden (Mayor), J. Lloyd (Deputy Mayor), D. Acton, S. Adshead, S.B. Anstee, S.K. Anstee, Dr. K. Barclay, J. Baugh, J. Bennett, Miss L. Blackburn, R. Bowker, C. Boyes, Mrs. A. Bruer-Morris, Mrs. J.E. Brophy, B. Brotherton, D. Bunting, D. Butt, C. Candish, K. Carter, M. Cawdrey, R. Chilton, M. Cordingley, M. Cornes, J. Coupe, L. Dagnall, Mrs. P. Dixon, A. Duffield, Mrs. L. Evans, N. Evans, T. Fishwick, M. Freeman, P. Gratrix, J. Harding, D. Hopps, M. Hyman, C. Hynes, D. Jarman, P. Lally, J. Lamb, E. Malik, A. Mitchell, P. Myers, D. O'Sullivan, I. Platt, K. Procter, J.R. Reilly, Mrs J. Reilly, B. Rigby, T. Ross, M. Sephton, B. Sharp, B. Shaw, J. Smith, E.W. Stennett, S. Taylor, L. Walsh, Mrs. V. Ward, A. Western, D. Western, M. Whetton, A. Williams, M. Young and Mrs. P. Young

Further Information

For help, advice and information about this meeting please contact:

Ian Cockill, Democratic Services Officer
Tel: 0161 912 1387
Email: ian.cockill@trafford.gov.uk

This Summons was issued on **Tuesday, 7 July 2015** by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall, Talbot Road, Stretford M32 0TH

Any person wishing to photograph, film or audio-record a public meeting is requested to inform Democratic Services in order that necessary arrangements can be made for the meeting.

Please contact the Democratic Services Officer 48 hours in advance of the meeting if you intend to do this or have any queries.

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TRAFFORD BOROUGH COUNCIL

ANNUAL MEETING OF THE COUNCIL

28 MAY 2015

PRESENT

The Worshipful the Mayor (Councillor Ejaz Malik), in the Chair.

J. Holden	M. Cornes	I. Platt
D. Acton	J. Coupe	J.R. Reilly
S. Adshead	L. Dagnall	Mrs J. Reilly
S.B. Anstee	Mrs. P. Dixon	T. Ross
S.K. Anstee	A. Duffield	M. Sephton
Dr. K. Barclay	Mrs. L. Evans	B. Sharp
J. Baugh	N. Evans	B. Shaw
Miss L. Blackburn	T. Fishwick	J. Smith
R. Bowker	M. Freeman	E.W. Stennett
C. Boyes	P. Gratrix	S. Taylor
Mrs. A. Bruer-Morris	J. Harding	L. Walsh
Mrs. J.E. Brophy	D. Hopps	Mrs. V. Ward
B. Brotherton	M. Hyman	A. Western
D. Bunting	C. Hynes	D. Western
D. Butt	P. Lally	M. Whetton
C. Candish	J. Lamb	A. Williams
K. Carter	J. Lloyd	M. Young
M. Cawdrey	A. Mitchell	Mrs. P. Young
R. Chilton	P. Myers	
M. Cordingley	D. O'Sullivan	

In attendance

Chief Executive	Ms. T. Grant
Deputy Chief Executive and Corporate Director Economic Growth, Environment and Infrastructure	Mrs. H. Jones
Acting Corporate Director Transformation and Resources	Ms. J. Hyde
Acting Joint Director – Children’s Social Care	Ms. C. Rooney
Director of Legal and Democratic Services	Ms. J. Le Fevre
Interim Head of Financial Management	Mr. G. Bentley
Democratic and Performance Services Manager	Mr. P. Forrester
Senior Democratic and Scrutiny Officer	Mr. I. Cockill

APOLOGIES

Apologies for absence were received from Councillors J. Bennett, D. Jarman, K. Procter and B. Rigby.

**Annual Meeting of the Council
28 May 2015**

1. ELECTION OF MAYOR AND CHAIRMAN OF COUNCIL

It was proposed, seconded, supported and

RESOLVED: That Councillor John Holden be and is hereby elected Mayor of the Borough of Trafford for the forthcoming municipal year.

The retiring Mayor presented the Requisition to the Mayor and invested him with the Chain and Badge of Office. Councillor Holden took the Chair and returned thanks to the Council for his election.

**THE WORSHIPFUL THE MAYOR
(COUNCILLOR JOHN HOLDEN) IN THE CHAIR**

2. APPOINTMENT OF DEPUTY MAYOR AND VICE-CHAIRMAN OF COUNCIL

It was proposed, seconded, supported and

RESOLVED: That Councillor Judith Lloyd be and is hereby appointed Deputy Mayor of the Borough of Trafford for the ensuing municipal year.

The Mayor invested Councillor Lloyd with the Chain and Badge of Office and presented her with a bouquet of flowers.

3. APPOINTMENT OF MAYORESS

The Mayor announced that his wife, Mrs. Christine Holden would act as his Mayoress during the ensuing year.

The retiring Mayoress invested the Mayoress with the Chain and Badge of Office and presented her with a bouquet of flowers.

4. APPOINTMENT OF DEPUTY MAYORESS

The Deputy Mayor informed the Council that Ms. Noelle Ryder would act as her Deputy Mayoress during the ensuing year.

The Mayoress invested the Deputy Mayoress with the Chain and Badge of Office and presented her with a bouquet of flowers.

5. VOTE OF THANKS

It was proposed, seconded, supported and

RESOLVED: That the Council hereby place on record their appreciation for the manner in which Councillor Ejaz Malik has carried out his duties as Mayor of the Borough of Trafford during his period of office and tender to him their best thanks in that connection. They also express their gratitude to Mrs. Zubaira Malik for the manner in which she has acted as his Mayoress.

**Annual Meeting of the Council
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The Mayor presented the retiring Mayor with a replica of the Badge of Office, a framed photograph and the Requisition to Councillor Malik to accept the Mayoral Office of Trafford 2014/15.

The Mayoress presented the retiring Mayoress with a replica of the Badge of Office and a bouquet of flowers.

The retiring Mayor then responded to the vote of thanks and expressed gratitude to his Chaplain, Dr. Nasser Kurdy.

6. MRS. EDNA MITCHELL

The Mayor regrettably informed the Council that since the last meeting, former Councillor for Priory Ward, Mrs. Edna Mitchell, had passed away.

Mrs. Mitchell served Trafford with distinction for a number of years, as did her husband Gerry Mitchell, who was himself a Sale Borough Councillor.

The Council stood in silence as a mark of respect to a former colleague.

7. MINUTES

RESOLVED: That the Minutes of the Meeting of the Council held on 25 March 2015, be approved as a correct record and signed by the Chairman.

8. RESULTS OF ELECTIONS OF COUNCILLORS

The Returning Officer submitted a report on the results of the Poll held on 7 May 2015 for the respective wards of the Borough.

The Mayor congratulated all those who were successfully elected, confirmed that they would all hold office until 2019 and welcomed Councillors S.K. Anstee, Cawdrey and Hopps to their first Council meeting.

RESOLVED: That the list of newly elected Members and their Terms of Office be noted.

9. MEMBERSHIP OF THE EXECUTIVE

The Chief Executive submitted a report concerning the appointment of the Executive and a Deputy Leader of the Council.

RESOLVED –

- (1) That the Council notes that the Leader of Council has determined that the Executive shall comprise himself plus 7 Councillors.

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28 May 2015**

- (2) That the Council notes that the Leader of the Council appoints the membership of the Executive and a Deputy Leader for the 2015/16 municipal year, as follows:

<u>Councillor</u>	<u>Portfolio</u>
Sean Anstee (Leader)	Reshaping Trafford
Michael Young (Deputy Leader)	Economic Growth and Planning
Alex Williams	Adult Social Services and Community Wellbeing
Michael Hyman	Children's Services
John Lamb	Communities and Partnerships
John Reilly	Environment and Operations
Patrick Myers	Finance
Mrs. Laura Evans	Transformation and Resources

- (3) That the Council notes that the Leader of the Council has designated 3 non-Executive Members to support the work of the Executive as follows:

Councillor Brian Shaw	-	Lead Member for Integration of Health and Social Care
Councillor Miss Linda Blackburn	-	Lead Member for Safeguarding
Councillor Michael Cornes	-	Lead Member for Sports, Culture and Leisure

10. SHADOW EXECUTIVE

RESOLVED:

- (1) That the membership of the Shadow Executive, as set out below, for the 2015/16 municipal year be noted:

<u>Councillor</u>	<u>Portfolio</u>
Andrew Western (Leader)	Reshaping Trafford
Catherine Hynes (Deputy Leader)	Communities and Partnerships
Joanne Harding	Adult Social Services and Community Wellbeing
Jane Baugh	Children's Services
Mike Cordingley	Economic Growth and Planning
Stephen Adshead	Environment and Operations
Tom Ross	Finance
Anne Duffield	Transformation and Resources

- (2) That the Council notes that the work of the Shadow Executive will be supported as follows:

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Councillor Judith Lloyd	-	Shadow Lead Member for Integration of Health and Social Care
Councillor Kevin Procter	-	Shadow Lead Member for Safeguarding
Councillor Barry Brotherton	-	Shadow Lead Member for Sports, Culture and Leisure

11. COUNCIL COMMITTEES

The Chief Executive submitted a report inviting the Council to agree the Committees of the Council, their size, political composition, membership and terms of reference for the 2015/16 municipal year. In accordance with the provisions of the Local Government and Housing Act 1989, the Chief Executive had been informed of the following political groups on the Council:

Conservative Group	-	34 Members
Labour Group	-	26 Members
Liberal Democrat Group	-	3 Members

The regulations provided for the composition of Committees to be in accordance with the political balance of the 63 Members of the Council.

RESOLVED –

- (1) That the composition of the various standing Committees, as set out in Appendix 1 to the report, be approved.
- (2) That the Terms of Reference for each Committee, as set out in Appendix 2 to the report, be approved.
- (3) That Council approves the membership of Committees for the 2015/16 Municipal Year, as set out below, including the appointment of Chairman (CH) and Vice-Chairman (V-CH) and notes the nominated Opposition Spokesperson (OS), where appropriate:

ACCOUNTS AND AUDIT COMMITTEE

CONSERVATIVE GROUP

Councillors:

Chris Boyes
Dylan Butt **V-CH**
Nathan Evans
Alan Mitchell **CH**

LABOUR GROUP

Councillors:

Jane Baugh
Barry Brotherton **OS**
Tom Ross

LIBERAL DEMOCRAT GROUP

Councillors:

-

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EMPLOYMENT COMMITTEE

**CONSERVATIVE
GROUP**

Councillors:

Mark Cawdrey
Mrs. Pamela Dixon **V-CH**
Nathan Evans
Brian Rigby **CH**

**LABOUR
GROUP**

Councillors:

Joanne Bennett
Catherine Hynes **OS**
David Jarman

**LIBERAL
DEMOCRAT
GROUP**

Councillors:

-

LICENSING COMMITTEE

**CONSERVATIVE
GROUP**

Councillors:

Stephen Anstee
Dan Bunting
Jonathan Coupe
Paul Lally
Brian Rigby
Matthew Sephton
Bernard Sharp **V-CH**
Michael Whetton **CH**

**LABOUR
GROUP**

Councillors:

Anne Duffield
Mike Freeman **OS**
Philip Gratrix
David Jarman
Ejaz Malik
John Smith
Whit Stennett

**LIBERAL
DEMOCRAT
GROUP**

Councillors:

-

PLANNING DEVELOPMENT CONTROL COMMITTEE

**CONSERVATIVE
GROUP**

Councillors:

Dr. Karen Barclay
Daniel Bunting **V-CH**
Nathan Evans
David Hopps
Mrs. June Reilly
Mrs. Viv Ward **CH**
Michael Whetton

**LABOUR
GROUP**

Councillors:

Philip Gratrix
Ejaz Malik
Dolores O'Sullivan
John Smith
Laurence Walsh **OS**

**LIBERAL DEMOCRAT
GROUP**

Councillors:

Tony Fishwick

Substitute Members of the Planning Development Control Committee:

Rob Chilton
Mrs. Pamela Dixon
Brian Rigby
Brian Shaw

Whit Stennett
Denise Western

Mrs. Jane Brophy

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STANDARDS COMMITTEE

**CONSERVATIVE
GROUP**

Councillors:

Dr. Karen Barclay **CH**
Chris Boyes
Paul Lally
Alan Mitchell
Patrick Myers
Alex Williams

**LABOUR
GROUP**

Councillors:

Louise Dagnall
Mike Freeman
David Jarman
Kevin Procter **V-CH**

**LIBERAL
DEMOCRAT
GROUP**

Councillors:

Ray Bowker

Non-Voting Co-optees (5)

2 Parish Representatives: Mrs. S. Royle and Mr. A. Rudden
3 Independent Members: Mr. D. Goodman, Mr. C. Griffiths and
Mr. R. Brown

Independent Persons of the Hearing Panel (2)
(under Section 28 of the Localism Act 2011): Ms. N. Jackson and
Mr. M. Whiting

SCRUTINY COMMITTEE

**CONSERVATIVE
GROUP**

Councillors:

Stephen Anstee
Chris Boyes
Chris Candish
Jonathan Coupe **CH**
Mrs. Pamela Dixon
David Hopps

**LABOUR
GROUP**

Councillors:

Karina Carter
Mike Cordingley **V-CH**
Louise Dagnall
Denise Western

**LIBERAL DEMOCRAT
GROUP**

Councillors:

Ray Bowker

Ex-Officio (Non-Voting Member): Chairman of Health Scrutiny Committee –
Councillor Judith Lloyd

Co-opted Members for Education Matters:

Church Representatives (Voting Members)

Church of England: Vacancy
Roman Catholic: Sister P. Goodstadt

Parent-Governor Representatives (Voting Members)

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Primary: Vacancy
Secondary: Mrs. D. Haddad
Special: Vacancy

Teacher Representatives (Non-Voting Members)

Primary: Mr. D. Kitchen
Secondary: Vacancy
Special: Vacancy

HEALTH SCRUTINY COMMITTEE

**CONSERVATIVE
GROUP**

Councillors:

Mrs. Angela Bruer-Morris
Mark Cawdrey
Rob Chilton
Alan Mitchell
Mrs. Viv Ward
Mrs. Patricia Young **V-CH**

**LABOUR
GROUP**

Councillors:

Joanne Harding
Judith Lloyd **CH**
Kevin Procter
Sophie Taylor

**LIBERAL DEMOCRAT
GROUP**

Councillors:

Mrs. Jane Brophy

Ex-Officio (Non-Voting Member): Chairman of Scrutiny Committee –
Councillor Jonathan Coupe

HEALTH AND WELLBEING BOARD

**CONSERVATIVE
GROUP**

Executive Members for:

Adult Social Services and
Community Wellbeing –
Councillor Alex Williams

Children's Services –
Councillor Michael Hyman

**LABOUR
GROUP**

Shadow Executive
Member for:

Adult Social Services and
Community Wellbeing –
Councillor Joanne Harding

**LIBERAL DEMOCRAT
GROUP**

-

Officer(s) and External Partners:

Corporate Director of Children, Families and Wellbeing
Accountable Officer Trafford Clinical Commissioning Group **CH**
Trafford Representative, NHS England Area Team
Director of Public Health*
Chair Health Watch Trafford*
Director of Commissioning, Clinical Commissioning Group
Representative, Central Manchester Foundation Trust
Representative, University Hospital of South Manchester

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Representative, Pennine Community Care Foundation Trust
 Representative, Greater Manchester West Mental Health Foundation Trust
 Representative, Trafford's Third Sector
 Representative, Greater Manchester Police Trafford Division

- (4) That the Licensing Committee be recommended to appoint the membership of the Safety at Sports Grounds Sub-Committee, namely Councillors Paul Lally (Chairman), Matthew Sephton (Vice-Chairman) and Andrew Western.
- (5) That the Appointments and Appeals Panel be formally appointed and its membership be drawn from all Members of the Council.
- (6) That the membership of the Joint Health Scrutiny Committee be approved as follows:

**CONSERVATIVE
GROUP**

Councillors:

Mrs. Angela Bruer-Morris
 Mrs. Viv Ward
 Mrs. Patricia Young

**LABOUR
GROUP**

Councillors:

Judith Lloyd
 Joanne Harding

**LIBERAL DEMOCRAT
GROUP**

Councillors:

-

Substitute Members of the Joint Health Scrutiny Committee:

Rob Chilton

Sophie Taylor

-

- (7) That the Council delegate to the Chief Executive, in accordance with the written request of the relevant Group Leader, the power and authority to change the membership of committees and sub-committees as may be needed from time to time.

12. APPOINTMENTS TO OUTSIDE AND INDEPENDENT BODIES

The Chief Executive submitted a report proposing the appointment of representatives to outside and independent bodies relating to the service areas and functions of the Council.

RESOLVED –

- (1) That approval be given to the appointment of representatives to those outside and independent bodies set out in Appendix 1 to the report.
- (2) That the Chief Executive, in consultation with the relevant Group Leader(s), be delegated authority to appoint members to any outside body vacancy that remains or arises after this Annual Meeting and to any other bodies to which the Council is required to make appointments (and to report back to Council on any changes or new appointments so made).

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- (3) That the persons named in Appendix 2 to the report be authorised to sit on the Statutory School Appeals Committee for the 2015/16 Municipal Year and that the Director of Legal and Democratic Services be delegated authority to make changes to this list and to set up School Admission Appeals Committees including the appointment of Chairmen.

13. TIMETABLE OF COUNCIL AND COMMITTEE MEETINGS

RESOLVED: That, subject to a Council meeting on 15 July 2015 instead of 8 July, the timetable of Council and Committee meetings for the 2015/16 Municipal Year be approved.

14. DELEGATED DECISIONS AND URGENT ACTION FOR COMMITTEES

RESOLVED -

- (1) That where, under the approved Scheme of Delegation, decisions may be taken by officers in consultation with non-Executive Members, then in the absence of any specific arrangements having been made, the officer shall consult the appropriate Chairman, Vice-Chairman and Opposition Spokesperson.
- (2) That, in situations which require emergency action, the Chief Executive or the appropriate officer, in consultation with the Chairman and Vice-Chairman of the Committee concerned and the Opposition Spokesperson where appropriate (or their respective nominees), be authorised to deal from this date until the Annual Meeting of the Council in 2016, with any matters of urgency or any other matter that cannot conveniently be deferred to the next ordinary meeting of the Committee, subject to later report, for information, to the Committee in question.

15. DELEGATION OF FUNCTIONS AND AMENDMENTS TO THE CONSTITUTION

The Director of Legal and Democratic Services and Monitoring Officer submitted a report confirming the arrangements for the delegation of Council (non-Executive) and Executive functions and seeking to amend the Constitution of the Council to incorporate these arrangements.

RESOLVED –

- (1) That Council notes that Executive functions not covered by the Officers' Scheme of Delegation are delegated by the Leader of the Council as follows:
- (a) Executive Terms of Office are delegated to individual Executive Members as set out in the Executive Members' Scheme of Delegation;
- (b) all other functions are delegated to the Executive.

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28 May 2015**

- (2) That the Scheme of Delegation to Officers be approved.
- (3) That the Director of Legal and Democratic Services be authorised to amend the Constitution of the Council in accordance with and as a consequence of this report and other decisions made by the Council at this Annual Meeting.

16. EXECUTIVE DECISIONS TAKEN UNDER SPECIAL URGENCY (REGULATION 11) PROVISIONS

RESOLVED: That, in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the Council notes that, since the last Annual Meeting on 11 June 2014, no Executive Key Decisions have been taken under the Special Urgency provisions set out in Regulation 11.

The meeting commenced at 6.08 pm. and finished at 7.18 pm.

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TRAFFORD COUNCIL

Report to: Council
Date: 15 July 2015
Report for: Decision
Report of: Executive Member for Finance/
Director of Legal and Democratic Services

Report Title

REVIEW AND CONSIDERATION OF HARMONISED CONTRACT PROCEDURE RULES (CPRs) FOR STOCKPORT, TRAFFORD AND ROCHDALE

Summary

This report sets out the background to the harmonisation of the CPRs for Stockport, Trafford and Rochdale, and highlights the main changes to the Council's existing CPRs. The proposed CPRs are attached as an appendix and they were approved by the STaR Joint Committee on 22nd April 2015 who recommended they be incorporated into the Council's constitution.

Recommendation(s)

1. To note the contents of the report and the proposed CPRs.
2. To note the establishment of a working group to review and recommend new Directorate financial schemes of delegation;
3. That Council approves the incorporation of the revised CPR's in the Council's Constitution and authorises the Director of Legal and Democratic Services to make the necessary amendments to the Constitution.

Contact person for access to background papers and further information:

Name: Jane Le Fevre – Director of Legal and Democratic Services
Extension: x4215

Background Papers: None

Implications:

Relationship to Policy Framework/Corporate Priorities	Accords with Council priority around Value for Money and low Council Tax in supporting robust Standing orders in relation to contracts and procurement
Financial	There are no immediate financial implications. However, due to the changes to the contract values, which determine who has certain decision-making powers, it is proposed that a working group is formed comprising of representatives from Finance, each Directorate and from Legal to review the current schemes of sub-delegation from Corporate Director down. The working group will only focus on the financial delegations and not those related to functions and responsibilities.
Legal Implications:	Executive approval is required for any Constitutional amendments other than those authorised at the Council's AGM The CPRs are standing orders made pursuant to s135 of Local Government Act 1972. Where such standing orders are made, they shall include provision for securing and regulating competition for contracts entered into. They may also include exemptions to such provisions under certain thresholds specified within the CPRs. The proposed CPRs are compliant with s135 and also take account of the new Public Contracts Regulations 2015 which came into force in February 2015.
Equality/Diversity Implications	None
Sustainability Implications	None
Resource Implications e.g. Staffing / ICT / Assets	None
Risk Management Implications	None
Health & Wellbeing Implications	None
Health and Safety Implications	None

1.0 Background

- 1.1 Following the establishment of STaR in which Stockport, Trafford and Rochdale came together to deliver their procurement functions jointly, each Council and STaR have been operating in accordance with their own Contract Procedure Rules (CPRs).
- 1.2 STaR's governance consists of a Board and a Joint Committee. The Joint Committee's Terms of Reference included consideration of the CPRs under which it will operate for each of the Councils. In order to harmonise processes and deliver an effective and consistent procurement process it was considered essential that Stockport, Trafford and Rochdale (STaR) have a single set of Contract Procedure Rules (CPRs) for the three Councils.

A CPR working group was established to lead on the harmonisation process. The group consisted of the Director of Procurement for STaR and representatives from Finance and Legal Services for each of the STaR Councils

2. DRAFTING AND CONSULTATION PROCESS

- 2.1 The first draft of the harmonised Contract Procedure Rules (CPRs) for consideration by STaR Councils was completed in November 2014 and a consultation process carried out in December 2014. The consultation documentation identified the key changes from the existing CPRs to those proposed; this information was specific to each Council. Workshops for key stakeholders were organised and consultation feedback was captured and summarised for review.

2.2 As a result of the engagement process there was significant positive feedback regarding the proposed draft. Specific points included the following:

- Much clearer layout and formatting
- Straight forward and easy to understand
- More comprehensive
- The idea of a Procurement Handbook was well received, as was a simplified Scheme of Delegation
- If required, the inclusion of a Schedule to the CPRs allowing for Authority specific rules was welcomed
- The Procurement Initiation Document (PID) was seen as a useful tool to inform and commence the procurement process from the outset. A “light” version for lower value contracts would be beneficial
- Further consideration of the role of Pre-Qualification Questionnaires (PQQs) and financial vetting was requested.

2.3 In addition there have been several questions and clarifications raised regarding key features of the proposed CPRs.

Issues which are of particular note include:

- The proposed move to a £25,000 threshold for open advertising of procurement opportunities and the impact in terms of additional resources on service managers and STaR.
- Clarity regarding roles and responsibilities of STaR and client groups within the procurement cycle.
- Requests for procurement training.

3. KEY ISSUES

3.1 In view of the responses received it was agreed at the Joint Committee meeting on 20 January 2015 that more time should be allocated to the process of incorporating consultation feedback into the new CPRs. Extra time was needed to address the issues raised and ensure that the CPRs are effective. Key actions were agreed to ensure that the above issues were addressed.

3.2 Drafting of CPRs

The CPR working group was tasked with agreeing and updating CPRs to incorporate all agreed matters arising from the consultation.

3.3 Incorporation of Local Requirements

On 11 September 2014 Stockport's full Council adopted a policy in relation to the award of contracts to companies which have been involved in blacklisting construction workers and who have not rectified their practices. As a result of this local policy the working group recognised that unless there was a co-ordinated approach to local elected members' adoption of such policies across the three local authorities, it would be necessary to have a separate schedule for each local authority. In addition, it was considered inappropriate for an officer working party to recommend changes in the interests of harmonisation that would remove elected member involvement in procurement decision making as provided for under Stockport's existing rules. The only exception to this is a change to the procedure for authorising exemptions from compliance with the rules for Stockport. The law allows little discretion to exempt Councils from complying with the obligation to hold a competitive procedure before awarding a contract and the harmonised rules provide that exemptions will be agreed by officers.

Incorporation of Schedule One into CPRs provides for inclusion of Council specific requirements.

3.4 Open advertising thresholds

Lord Young's report of May 2013 recommended a number of reforms to create a simple and consistent approach to procurement across all public sector agencies. The reforms would support small and medium sized enterprises and voluntary organisations in gaining better and more direct access to contract opportunities. These recommendations have now been incorporated into regulations which require that where local authorities advertise contracts valued at £25,000 and above they must also advertise them on Contracts Finder. Contract Finder is a national internet portal which allows subscribers to view national procurement opportunities.

Concern was expressed during the consultation process that the requirement to advertise on Contracts Finder would result in a substantial increase in the number of bidders to be considered for each procurement opportunity over £25,000. The harmonised CPRs allow each Council to choose between quotation and tender in lower value bands. Where quotations are sought there is no need to advertise. Tenders will always be openly advertised through the Chest but with the additional requirement to advertise on Contracts Finder if the value is more than £25,000.

The harmonised rules will comply with the Regulations and ensure that openly advertised opportunities valued over £25,000 are placed on Contracts Finder. In order to try and understand the number of procurement activities which may be captured between the £25,000 and £49,999 threshold STaR have reviewed data sources to try and articulate numbers. The Contract Register was the first item to be reviewed but this provided limited information on contracts which fall between these threshold values. It is recognised that whilst the detail, content and accuracy of the Contract Register has improved significantly there is still much work to do in capturing all expenditure, especially at the lower levels of spend. The detail of this exercise is listed in Appendix Two.

It is proposed that the impact of requiring open advertising of opportunities in this value band and the impact of this on the Council will be kept under review and reconsidered after the implementation of the harmonised rules.

3.5 Procurement Handbook

The Procurement handbook will be developed as a companion document to CPRs to provide a “how to guide” to procurement and working with STaR. It will support understanding, implementation and compliance with CPRs.

The development of this document is in progress. The Procurement Handbook will be an interactive document with hyperlinks to documentation so that users can easily navigate the information and access the documents they require. As part of a full overview of systems, processes and documentation within STaR, a quality system is being employed which prescribes all activities within the team and the interactions with clients. This is based on a “swim lane” approach which details key process flows, specific activities and the roles and responsibilities for each team within the cycle.

3.6 Procurement Documentation

Procurement documentation is in the process of development which is proportionate and appropriate for lower value contracts. The intention will be to develop “user friendly” documentation which is streamlined and allows users to quickly progress through the process. Further, we will be consulting with the market to ensure that we understand and address some of the “barriers” that small, local and voluntary sector organisations may have encountered in the past.

3.7 Training and Support

Training sessions will be scheduled as part of the CPR implementation process for the Council. These events will focus on the feedback received from the consultation process and demonstrate how this consultation has been put into practice.

Furthermore, pending approval and incorporation into the Constitution of each Council a full training and awareness programme will be developed for clients providing access points to the intranet and the Procurement Handbook for reference.

4. **KEY CHANGES TO CPRs**

4.1 Changes Specific to Trafford Council

The items listed below summarise the key changes to CPRs.

- a. New Schedule 1 which contains Local Rules for each Council.
- b. All contracts are now recorded on a central contract register (Openly advertised contracts over £25,000 will now be advertised on Contracts Finder) and all contracts must have a nominated contract manager.
- c. All procurement exercises irrespective of value will need to be registered with STaR via a Procurement Initiation Document.
- d. The number of value bands and procedures has been reduced and simplified.
- e. Late tenders considered by Head of Legal.
- f. Only arithmetical errors permitted now.
- g. Verification and opening of Tenders is far more flexible.
- h. Post-tender clarifications to be conducted by APO - no longer under guidance of Head of Legal.
- i. Pre-award reports no longer required. High value contracts can be picked up by Key Decision route. Procurement Policies can require internal reporting requirements where necessary.

- j. Contract sign off covered by scheme of delegation generally but values remain the same.
- k. All contracts to be on standard terms and conditions, not just those above £2,000.
- l. Additionally flexibility for purchases made electronically.
- m. Additional sealing requirements. Option to seal above £50,000 and not just £250,000.
- n. Transfer of contracts tightened up to ensure proper compliance.
- o. Approved Lists will be removed.
- p. Variations and Extensions will be renamed “Modifications” and made clearer.
- q. The grounds for exemptions from the rules will be clearer.
- r. Appointment of Consultants removed – is covered generally under the Rules

4.2 Local Requirements

As detailed in paragraph 3.3 above, Schedule One prescribes Council specific rules where there are any. For Trafford, there are none.

Other Options

The Council could choose not to approve the amended and harmonized CPR’s and continue with the existing rules. However, this would mean that the Council would be out of step with the other authorities in STaR. Furthermore, the amended harmonized CPR’s are an improvement on the existing procedures as is set out in the report

Consultation

Consultation has been carried out with relevant service areas and the CPR’s have been reviewed by TPR

Reasons for Recommendation

In order to harmonise processes and deliver an effective and consistent procurement process it was considered essential that Stockport, Trafford and Rochdale (STaR) have a single set of Contract Procedure Rules (CPRs) for the three Councils.

Key Decision (as defined in the Constitution): Yes

If Key Decision, has 28-day notice been given? Yes

Finance Officer Clearance (type in initials) ID

Legal Officer Clearance (type in initials) JL

[CORPORATE] DIRECTOR’S SIGNATURE



.....
To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

Proposed CPRs including local rules listed under Schedule One

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1. Introduction

- 1.1 Stockport Council, Trafford Council and Rochdale Council have agreed, through an Inter Authority Agreement (“IAA”) to facilitate the joint delivery of Procurement Functions with a view to the attainment of a more economical, efficient and effective discharge of its Procurement Functions via a shared procurement service to be identified as “STaR”. Each of the STaR members have agreed to establish and participate in a joint committee (the “Joint Committee”) and have agreed to delegate their Executive and Non-Executive functions relating to the operation of STaR to the Joint Committee. Other authorities may, from time to time, join the IAA.
- 1.2 These Rules are standing orders made pursuant to Section 135 of the Local Government Act 1972. Compliance with the Rules and observance of European and domestic law from which they emanate (in particular the principles relating to non-discrimination, equal treatment and transparency) is mandatory for all Officers and Members. The Rules ensure that procurement activity is undertaken in a legally compliant, transparent, fair and competitive manner.
- 1.3 Decisions relating to procurement are among the most important decisions that can be made by the Council its Members and Officers because the money involved is public money and the Council is concerned to ensure that high quality Goods, Services and the execution of Works are procured. Efficient use of resources in order to achieve Best Value is therefore an imperative.
- 1.4 These Rules shall apply to all procurement activity where the Council is to procure any Goods, Services or the execution of Works, or enters into a Concessions Contract as either a contracting authority or commissioner of such, regardless of the origin of funding (such as external grants, partnership funding, pooled or joint budgets for example).
- 1.5 For the avoidance of doubt, these Rules shall apply to Framework Agreements.
- 1.6 Where relevant, the Council shall have regard to the Public Services (Social Value) Act 2012 (“the Act”). This requires commissioners and procurers at the pre-procurement stage to consider how what is to be procured may improve social, environmental and economic well-being of the Council’s relevant area, how it might secure any such improvement and to consider the need to consult. The Council and Officers should refer to the Procurement Policy for further guidance.
- 1.7 The Joint Committee shall monitor compliance with the Rules and undertake an annual review of the Rules. The Joint Committee may present recommendations for amendments to the Rules to the Council from time to time and any such amendments shall be subject to the Council’s own ratification procedures. Any failure to comply with any of the provisions of these Rules must be reported immediately to the SRO for Legal. Failure by any Officer or Member to comply with the provisions of these Rules may lead to disciplinary action being taken against them.

1.8 These Rules must be read in conjunction with the Council's Constitution and in particular the Financial Procedure Rules/Regulations, the Procurement Policy, any relevant guidance documents endorsed by the Council and the Council's local Rules as identified in section 1.9 below.

1.9 A number of local Rules can be found in the attached [Schedule 1](#) and which form part of these Rules.

Further Information

Further advice can be sought from STaR:

General Enquiries - email: procurement@star-procurement.gov.uk
tel: 0161 9121616

Legal Enquiries - email: starlegal@trafford.gov.uk
tel: 0161 9124229

2. Interpretations and Definitions

- 2.1 In the event of any conflict between EU law, English law and these Rules and Council Policy, the requirements of EU law shall prevail over English law and the requirements of English law shall prevail over these Rules and Council Policy.
- 2.2 Any reference to legislation, primary or secondary, shall include any amendments/replacements made from time to time.
- 2.3 All figures specified in these Rules are exclusive of VAT.
- 2.4 In the event of any doubt as to the interpretation of these Rules, or as to proper procedure to be followed, advice should be sought from STaR in the first instance.
- 2.5 In these Rules the words and phrases below have the following meanings:

“APO”	means Authorised Procurement Officer and is the relevant STaR Officer who is responsible for the Goods, Services, execution of Works or Concessions Contract for which the Specification relates.
“ASO”	means Authorised Service Officer and is any Officer, within a directorate of the Council, who has delegated authority to undertake Procurement Functions.
“Best Value”	has the same meaning as that defined in the Local Government Act 1999 as amended from time to time.
“Bidder”	means any Economic Operator that submits a Quote.
“Call-off”	means an order made/call-off Contract entered into under a Framework Agreement and are subject to the application of Rule 5.1 .
“CM”	means the Category Manager or similar role with equivalent experience and seniority within STaR
“Concessions”	means the granting of a right (exclusive or otherwise) to an economic operator to exploit works or services provided for their own gain with or without payment.
“Contract”	means a legally binding agreement between the Council and the Contractor for the procurement by the Council of all Goods, Services, the execution of Works and Concessions Contracts and which incorporates the terms and conditions under which the Goods, Services, execution of Works and Concessions will be provided.
“Contractor”	shall mean the Bidder or Tenderer who the Council enters into a Contract with following the submission of a Quote or Tender and who is appointed by the Council to provide the Goods, Services, execution of Works or Concessions Contract. They may also be referred to as

	'suppliers', 'providers' or 'service providers' within certain Council departments.
"Contracts Finder"	means the web-based portal provided for the purposes of Part 4 of the Regulations by or on behalf of the Cabinet Office.
"Economic Operator"	means any natural or legal person or public entity or group of such persons and/or entities, including any temporary association of undertakings, which offers the execution of Works and/or a work, the supply of Goods or the provision of Services on the market
"EIR"	means the Environmental Information Regulations 2004
"Electronic Purchasing System"	means purchases made online or via a telephone system
"EU Procurement Directives"	means the Public Contracts Directive 2014/24/EU, the Concessions Directive 2014/23/EU and other relevant Directives in force from time to time
"Exemption"	means the release of the obligation to comply with these Rules
"Financial Procedure Rules/Regulations"	means the written code of procedures forming part of the Council's constitution which provide a framework for proper financial management and which set out the rules on accounting, audit, administrative procedures and budgeting systems.
"FOIA"	means the Freedom of Information Act 2000
"Framework Agreement"	means an agreement between one or more authorities and one or more economic operators, the purpose of which is to establish the terms governing Call-off Contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.
"Goods"	means an inherently useful tangible item required by the Council, from time to time.
"Invitation to Tender"	means an invitation issued by the Council to Tenderers to submit a Tender or a quote for the provision of Goods, Services, the execution of Works or a Concessions Contract in accordance with the Specification or request for those Goods, Services, execution of Works or Concessions Contract.
"Key Decision"	has the same meaning as set out in the Council's constitution
"Modification"	means any variation to a Contract, including an extension.
"Modification Form"	means the form supplied by STaR for the purpose of recording the authorisation of a

	Modification.
“Officer”	means any employee of the Council which shall include any person engaged by the Council to act as an agent or consultant on its behalf
“OJEU”	means the Official Journal of the European Union
“PID”	means a Procurement Initiation Document providing details of the procurement activity and the authority to commence it as required in accordance with Rule 6.1 .
“Post Tender Report”	means a summary of the outcomes delivered by the procurement activity
“PQQ”	means “pre-procurement questionnaire” and is the document used by the Council to screen potential Tenderers in accordance with the Regulations.
“Procurement Functions”	means the Delegated Functions as defined by the IAA
“Procurement Policy”	means the document which the Council may issue from time to time to set out how it will achieve its procurement objectives
“Purchasing Cards”	means charge cards which work in a similar way to credit cards and can be used by and ASO to purchase Goods and/or Services.
“Quote”	means a formal offer submitted by a Bidder to supply Goods, Services, execute Works or operate a Concessions Contract at a defined price
“Regulations”	means the Public Contracts Regulations 2006 SI2006/5, as amended or replaced from time to time, which implement the EU public procurement directives.
“Regulations Threshold”	means the financial threshold identified by the EU Procurement Directives, as amended from time to time, and where applicable, requires the procurement activity to be subject to the Regulations.
“Rules”	means these Contract Procedure Rules
“Scheme of Delegation”	means the scheme identified within the Council’s constitution which delegates powers and duties of the Council to Officers under Section 101 of the Local Government Act 1972 and all other powers enabling such delegation necessary for the discharge of the Council’s functions.
“SCM”	means the Senior Category Manager or similar role with equivalent experience and seniority within STaR
“Services”	means the time, effort and expertise required by the Council, from time to time, and supplied by a Contractor.

“Specification”	means the outputs, outcomes and the scope and nature of Goods, Services, execution of Works or Concessions Contract required by the Council from a procurement activity.
“SRO”	means “Senior Responsible Officer” and is the Officer delegated in the Council’s Scheme of Delegation for the relevant service with the responsibility for the award of the Contract.
“SRO for Legal”	means the “Senior Responsible Officer for Legal” and is the most senior Officer delegated in the Council’s Scheme of Delegation for Legal Services or in default of such delegation, the Council’s Monitoring Officer.
“SRO for Finance”	means the “Senior Responsible Officer for Finance” and is the most senior Officer delegated in the Council’s Scheme of Delegation for the Finance Services or in default of such delegation, the Officer appointed by the Council pursuant to s151 of the Local Government Act 1972.
“STaR Legal Officer”	means a member of the legal team jointly funded by all participating Council’s in accordance with the IAA, whose role is to provide legal support to STaR.
“STaR”	means the shared procurement service hosted by Trafford Borough Council on behalf of Trafford Borough Council, Rochdale Metropolitan Borough Council and Stockport Metropolitan Borough Council and other public authorities as determined from time to time whose function and remit is described in these Rules, the IAA and the Councils’ constitutions
“STaR Councils”	means those local authorities who have resolved to delegated their Procurement Functions to the STaR Joint Committee.
“Tender”	means a formal offer submitted by a Tenderer to the Council at a stated price in response to a Specification to supply Goods, Services, execute Works or operate a Concessions Contract.
“Tenderer”	means any Economic Operator that submits a Tender.
“The Chest”	means the Council’s eProcurement system.
“TUPE”	means the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended from time to time together with any EU Directives including but not limited to the Acquired Rights Directive 2001/23/EC, as amended from time to time.
“Value for Money”	means the optimum combination of whole-life costs, price, quality and benefits to meet the Council’s requirement. Such a term equates to the EU procurement requirement of most economically advantageous offer as well as the duty of Best Value as defined by the Local Government Act 1999 as amended from time to

time.

“Works”

means the provision of physical activity which is directed toward the production or accomplishment of something by the Contractor, from time to time.

“Writing”

the requirement that any document should be in writing is satisfied where (apart from the usual meaning of that expression) the text of it is created and transmitted by electronic means, in legible form, and capable of being used for subsequent reference.

3. Basic Principles and Responsibilities

3.1 Basic Principles

3.1.1 All procurement activity must comply with all of the following principles of European Union (EU) Law:

- a. free movement of Goods and Services;
- b. non-discrimination;
- c. openness/transparency;
- d. equal treatment for all; and
- e. proportionality

3.1.2 All procurement activity must be compliant with the latest EU laws, national legislation, the Council Constitution and the local policies in [Schedule 1](#), and have regard to:

- a. **The need to achieve accountability** through effective mechanisms which enable Officers and Members of the Council to maintain the highest standards of integrity and honesty and to enable them to discharge their responsibility on issues of procurement risk and expenditure of public money;
- b. **The need to provide consistent procurement policy to suppliers and achieve competitive supply;**
- c. **The need to meet commercial, regulatory and Corporate Priorities of the Council;**
- d. **The need to achieve efficiencies** by administering procurement processes which are cost effective;
- e. **The need to ensure Value for Money**
- f. **The need to ensure fair-dealing** by ensuring that suppliers are treated fairly and without unfair discrimination, including protection of commercial confidentiality where compatible with the Council’s obligations under FOIA and EIR;
- g. **The need to maintain integrity** by excluding corruption or collusion with suppliers or others from procurement processes;
- h. **The need to ensure informed decision-making** based on accurate information;
- i. **The need to ensure legality** in the administration of procurement processes and award of contracts;

- j. **The need to promote responsiveness** by endeavouring to meet the aspirations, expectations and needs of the community served by the procurement processes;
- k. **The need to provide transparency** by ensuring that there is openness and clarity on the Council's procurement policy and its delivery.
- l. **The need to create and retain an audit trail in relation to each procurement activity**

3.2 **The Responsibilities of Officers and Members**

- 3.2.1 Officers and Members involved in procurement activity must comply with these Rules, the Council's Financial Procedure Rules/Regulations, the Council's Employees Code of Conduct/Members Code of Conduct. They must also have due regard to any guidance provided by STaR.

4. **Contracts to which these Rules do not apply**

- 4.1 These Rules **do not** apply to the following:

- a. employment contracts for Officers engaged on a PAYE basis;
- b. Contracts relating solely to the disposal or acquisition of securities;
- c. Contracts for the acquisition of an interest in land and property;
- d. Contracts for the appointment of Counsel or the appointment of experts for the purpose of legal, or potential legal proceedings by the SRO for Legal Services.

5. **Contracts which do not require full competition**

The following circumstances may be exempt from the requirement of Rule 7 (Quotes) and Rule 8 (Tenders). The ASO must complete an Exemption Form in accordance with [Rule 10.2](#) where any of these circumstances are applicable.

5.1 **Call-Off Contracts**

- 5.1.1 Call-off Contracts where a suitable Framework Agreement has been identified in accordance with [Rule 6.3](#).

5.2 **No competitive market**

- 5.2.1 Where any of the following circumstances apply and subject to Rule 5.2.2:

- a. Proprietary or patented goods or services are proposed to be purchased which, in the opinion of the ASO, are only obtainable from one person, and it can be demonstrated that no reasonably satisfactory alternative to those proprietary or patented goods is available; or
- b. The ASO can demonstrate that no genuine competition can be obtained in respect of the purchase of particular Goods, Services or execution of Works; or
- c. The ASO is satisfied that the Services or execution of Works are of such a specialist nature that they can only be carried out by one person (e.g. statutory undertakers); or
- d. Goods are proposed to be purchased by or on behalf of the Council at a public auction; or

- e. Goods or Services are proposed to be purchased which are of a specialist or unique nature (such as antiquities for museums or a particular performance artist); or
- f. Any other exceptional circumstances.

Further guidance can be provided by STaR and an ASO must seek advice where there is any doubt.

- 5.2.2 The ASO, in conjunction with STaR and a STaR Legal Officer, shall ensure that the Contract terms and conditions are appropriate taking into account all relevant factors (such as benefit and risk to the Council) and ensure that the Contract complies with [Rule 9](#).

5.3 Exemptions as prescribed by legislation

- 5.3.1 Certain other arrangements contained in European or domestic legislation may permit an exemption from the requirement for competition.

6. Pre-Procurement Process

6.1 Authority to carry out procurement activity

- 6.1.1 Any procurement activity carried out on behalf of the Council must be carried out by an ASO with the appropriate delegated authority as set out in the Scheme of Delegation. The ASO must submit either a Quote or Tender PID to STaR prior to starting the relevant procurement activity. By submitting the PID the ASO confirms that they have the authority to carry out the procurement activity.

6.2 Appraisal of the procurement activity

- 6.2.1 The ASO, together with the APO, must conduct an options appraisal of the route to market and consider the following:
- a. Value for Money;
 - b. The need for the expenditure and its priority;
 - c. The objectives of the purchase;
 - d. Whether it is a Key Decision
 - e. Any risks associated with the purchase and how to manage them;
 - f. The market;
 - g. TUPE and pensions;
 - h. Which procurement method is most likely to achieve the purchasing objectives;
 - i. Existing and compliant Framework Agreements or other arrangements; and
 - j. The economic, social and environmental wellbeing of the borough and the benefit which the procurement process can bring to the community and have regard to the duty to secure continuous improvement in accordance with Best Value.
- 6.2.2 Where award for a Contract for services may result in employees of the Council or its Contractor transferring to a new employer, the advice of the SRO for Human Resources and the SRO for Legal must be obtained before the commencement of the procurement activity to ensure compliance with TUPE, and other related legislation, and to assess the implications in respect of pension arrangements.

6.2.3 The APO must ensure that an appropriate Specification or request for a Quote commensurate to the scope of the Goods, Services, execution of Works or Concessions Contract required is written prior to the commencement of any procurement activity. Advice from STaR must be sought where it is proposed that a Specification or request for a Quote is not used.

6.2.4 For procurement under the Regulations Thresholds, the use of PQQs is no longer permitted by the Regulations. However, the Regulations do permit the use of suitability assessment questions where they are relevant to the subject matter of the procurement and are proportionate. Further guidance on suitability assessment questions may be sought from STaR but in any event, advice must be sought from STaR where it is proposed that such questions are to be used.

6.3 **Framework Agreements**

6.3.1 Where, following an options appraisal as required by [Rule 6.2](#), a suitable Framework Agreement is identified, the ASO must ensure that:

- a. Any Call-off Contract is entered into in accordance with the terms of the relevant Framework Agreement; and
- b. Where applicable, a mini-competition (the tender process required by the Framework Agreement) is held in accordance with rules of the Framework Agreement.

6.3.2 For the avoidance of doubt, a Framework Agreement is considered suitable where it has either been entered into by:

- a. the Council in compliance with these Rules; or
- b. another local authority, a local authority purchasing consortium or central government where the Framework Agreement has been tendered and awarded in accordance with EU public procurement legislation, and the Council is identified as a contracting authority.

6.3.3 Where a Framework Agreement has been set up following an EU Tender, there must be full compliance with EU rules when awarding Call-off Contracts under it.

6.4 **Pre-Procurement Market Research and Consultation**

6.4.1 The ASO and APO responsible for the procurement activity:

- a. may consult potential Bidders or Tenderers in general terms about the nature, level and standard of the supply, contract packaging and other relevant matters, prior to a request for a Quote or an Invitation to Tender provided this does not prejudice any potential Bidders or Tenderers; and
- b. must not seek or accept technical advice on the preparation of a request for a Quote or an Invitation to Tender from anyone who may have a commercial interest in the tender, as this may prejudice the equal treatment of all potential Bidders and Tenderers or distort competition.

Advice must be sought from STaR in all instances.

6.5 Estimating the Total Value of a Contract or Framework Agreement

6.5.1 The Council must not split Contracts or Framework Agreements to avoid public procurement rules or calculate the value of Contracts in such a way as to deliberately avoid exceeding the Regulation Thresholds or any threshold identified in these Rules. Therefore all Contracts should be dealt with according to their total value and all Officers must calculate the total value (excluding VAT) of any Contract. The value of a Contract should be calculated as follows and applies to the aggregate value of the Contract:

Yearly contract value X Contract Period in years (including any option to extend) = Total value.

Where the duration of the contract is indeterminate or is longer than four years, this should be taken to be the estimated value of the contract over a period of four years.

6.5.2 The value of a Framework Agreement means the estimated amount payable by the users of the Framework Agreement for the Goods, Services or execution of Works (excluding VAT) under Call-off Contracts entered into over the entire possible duration of the Framework Agreement.

6.5.3 Framework Agreements must not be for more than four years (including options to extend) unless otherwise authorised by the SRO for Legal.

6.5.4 The value of the Contract or Framework Agreement will determine which procurement activity to follow in accordance with Table 1 below subject to Rules 6.5.6 and 6.5.7:

Table 1

Goods, Services and Concessions

Value	Procurement Activity	Minimum Requirement for advertising the opportunity
£0 - £4,999.99	Minimum one Quote in accordance with Rule 7 - Quotes	N/A*
£5,000 - £49,999.99	Minimum three Quotes in accordance with Rule 7 - Quotes	N/A*
	In accordance with Rule 8 – Tenders	The Chest (and Contracts Finder over £25k)
£50,000 and up to the Regulation Thresholds	In accordance with Rule 8 - Tenders	The Chest and Contracts Finder
Above the Regulation Thresholds	Most appropriate procedure permitted by the Regulations	OJEU Notice and Contracts Finder

Works and Public Works Concessions

Value	Procurement Activity	Minimum Requirement for
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		advertising the opportunity
£0 - £4,999.99	Minimum one Quote in accordance with Rule 7 - Quotes	N/A*
£5,000 - £74,999.99	Minimum three Quotes in accordance with Rule 7 - Quotes	N/A*
£75,000 - £249,999.99	Minimum six Quotes in accordance with Rule 7 – Quotes	N/A*
	In accordance with Rule 8 – Tenders	The Chest and Contracts Finder
£250,000 up to the Regulation Thresholds	In accordance with Rule 8 - Tenders	The Chest and Contracts Finder
Above the Regulation Thresholds	Most appropriate procedure permitted by the Regulations	OJEU notice and Contracts Finder

***WHERE ANY OPPORTUNITY OVER £25K IS OPENLY ADVERTISED, IT MUST BE PLACED ON CONTRACTS FINDER**

6.5.5 Where the value of the Contract is above the Regulation Thresholds, the ASO and the APO will determine which procurement activity to follow in accordance with the Regulations.

6.5.6 Irrespective of the value in Rule 6.5.4 Contracts and Framework Agreements that are subject to European Union grant funding requirements shall be advertised in accordance with published guidance, ERDF National Procurement Requirements (ERDF-GN-1-004) as amended from time to time.

6.5.7 The ASO and APO shall ensure that, where proposed Contracts or Framework Agreements, irrespective of their value, might be of interest to potential Economic Operators located in other member states of the European Union, a sufficiently accessible advertisement is published.

6.6 Standards and Award Criteria

6.6.1 Before inviting Quotes or Tenders, the ASO, with support from the APO, must ascertain any relevant British, European or international standards which apply to the subject matter of the Contract. The ASO must include those standards or equivalent where they are necessary to describe the required quality. In any instances of uncertainty, STaR can be consulted if it is proposed to use standards other than European standards.

6.6.2 The ASO must define award criteria that is appropriate to the procurement activity and designed to secure an outcome giving Value for Money for the Council. The basic award criteria shall include one of the following:

- a. Most economically advantageous tender (“MEAT”) - where considerations other than price also apply;
- b. Lowest price - where payment is to be made by the Council;
- c. Highest price - if payment is to be received.

If MEAT is the chosen award criteria, advice must be obtained from STaR to ensure that it is compatible with the EU Directives and the Regulations.

- 6.6.3 The ASO must seek advice from STaR to ensure any award criteria are compliant with relevant legislation and best practice.

7. Quotes

7.1 Requests for Quotes

- 7.1.1 All Quotes, including those in mini-competitions under Framework Agreements, must be confirmed in writing before a decision to award can be made and all Quotes must be stored on The Chest.

- 7.1.2 When requesting a Quote, an appropriate description of the Goods, Services, execution of Works or Concessions (commensurate with the value of the Contract) setting out the Council’s requirements in sufficient detail must be provided to prospective Bidders to enable the submission of competitive Quotes.

- 7.1.3 The request for a Quote shall also make reference to or include the following as a minimum:

- a. the terms and conditions of Contract that will apply; and
- b. notification that Quotes are submitted to the Council on the basis that they are compiled at the Bidder’s expense; and
- c. a description of the award criteria as appropriate and in accordance with [Rule 6.6](#); and
- d. the date and time by which a Quote is to be submitted by; and
- e. that the Council is not bound to accept any Quotes submitted.

- 7.1.4 The proposed form of Contract must comply with [Rule 9](#) and where possible the Council’s standard terms and conditions of Contract must be used. Advice must be sought from a STaR Legal Officer and approval given by the SRO for Legal where alternative terms and conditions are used.

- 7.1.5 Where requests for a Quote are sought from more than one prospective Bidder, where possible, the request must be sent to each Bidder at the same time and contain the same conditions. Any supplementary information must be given on the same basis.

7.2 Submission and Receipt of Quotes

- 7.2.1 Bidders must be given a reasonable period in which to prepare and submit a proper Quote, consistent with the complexity of the Contract requirement.

- 7.2.2 In the event that an abnormally low Quote is received, the ASO must take advice from STaR on how to proceed.

- 7.2.3 Any Quote (including all associated documents) submitted after the specified date and time for submission of Quotes shall only be accepted or considered by the Council in exceptional circumstances and only with agreement from the SRO for Legal Services.
- 7.2.4 If fewer than the minimum number of Quotes is received as stipulated in Table 1 in [Rule 6.5](#), then advice must be sought from the Director of Procurement (STaR) as to whether to proceed. Any decision must be recorded in writing and stored on The Chest.

7.3 **Amendments to Quotes**

- 7.3.1 The Council may accept amendments to Quotes, including those in mini-competitions under Framework Agreements, providing they are received prior to the closing date for submissions. In such circumstances, any alterations must be made by resubmitting a new Quote and clearly highlighting which Quote (and associated documents) is correct and which should be considered as part of the procurement activity.
- 7.3.2 A Quote may be amended after the closing date for submission if the amendment is made only in order to correct an arithmetical error. Such amendments may only be made with the prior approval of the Director of Procurement (STaR).

7.4 **Evaluation of Quotes**

- 7.4.1 All compliant Quotes, including those in mini-competitions under Framework Agreements, must be checked by the ASO to ensure they are arithmetically correct. The ASO may seek advice from STaR if there is any doubt. If arithmetical errors are found they should be notified to the Bidder, who should be requested to confirm or withdraw their Quote. Alternatively, if the rates in the Quote prevail over the overall price, an amended Quote may be requested to accord with the rates given by the Tenderer.
- 7.4.2 Where MEAT is used as the award criteria, all evaluations including an explanation of the reasons for the scores should be recorded on The Chest. The ASO must then confirm to STaR that the Contract can be awarded in accordance with [Rule 7.5](#) by updating the PID.
- 7.4.3 Officers must ensure transparency and fairness during the evaluation process.

7.5 **Contract Award – through a Quotation Process**

- 7.5.1 The Contract will be awarded in accordance with the award criteria used.
- 7.5.2 Where the Quote is not within the relevant approved budget but additional budgetary provision is available, the relevant ASO, with the approval of the SRO for Finance, may accept the Quote ensuring compliance with the Financial Procedure Rules/Regulations.
- 7.5.3 The approval to award the Contract must be given in accordance with the Council's Scheme of Delegation.
- 7.5.4 All award decisions must be recorded in the PID, signed and dated by the ASO, the APO and the SRO for the relevant service.

- 7.5.5 Once the decision has been made and the approval given to award the Contract, the ASO must send a Contract award letter to the winning Bidder(s).
- 7.5.6 Prior to commencement of the Contract, the Contract must be completed in accordance with [Rule 9.2](#) unless Rule 9.2.5 applies.
- 7.5.7 STaR will, where necessary, advise on the formalities for completion of the contract by parties other than the Council and how to ensure that the Contract is legally binding.

8. Tenders

8.1 Invitations to Tender

- 8.1.1 All Tender opportunities must be placed on The Chest and, where appropriate, Contracts Finder in accordance with Table 1 at [Rule 6.5](#).
- 8.1.2 The Invitation to Tender, shall include the following where appropriate:
- a. A form upon which the Tenderer can provide details of its bid (“Form of Tender”);
 - b. A reference to the Council’s ability to award in whole, in part or not at all;
 - c. A Specification that describes the Council’s requirements in sufficient detail to enable the submission of competitive offers;
 - d. the terms and conditions of Contract that will apply;
 - e. A requirement for Tenderers to declare that the Tender content, price or any other figure or particulars concerning the Tender have not been disclosed by the Tenderer to any other party (except where such a disclosure is made in confidence for a necessary purpose);
 - f. A requirement for Tenderers to fully complete and sign all Tender documents including the Form of Tender and certificates relating to canvassing and non-collusion;
 - g. Notification that Tenders are submitted to the Council on the basis that they are compiled at the Tenderer’s expense;
 - h. A description of the award procedure and the evaluation criteria to be used to assess Tenders including any weightings as considered appropriate and in accordance with [Rule 6.6](#). The evaluation criteria must be clear, concise and unambiguous and must be approved by the APO in consultation with the ASO. The evaluation criteria cannot be amended once published in the Invitation to Tender;
 - i. The method by which any arithmetical errors discovered in the submitted Tenders are to be dealt with and in particular, whether the overall price prevails over the rates in the Tender or vice versa;
 - j. Whether the Council is of the view that TUPE will be applicable in relation to the procurement activities;
 - k. Whether additional arrangements will be required in relation to pension provision;
 - l. Provisions relating to the Council’s termination rights in the event that corruption is discovered;
 - m. The relevance and application of any parent company guarantees and/or bonds;
 - n. That the Council is not bound to accept Tenders; and
 - o. Any matters required by local polices in [Schedule 1](#).

- 8.1.3 The proposed form of Contract must comply with [Rule 9](#) and where possible the Council's standard terms and conditions of Contract must be used. Advice must be sought from the STaR Legal Officer and approval given by the SRO for Legal where alternative terms and conditions are used.
- 8.1.4 All Tenderers invited to Tender must be issued with the same information at the same time and contain the same conditions. Any supplementary information must be given on the same basis.
- 8.1.5 All communications relating to Tenders must be recorded on The Chest.

8.2 Pre and Post Tender Clarification Procedures

- 8.2.1 Providing pre-Tender clarification to potential or actual Tenderers, or seeking clarification of a Tender, is permitted subject to Rule 8.2.3.
- 8.2.2 Post-tender clarification may be undertaken with Tenderers only where it is essential in order to be completely clear about any fundamental aspect of the Tender submission before the completion of the Tender evaluation process and subject to Rule 8.2.3.
- 8.2.3 All pre- and post- tender communication must be conducted either in writing or in a meeting recorded by the ASO. All correspondence or meetings must be documented and retained on The Chest. Where a meeting is required, there must always be more than one Officer present.
- 8.2.4 At all times during the clarification process, the Council shall consider and implement the principles of non-discrimination, equal treatment and transparency.
- 8.2.5 Unless otherwise permitted by the Regulations, in no circumstances are post-award negotiations permitted.

8.3 Submission and Receipt of Tenders

- 8.3.1 Tenderers must be given a reasonable period in which to prepare and submit a proper Tender, consistent with the complexity of the Contract requirement and in accordance with the Regulations.
- 8.3.2 Any Tender (including all associated documents) submitted after the specified date and time for submission of Tenders shall only be accepted or considered by the Council in exceptional circumstances and only with agreement from the SRO for Legal Services.
- 8.3.3 All Tenders received, including those in mini-competitions under Framework Agreements, must remain unopened until the specified closing date and time has passed.
- 8.3.4 If less than the minimum number of Tenders is received as stipulated in Table 1 in [Rule 6.5](#), then advice must be sought from the Director of Procurement (STaR) on how to proceed. Any decision must be recorded in writing and stored on The Chest.

8.4 Verifying and Opening Tenders

8.4.1 Tenders are to be verified by an APO who is independent of the procurement activity to which the Tender relates.

8.4.2 Once verified, Tenders are to be opened in accordance with the following Table 2:

Table 2

Value of Contract	Officers required to be present:	Expected Duration
£0 - £49,999.99	APO	Within 2 working days of the deadline for submission
£50,000 and above	CM or SCM	Within 2 working days of the deadline for submission

8.5 Amendments to Tenders

8.5.1 The Council may accept amendments to Tender submissions, including those in mini-competitions under Framework Agreements, providing they are received prior to the closing date for submissions.

8.5.2 A Tender may be amended after the closing date for submission if the amendment is made only in order to correct an arithmetical error. Such amendments may only be made with the prior approval of the Director of Procurement (STaR).

8.6 Evaluation of Tenders

8.6.1 If a PQQ or an expression of interest prior to PQQ was used, all those Tenderers must be given feedback at the relevant stage.

8.6.2 In the event that an abnormally low Tender is received, the ASO must take advice from STaR on how to proceed.

8.6.3 All compliant Tenders, including those in mini-competitions under Framework Agreements, must be checked by the ASO and the APO to ensure they are arithmetically correct. If arithmetical errors are found they should be notified to the Tenderer, who should be requested to confirm or withdraw their Tender. Alternatively, if the rates in the Tender prevail over the overall price, an amended Tender price may be requested to accord with the rates given by the Tenderer.

8.6.4 Where MEAT is used as the award criteria, all evaluations including an explanation of the reasons for the scores should be recorded on The Chest. The ASO must then confirm to STaR that the Contract can be awarded by updating the PID.

8.6.5 Officers must ensure transparency and fairness during the evaluation process.

8.7 Contract Award – through a Tender process

8.7.1 The winning Tender shall be awarded the Contract in accordance with the award criteria used.

- 8.7.2 Where the Tender is not within the relevant approved budget but additional budgetary provision is available, the relevant ASO, with the approval of the SRO for Finance, may accept the Tender ensuring compliance with the Financial Procedure Rules/Regulations.
- 8.7.3 The approval to award the Contract must be given in accordance with the Council's Scheme of Delegation.
- 8.7.4 All award decisions must be recorded in the PID, signed and dated by the ASO, the APO and the SRO for the relevant service.
- 8.7.5 A Contract which has a contract value above the Regulation Thresholds, can only be awarded after a notice of the proposed award has been given to all unsuccessful Tenderers and the 10 day standstill period has elapsed from the date the notice was given. If the 10 days expire on a non-working day, then the notice period will be deemed to have lapsed on the next working day.
- 8.7.6 Once the decision to award a Contract is made, each Tenderer must be notified by either the ASO or the APO in writing of the outcome. All Tenderers must be notified simultaneously and as soon as possible of the intention to award the Contract to the successful Tenderer(s) and this should be done via The Chest. The letters must include a description of the relative advantages of the successful Tenderer.
- 8.7.7 Prior to commencement of the Contract, the Contract must be completed in accordance with [Rule 9.2](#) unless Rule 9.2.5 applies.
- 8.7.8 A STaR Legal Officer will, where necessary, advise on the formalities for completion of the contract by parties other than the Council and how to ensure that the Contract is legally binding.
- 8.7.9 The APO must publish a contract award notice in the OJEU and on the Council's website no later than 48 days after the date of award of the Contract where a Contract value exceeds the Regulation Threshold and has been tendered pursuant to the Regulations or is subject to the relevant provision of the Regulations relating to Contract award.
- 8.7.10 Contract award letters, feedback to Tenderers and the contract Terms and Conditions, including any incidental documentation must be approved by the APO prior to sending where the value of the Contract is over the Regulation Thresholds.

8.8 **Enquiries about the Tender process**

- 8.8.1 The confidentiality of Tenders and the identity of Tenderers must be preserved at all times insofar as this is compatible with the Councils' obligations under FOIA and EIR.
- 8.8.2 If the Council receives a request for information under the FOIA as a result of the de-briefing process, the request must be referred to both the Director of Procurement (STaR) and the relevant Officer of the Council who deals with such requests. The Council will be responsible for responding to the request.

- 8.8.3 Any challenges, complaints or requests for feedback, clarification or further information must be referred to the Director of Procurement (STaR) who will advise on how to respond and notify the SRO for Legal.

9. Contract Provisions and Contract Formalities

9.1 Contract Provisions

- 9.1.1 All Contracts must be in writing and must set out the parties' obligations, rights and risk allocations. Advice must be sought from STaR as to the appropriate form of Contract to be used and where possible, be on the Council's standard terms and conditions.
- 9.1.2 All Contracts, irrespective of value, shall, where appropriate, clearly specify as a minimum:
- a. What is to be supplied (i.e. the Works, materials, services, matters or things to be furnished, had or done)
 - b. The provisions for payment (i.e. the price to be paid and when)
 - c. The time, or times, within which the contract is to be performed
 - d. The provisions for the Council to terminate the Contract and break clauses.
 - e. The provision for collateral warranties from sub-contractors.
- 9.1.3 STaR can provide advice on Contract specific terms and conditions.

9.2 Contract Formalities

- 9.2.1 Once a decision to award has been made in accordance with Rule 7.5.3 or 8.7.3, the Contract must either be signed by the Officer authorised to award the Contract under the Council's Scheme of Delegation, or signed by the SRO for Legal, or sealed in accordance with Rule 9.3.2.
- 9.2.2 Where the Contract is to be in writing, the ASO or APO must arrange for the Contract including all schedules and appendices to be signed by all parties. This can be done in two ways:
- a) Sending bound hard copies of the Contract to the winning Bidder(s) or Tenderer(s) for signing; or
 - b) Sending electronic copies of the Contract to the winning Bidder(s) or Tenderer(s) for printing, binding and signing.
- 9.2.3 Before arranging for the Contract to be signed or sealed on behalf of the Council, the ASO must check that the returned signed Contract has not been amended or altered by the winning Bidder(s) or Tenderer(s) without prior written agreement by the Council.
- 9.2.4 Rules 9.2.1 to 9.2.3 do not apply to purchases made through an Electronic Purchasing System (EPS).
- 9.2.5 All Contracts which are to be formally completed in writing must be completed before the Goods are supplied, or the Service, execution of Works or Concessions Contract begins, except in exceptional circumstances, and then only with the prior approval from the SRO for Legal.

9.2.6 A purchase order must be raised in the appropriate eProcurement system for all goods, services and works requirements to be acquired through an EPS and for all Contracts. The purchase order must attach the terms and conditions of Contract between the Council and the Contractor.

9.2.7 The ASO must ensure that the person signing on behalf of the Contractor has requisite legal authority to bind the Contractor. Where there is any doubt, the ASO must seek advice from the STaR Legal Officer.

9.3 Contracts under Seal

9.3.1 A Contract must be sealed where:

- a. The Council wishes to extend the liability period under the Contract and enforce its terms for up to 12 years; or
- b. The price to be paid or received under the Contract is a nominal price and does not reflect the value of the goods or services; or
- c. There is any doubt about the authority of the person signing for the other contracting party; or
- d. The Contract value is £250,000 or above.

9.3.2 The seal must be affixed in accordance with the provisions of the Council’s Constitution.

9.4 Transfer of Contracts

9.4.1 No Contract should be transferred from one Contractor to another without first consulting STaR. Contracts can only be transferred if approved in accordance with the table below:

Value of Contract/Quote	Decision Maker
All values	SRO for Finance and SRO for Legal or their nominees in accordance with the Council’s Scheme of Delegation and consultation in with the Director of Procurement (STaR)

10. Exemptions and Modifications

10.1 Exemptions

10.1.1 In limited circumstances, it may be necessary to seek an Exemption from the Rules and guidance from STaR must be sought before any procurement activity commences.

10.1.2 An Exemption cannot be given where this would contravene the Regulations.

10.1.3 Exemptions will only be considered in exceptional circumstances. Examples of circumstances which may be considered exceptional could include the following:

- a. Any of the circumstances identified in [Rule 5](#);
- b. To comply with legal requirements;

- c. The Contract is for Goods, Services or the execution of Works which are required in circumstances of extreme urgency;
- d. Repairs or parts — if the only option is to repair or buy new parts for existing equipment or buildings, and there is only one supplier;
- e. Where a Service review includes the intention to co-terminate relevant Contracts.

10.2 Procedure for Exemptions

10.2.1 To apply for an Exemption the ASO must fill in the Exemption Form and submit it to the STaR for consideration and recommendation. This Exemption Form must then be signed (electronically or by hand) in accordance with the table below (unless Rule 10.2.2 applies).

Value of Contract/Quote	Decision Maker
All values	SRO for Finance and SRO for Legal or their nominees in accordance with the Council's Scheme of Delegation and in consultation with the Director of Procurement (STaR)

10.2.2 If an Exemption requires a Key Decision, then that Key Decision must be made in accordance with the Council's Constitution. Guidance from STaR must be sought if there is any doubt as to whether a decision is a Key Decision.

10.2.3 The ASO must ensure that the Exemption Form provides full details of the request and any supplementary documentation to support the request.

10.2.4 No commitment should be made to a potential Contractor prior to authorisation.

10.2.5 The Director of Procurement (STaR) is responsible for ensuring a complete record of all Exemptions. A record of the decision approving an Exemption and the reasons for it must be stored electronically on The Chest.

10.2.6 In circumstances of extreme urgency, the relevant decision maker in 10.2.1 above may authorise an Exemption in writing without the need to complete an Exemption Form. The written authorisation provided in accordance with this Rule 10.2.6 must be submitted to STaR to be stored electronically on The Chest.

10.3 Modifications to a Contract or Framework Agreement

10.3.1 A Modification may be permitted if any of the limited criteria below applies and the Modification is not considered a substantial Modification as defined in Rule 10.3.4:

- a. The proposed Modification is for an increase in price of less than 10% of the initial Contract value where there is sufficient budgetary provision and such a Modification is in compliance with the Financial Procedure Rules/Regulations and subject to 10.3.2; or

- b. The proposed Modification is for an extension for a particular period where there is sufficient budgetary provision and such an extension is in compliance with the Financial Procedure Rules/Regulations and subject to 10.3.3; or
- c. The proposed Modification meets the following conditions:
 - i) the need for the Modification has been brought about by circumstances which the Council, acting diligently, could not have foreseen; and
 - ii) the Modification does not alter the overall nature of the Contract; and
 - iii) any increase in price is not higher than 50% of the value of the original Contract or Framework Agreement.

10.3.2 Where criterion 10.3.1(a) is applicable, if several successive Modifications are made, the value shall be assessed on the basis of the net cumulative value of the successive Modifications.

10.3.3 Where criterion 10.3.1 (b) is applicable, the extension is not permitted where it would take the Contract value above the Regulation Thresholds.

10.3.4 A Modification of a Contract or Framework Agreement during its term is considered substantial if one of the following conditions is met:

- a. the Modification introduces conditions which, had they been part of the initial procurement procedure, would have allowed for the admission of other candidates than those initially selected or for the acceptance of an offer other than that originally accepted or would have attracted additional participants in the procurement procedure;
- b. the Modification changes the economic balance of the Contract or the Framework Agreement in favour of the Contractor in a manner which was not provided for in the initial Contract or Framework Agreement;
- c. the Modification extends the scope of the Contract or Framework Agreement considerably to encompass supplies, services or works not initially covered.

10.3.5 A Contract must not be modified without consulting the Director of Procurement (STaR).

10.4 Procedure for Modifications

10.4.1 To apply for a Modification the ASO must fill in the Modification Form and submit it to the STaR for consideration and recommendation. This Modification Form must then be signed (electronically or by hand) in accordance with the table below.

Value of Contract/Quote	Decision Maker
All values	SRO for Finance and SRO for Legal or their nominees in accordance with the Council's Scheme of Delegation and in consultation with the Director of Procurement

- 10.4.2 The ASO must ensure that the Modification Form provides full details of the request and any supplementary documentation to support the request.
- 10.4.3 No commitment should be made to a potential Contractor prior to authorisation.
- 10.4.4 The Director of Procurement (STaR) is responsible for ensuring a complete record of all Modifications is kept and a record of the decision approving a Modification and the reasons for it must be submitted to STaR to be stored electronically on The Chest.

11. Declarations of Interest and Anti-Bribery and Corruption

- 11.1 The Council's reputation with regards to procurement activity is important and should be safeguarded from any imputation of dishonesty or corruption. All elected Members of the Council and Officers are reminded of their responsibilities in relation to gifts, hospitality and any conflicts of interest and should ensure they comply with the obligations set out in the Council's Members' Code of Conduct and the Officers' Code of Conduct respectively and any other relevant policies, guidance or strategies relating to bribery, fraud and corruption issued or endorsed by the Council from time to time
- 11.2 Any Officer or Member must declare any interest which could influence their judgement in relation to procurement activity in accordance with the Council's Codes of Conduct.
- 11.3 No gifts or hospitality should be accepted from any Bidders or Tenderers involved in procurement activity except in accordance with the Council's Codes of Conduct.

12. Contract Management

- 12.1 All Contracts must have a Council Contract Manager ("Contract Manager") for the entirety of the Contract. In the event that there is no named Contract Manager the ASO will fulfil the role of Contract Manager.
- 12.2 The Contract Manager will be responsible for reviewing monitoring and evaluating the contract to ensure that its provisions and the services within it are being followed and performed as they should be.
- 12.3 During the life of the Contract, the Contract Manager should monitor the Contract in respect to the following:
- a. Performance (against agreed KPIs where relevant);
 - b. Compliance with specification and contract;
 - c. Cost;
 - d. Any Best Value duties ;

- e. Continuous Improvement;
- f. User satisfaction; and
- g. Risk management.

- 12.4 Where the Contract is to be re-let, this information should be available early enough to inform the approach to re-letting the next contract.
- 12.5 STaR can provide advice and support on good practice in performance management of Contracts.
- 12.6 All Contracts must be included and published on the Contracts Register maintained by STaR in line with the Local Government Transparency Code 2014. This is a mandatory requirement and it is the responsibility of the SRO for each Service to ensure that they have informed STaR of the Contracts they are responsible for and provided them with the information necessary to update the Contracts Register accordingly.

13. Retaining Relevant Documents

- 13.1 All records in relation to the award of Contracts and the associated procurement process, including supporting documentation, shall be stored by STaR in an electronic filing system to be available for inspection by the Council's internal and external auditors, or Officer, immediately upon request. Records will be retained in accordance with relevant regulations applicable to electronic record retention.
- 13.2 Hard copies of all written contracts shall be retained as follows:

Contracts with a value between £5,000 and £249,999.99	for six years after the end of the Contract
all sealed Contracts and Contracts with a value of £250,000 and above	for twelve years after the end of the Contract
Contracts that are grant funded regardless of value	Must comply with retention period above or the terms and conditions of the grant, whichever is the longer

- 13.3 If legislation related to any individual Contract stipulates a longer retention period than this, then the legislation requirements takes precedence over the Council's minimum periods.
- 13.4 Once executed, the Council shall retain one original of the complete Contract documents in line with the timescales in the table above and one copy of the complete Contract documents shall be provided to the Contractor.

SCHEDULE 1

Local arrangements for Trafford Council

There are no local arrangements.

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TRAFFORD COUNCIL

Report to: Council
Date: 15th July 2015
Report for: Decision
Report of: Lisa Hooley, Acting Director of HR

Report Title

<p>The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015</p>
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Summary

<p>This report outlines the requirement for the Council to amend its Standing Orders in order to give effect to new arrangements for disciplining and dismissing its statutory officers and provides a timeline for the development and approval of an underpinning procedure.</p>

Recommendation(s)

<p>It is recommended that Council:</p>

- | |
|--|
| <ol style="list-style-type: none"> 1. Approves the required changes to the Standing Orders. 2. Gives approval for the Director of Legal and Democratic Services to make any consequential amendments to the Constitution. 3. Notes the timeline set out in Appendix 1. |
|--|

Background Information

Relationship to Corporate Priorities	N/A
Financial	None
Legal Implications	This change is as a result of a regulatory amendment and its compliance is therefore required by statute
Equality/Diversity Implications	None
Sustainability Implications	None
Staffing/E-Government/Asset Management Implications	Whilst the statutory amendments will be automatically incorporated into employment contracts, consultation on the revised process will need to be undertaken with officers directly affected by the changes, in line with routine Council procedures.
Risk Management Implications	The risk associated with this matter relates to non-compliance from a legal perspective, as referred to above.
Health and Safety Implications	None

1.0 Background

- 1.1 The Local Authorities (Standing Order) (England) (Amendment) Regulations 2015 came into force on 11th May 2015.
- 1.2 These Regulations introduce significant changes regarding the dismissal of statutory officers of a Council i.e. the Head of Paid Service, the Monitoring Officer and the Chief Finance Officer (Section 151); sometimes referred to as the 'protected officers'.

2.0 Key Changes under the Amended Regulations

- 2.1 Under the previous Regulations, local authorities were required to appoint a designated independent person ("DIP") to investigate all allegations of misconduct involving statutory officers, before any disciplinary action could be taken; furthermore, any decision to dismiss the Head of Paid Service had to be taken by full Council,
- 2.2 In 2013, the DCLG commenced consultation on the removal of the DIP process on the basis that it was bureaucratic and time-consuming.
- 2.3 Following on from the consultation, a set of amended Regulations were published at the end of March 2015; these Regulations removed the requirement for a DIP to be appointed and instead established a new procedure for dismissing statutory officers.
- 2.4 This new procedure essentially extends the requirement for full Council to take the decision to dismiss any of the statutory officers (i.e. it is no longer limited to the Head of Paid Service) and most importantly, sets out a requirement that this decision must be taken following consideration of recommendations made by a relevant 'Panel', which includes Independent Persons (IPs).
- 2.5 The Regulations provide that this 'Panel' should be 'a committee appointed by the authority under section 102(4) of the Local Government Act 1972 for the purposes of advising the authority on matters relating to the dismissal of relevant officers of the authority'; this committee would be subject to the usual legal requirements for proportionality and must comprise 'at least two' IPs.
- 2.6 These IPs must be appointed under the provisions of section 28(7) of the Localism Act 2011 (established for the purposes of the 'member conduct' regime) and must not be remunerated at a higher level than that which they would have been in undertaking their role as an Independent Person in the conduct regime. This is to ensure that the new process incurs minimal cost.

3.0 Next Steps

- 3.1 Further to this regulatory amendment, the Council is required to update its Standing Orders to reflect the changes and is also required to amend its Constitution.

- 3.2 In addition, there is a requirement to develop a revised disciplinary process for these protected officers; this is currently being drafted and will be subject to a period of consultation with the affected officers.
- 3.3 Following conclusion of the consultation process, the revised disciplinary procedure will be submitted to Employment Committee for review and agreement.
- 3.4 A draft timeline summarising this position and the next steps is provided in Appendix 1.

4.0 Conclusion and Recommendations

- 4.1 Council is recommended to approve the amendment to its Standing Orders and give approval for the Director of Legal and Democratic Services to make any consequential amendments to the Constitution.

In addition, Council is asked to note the timeline in Appendix 1.

**The Local Authorities (Standing Orders) (England) (Amendment) Regulations
2015 – Timeline**

DATE	ACTION
10 th July 2015	Draft disciplinary process developed
13 th July 2015	Trade Union briefing
13 th July 2015 to 24 th July 2015	Consultation on the draft disciplinary process to be undertaken with the protected officers
15 th July 2015	Report to Council on the revised Regulations
27 th July 2015	Executive (for information)
31 st July 2015 or 11 th August 2015	Deadline for paper send-out for Employment Committee
10 th August 2015 or 19 th August 2015 (date to be confirmed)	Employment Committee (approval)

TRAFFORD BOROUGH COUNCIL

Report to: Executive 29 June 2015
Accounts & Audit Committee 30 June 2015
Council Meeting 15 July 2015

Report for: Information

Report of: The Executive Member for Finance and the Director of Finance

Treasury Management Annual Performance 2014/15 Report

Summary

This report has been prepared in accordance with the CIPFA Code of Practice, as adopted by the Council to review treasury activities for the past financial year and during which:

- all legislative and regulatory requirements, including compliance with all treasury management prudential indicators were complied with;
- the average level of external debt for 2014/15 was £96.1m with the average rate being 6.07% reflecting the full year effect of a market loan switching from fixed to variable rates of interest and low rated debt maturing. This position compares to 2013/14 when the respective figures were £99.7m & 5.22%. Interest payable for 2014/15 was in line with budget;
- the average level of investments for 2014/15 was £79.3m with a rate of return of 0.70%, for 2013/14 this was £71.5m and 0.74% respectively. Interest received in 2014/15 was £(0.1)m above budget.

Recommendations

That the Accounts & Audit Committee and Executive advise the Council:

1. of the Treasury Management activities undertaken in 2014/15;
2. that no prudential limits were breached during 2014/15;
3. that both the CIPFA Code of Practice on Treasury Management and CIPFA Prudential Code for Capital Finance were fully complied with.

Contact person for background papers:
Graham Perkins – Technical Accountant - Extension: 4017

Background papers: None

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	In 2014/15 the Council paid loan interest of £5.8m which was in line with that budgeted for and received £(0.5)m from money market investments, which was £(0.1)m above budget.
Legal Implications:	All actions undertaken during the year were in accordance with legislation, CLG Guidance, CIPFA Prudential Code and CIPFA Treasury Management Code of Practice.
Equality/Diversity Implications	Not applicable
Sustainability Implications	Not applicable
Resources Implications e.g. Staffing/ICT/Assets	Not applicable
Risk Management Implications	The monitoring and control of risk underpins all treasury management activities. The Council's in-house treasury management team continually monitor to ensure that the main risks associated with this function of adverse or unforeseen fluctuations in interest rates are avoided and security of capital sums are maintained at all times.
Health & Wellbeing Implications	Not applicable
Health and Safety Implications	Not applicable

1. INTRODUCTION AND BACKGROUND

- 1.1 The Council is required by regulations issued under the Local Government Act 2003, the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code), to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for 2014/15. This report meets these requirements.
- 1.2 During 2014/15, the minimum reporting requirements were that the Accounts & Audit Committee together with the Executive and Full Council should receive the following reports:
- annual treasury strategy for the year ahead (issued February 2014);
 - mid-year update report (issued November / December 2014);
 - annual outturn report describing the activity undertaken compared to the strategy (June 2015 i.e. this report).
- 1.3 The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report is therefore important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members.
- 1.4 The figures in this report are based on the actual amounts borrowed and invested and as such will differ from those stated in the final accounts which are shown in compliance with International Financial Reporting Standards.
- 1.5 The report comprises of the following sections:
- Economic background & impact on 2014/15 Strategy (Section 2);
 - Treasury Position (Section 3);
 - Borrowing Position (Section 4);
 - Investment Position (Section 5);
 - Related Treasury Issues (Section 6);
 - Prudential and Performance indicators (Section 7);
 - Appendices.

2. ECONOMIC BACKGROUND & IMPACT ON 2014/15 STRATEGY

- 2.1 The financial year continued the challenging investment environment encountered since the latter part of 2008, namely low investment returns, although levels of counterparty risk did subside. A brief summary of the main events which occurred during the year are highlighted below;

General: -

- financial markets were caught out by a halving in the price of oil and the problems encountered between the Swiss franc and the euro;
- increased concerns that the European Central Bank was going to do too little too late to ward off the threat of deflation and recession in the Eurozone;
- strong growth in the US caused an increase in confidence, suggesting that it was well on the way to making a full recovery from the financial crash and would be the first country to start increasing its central interest rate, probably by the end of 2015;
- by the end of 2014, it was clear that inflation (Consumer Price Index) in the UK was heading towards zero in 2015 and could possibly even turn

negative making it difficult for the Monetary Policy Committee to start raising Bank Rate.

UK: -

- market expectation at the beginning of 2014/15 was for the first increase in Bank Rate to occur in quarter 1 2015 in response to the unemployment rate falling much faster than expected. This did not materialise as a result of factors mentioned above and market expectations are now for the first increase to occur around quarter 3 of 2016.
- economic growth (Gross Domestic Product) registered positive growth for 2014 at 3.2%;
- no additional quantitative easing was undertaken by the Bank of England;
- Bank Rate ended the year unchanged for the sixth successive year at 0.5%;
- Consumer Price Index inflation fell from 1.8% in April 2014 to 0.0% by March 2015;
- unemployment rate fell from 6.9% in April 2014 to 5.6% in February 2015;
- the Funding for Lending Scheme, introduced by the Bank of England in July 2012, continues to provide cheap credit to the banks resulting in low money market investment rates being available;

EU:-

- Fears of a Greek exit from the euro increased after the anti-austerity party won power in January 2015;
- While the UK and its banking system has little direct exposure to Greece, it is difficult to quantify what the effects would be if Greece were to exit from the euro;
- European Central Bank announced in January 2015 that it would start a major programme of quantitative easing, purchasing Eurozone government and other debt in March 2015.

2.2 The actual movement in interest rates when compared to the expectations in the strategy are shown below and a more detailed analysis detailing how investment rates moved during the course of the year is provided at Appendix A;

	2014/15	1 April 2014	31 March 2015	2014/15
	Forecast Average	Actual	Actual	Actual Average
	%	%	%	%
UK Bank Rate	0.50	0.50	0.50	0.50
Investment Rates				
3 month	0.50	0.40	0.44	0.43
1 Year	0.80	0.78	0.84	0.87
Loan Rates				
5 Year	2.90	2.85	2.08	2.56
25 Year	4.75	4.49	3.31	3.93

For reference, the 2014/15 budget assumed an average investment rate of 0.84% and that no new borrowing would be undertaken.

3. TREASURY POSITION

- 3.1 The Council's debt and investment position is controlled by the Council's Treasury Management team to ensure that security of funds and adequate liquidity for revenue and capital activities are maintained at all times. Procedures and controls to achieve these objectives are well established both through Member reporting and officer activity.
- 3.2 The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR) and is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2014/15 unfinanced capital expenditure and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.
- 3.3 At the beginning and end of 2014/15 the Council's treasury position was as follows:

	31 March 2015			31 March 2014		
	Principal	Total	Interest Rate	Principal	Total	Interest Rate
DEBT						
Fixed rate:						
-PWLB	£39.0m			£41.4m		
-Market	£5.0m	£44.0m	6.67%	£5.0m	£46.4m	6.83%
Variable rate:						
-PWLB	£0m			£0m		
-Market	£51.0m	£51.0m	5.50%	£51.0m	£51.0m	5.14%
Total debt		£95.0m	6.05%		£97.4m	5.95%
Capital Financing Requirement (to finance past capital expenditure)		£138.2m			£143.2m	
Over/ (under) borrowing		(£43.2m)			(£45.8m)	
INVESTMENTS						
- Fixed rate	£39.9m			£26.9m		
- Variable rate	£37.7m			£24.0m		
Total investments		£77.6m	0.71%		£50.9m	0.79%

Note - The above interest rates reflect the actual position as at 31 March.

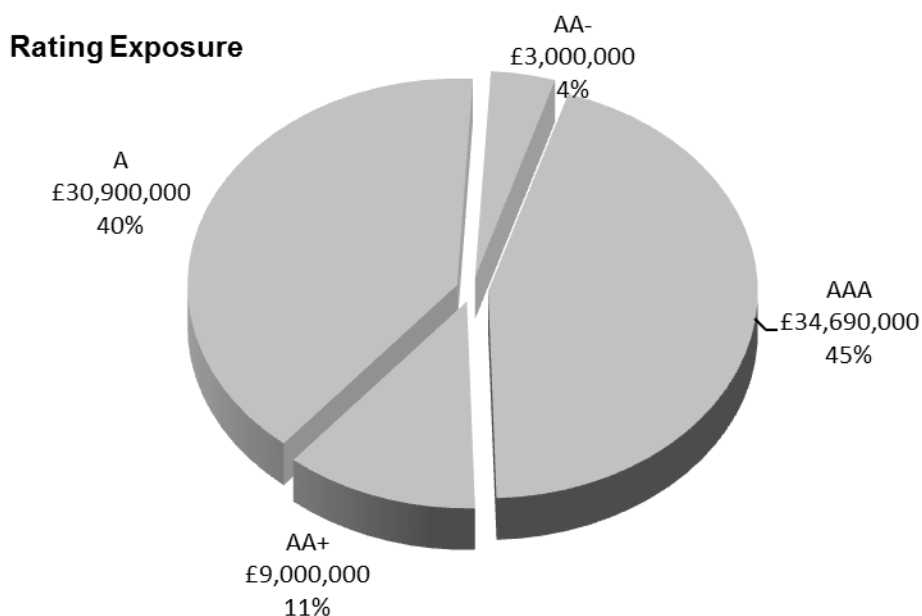
4. BORROWING POSITION

- 4.1 During the year the Council's external debt levels reduced by £2.4m to £95m, following repayments made to the Public Works Loan Board for annual and maturing debt. Of the debt outstanding of £95m, £1.0m is administered on behalf of Greater Manchester Probation Service which leaves £94m in respect of the Council's own long term requirement.

- 4.2 A maturity profile of the Council's debt can be found at Appendix B & C for reference.
- 4.3 During 2014/15 and in response to the continuing interest rate differential between the cost of long term debt (3.9%) compared to the levels of return available from short term investments (under 1%), together with investment counterparty risk, the Council continued with its the strategy adopted since 2010, of borrowing internally (using cash backed reserves) to fund its long term borrowing requirement and maturing debt. This course of action continues to be widely followed by Councils nationally and was undertaken in conjunction with advice obtained from the Council's external advisers Capita.
- 4.4 Due to the high breakage costs (premium) payable no rescheduling on any of the Council's loans was undertaken in the year.

5. INVESTMENT POSITION

- 5.1 The Council's investment policy is governed by CLG guidance issued in March 2010 and which was implemented in the annual investment strategy approved by Council on 19 February 2014. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.). The table below provides a breakdown of the Council's investments placed as at 31 March 2015 by long term credit rating and further information detailing the make-up of this can be found at Appendix C & D;



- 5.2 The in-house treasury management team manages the investments using the institutions listed in the Council's approved lending list and funds can be invested for a range of periods from overnight to 3 years dependant on cash flow requirements, duration and counterparty limits set out in the approved investment strategy, its interest rate view and the interest rates on offer. Investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.
- 5.3 The in-house team also continually monitors the markets and during the year there was very little movement in both credit ratings and interest rates highlighting the continuing movement by financial institutions to realign their balance sheets following the economic downturn.

- 5.4 The Council's main bank account, which successfully transferred from The Co-operative to Barclays on 1st February 2015, is non-interest bearing and consequently if no investments were undertaken by the Council's in house treasury management team, the Council would miss the opportunity to generate a substantial amount of income.
- 5.5 Bank Rate remained throughout 2014/15 at its historic low level since March 2008, of 0.5% with market expectations as to when the first increase in rates will now occur being set for quarter 3 2016 from that originally forecasted at quarter 1 2015. Deposit rates remained depressed during the whole of the year, primarily due to the effects of the Funding for Lending Scheme.
- 5.6 The Council maintained an average balance of £79.3m during 2014/15 with an investment rate of return of 0.70% being achieved through proactive investment management, generating £(0.5m) of interest.
- 5.7 Whilst the level of return achieved in 2014/15 of 0.70% was slightly below that originally budgeted for of 0.84%, it was 0.36% or £(0.3m) above the comparable performance indicator of the average 7-day London Interbank BID (LIBID) rate, of 0.35% and £(0.1)m above budget.
- 5.8 The amount of interest earned was above that originally budgeted due to the level of balances invested being higher than originally forecasted due to external grants / contributions / monies being received ahead of spend requirement.
- 5.9 A maturity profile of the Council's temporary investments can be found at Appendix C together with a further breakdown at Appendix D which details the historic risk of default.

6. RELATED TREASURY ISSUES

- 6.1 In response to The Co-operative bank's announcement in 2013 that it was withdrawing from the Local Authority banking market, an AGMA procurement exercise was undertaken in 2014 seeking a replacement bank to provide the Council's day to day transactional banking requirements. As a result of this exercise Barclays bank were duly appointed to provide this service and with effect from 1st February 2015. The Council successfully transferred its banking requirements across from The Co-operative to Barclays without any disruption to its customers being incurred. As a further consequence of this transition across to Barclays bank, forecasted annualised revenue savings of £23.5k are to be generated during the initial 5 year period of this contract.
- 6.2 Local Authority Mortgage Scheme – the Council participated in the national Local Authority Mortgage Scheme using the cash backed option with Lloyds bank by advancing £2m in 2012/13 at an interest rate of 4.41% and due to the success of this scheme, a further £1m was also advanced in 2013/14 at an interest rate of 2.7%, both for periods of 5 years. These are classified as being service investments, rather than a treasury management investment, and are therefore outside of the specified / non specified investment categories.

7. PRUDENTIAL AND PERFORMANCE INDICATORS

- 7.1 Within the Treasury Management Strategy for 2014/15, approval was given to the treasury management prudential & performance indicators for the period 2014/15 – 2017/18. All indicators and benchmarks set for 2014/15 were complied with and details of these are shown in Appendix E.

Other Options

This report has been produced in order to comply with Finance Procedure Rules and relevant legislation and provides an overview of the treasury management transactions undertaken during 2014/15.

Consultation

Advice has been obtained from Capita, the Council's external advisors.

Reasons for Recommendation

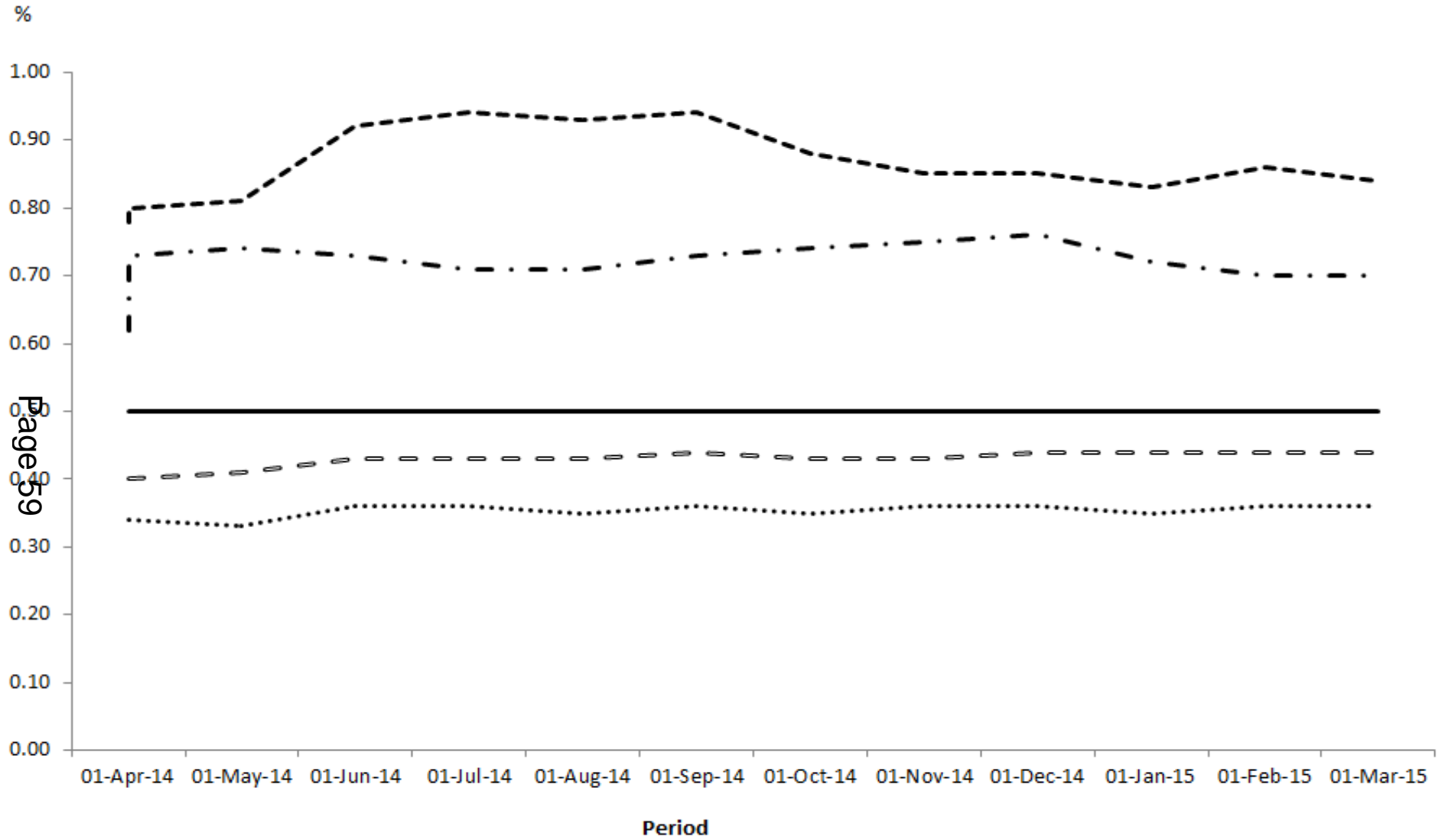
The report has been produced in order to meet the requirements of the Council's Financial Procedure Rules which incorporate the requirements of both the CIPFA Prudential Code and the CIPFA Treasury Management Code.

Finance Officer Clearance ...GB...

Legal Officer Clearance ...JL.....

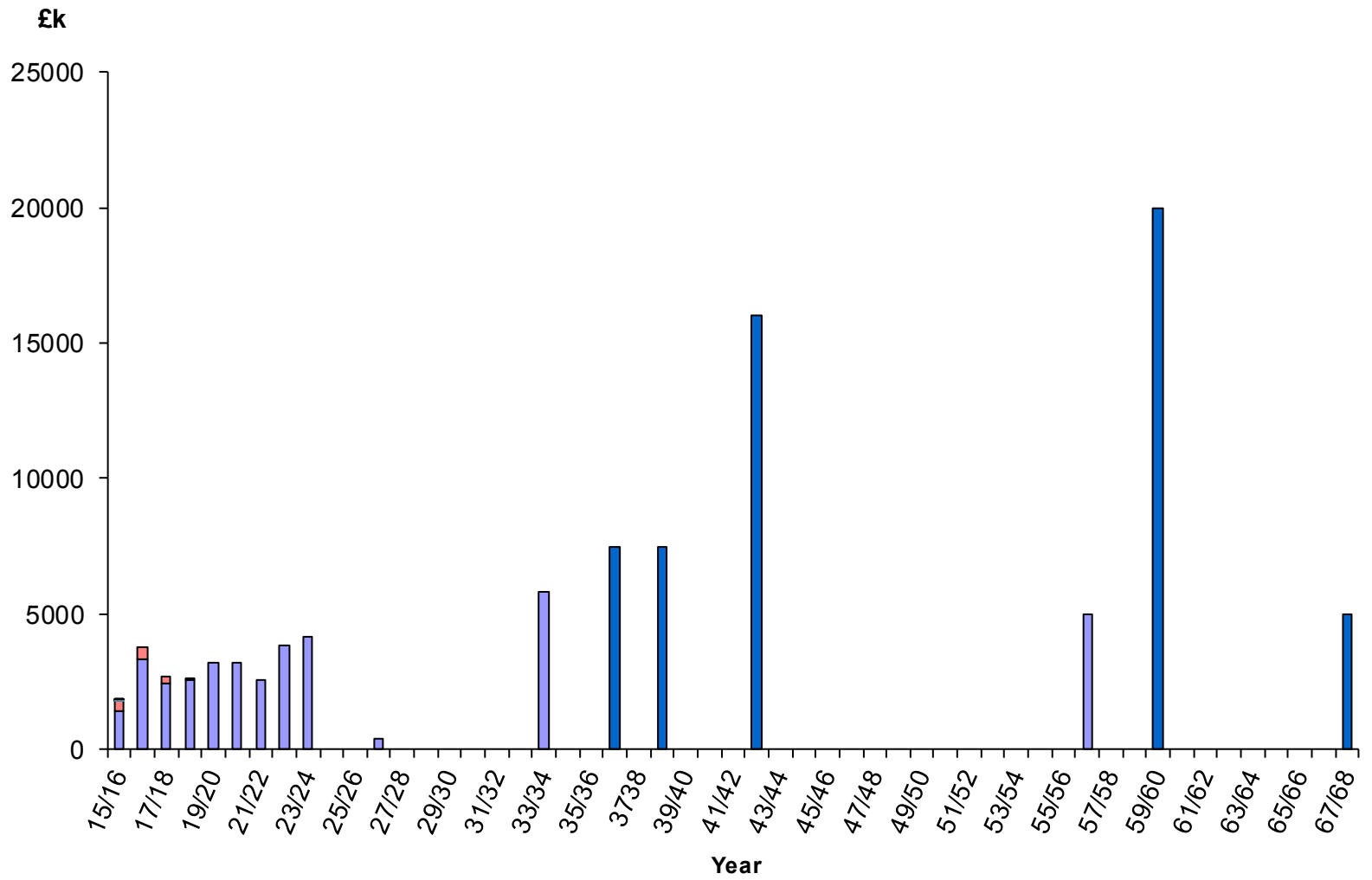
Director of Finance Signature

Investment Interest rate movements in 2014-15



--- TBC rate of return % 7 Day LIBID % - - - 3 Month LIBID % - - - 1 Year LIBID % _____ Bank Rate %

Profile of debt outstanding as at 31.03.2015



Maturity Profile

Debt portfolio:

	31 March 2015 Actual	31 March 2014 Actual
Under 12 months	£1.8m	£2.4m
12 months and within 24 months	£3.7m	£1.8m
24 months and within 5 years	£8.5m	£9.0m
5 years and within 10 years	£13.9m	£17.1m
10 years and above	£67.1m	£67.1m
Total	£95.0m	£97.4m

Investment portfolio:

	31 March 2015 Actual	31 March 2014 Actual
Instant Access	£37.7m	£24.0m
Up to 3 Months	£4.0m	£3.5m
3 to 6 Months	£9.5m	£2.3m
6 to 9 Months	£0.0m	£2.2m
9 to 12 months	£21.4m	£13.9m
Over 1 year	£5.0m	£5.0m
Total	£77.6m	£50.9m

Breakdown of Investments as at 31 March 2015

Counterparty	Amount £	Interest rate	Lowest Long Term Credit Rating*
Barclays Bank	5,000,000	0.89%	A
Birmingham City Council	2,000,000	0.60%	AA+
Birmingham City Council	2,000,000	0.50%	AA+
Greater Manchester Waste Disposal Authority	5,000,000	1.60%	AA+
Federated Investors – Money Market Fund	14,840,000	0.46%	AAA
Ignis – Money Market fund	18,390,000	0.47%	AAA
Legal & General – Money Market Fund	1,460,000	0.43%	AAA
Lloyds Bank	2,500,000	1.00%	A
Lloyds Bank	2,000,000	1.00%	A
Lloyds Bank	2,600,000	0.80%	A
Lloyds Bank	1,600,000	1.00%	A
Lloyds Bank	2,700,000	1.00%	A
Lloyds Bank	1,500,000	0.80%	A
Lloyds Bank	5,000,000	1.00%	A
Nationwide BS	2,200,000	0.66%	A
Nationwide BS	2,800,000	0.66%	A
Total UK	71,590,000	0.71%	
National Bank of Abu Dhabi	2,000,000	0.82%	A
National Bank of Abu Dhabi	1,000,000	0.88%	A
Svenska Handelbanken – call account	3,000,000	0.45%	AA-
Total Non UK	6,000,000	0.61%	
Grand Total	77,590,000	0.71%	

* The minimum Long term credit rating required by the Council is A- unless the bank is part nationalised.

Prudential Indicators for 2014/15

Figures are for the financial year	2014/15 Forecast	2014/15 Actual
<p>Authorised Borrowing Limit</p> <p>Maximum level of external debt, including other long term liabilities (PFI & leases) undertaken by the authority including any temporary borrowing - this is a statutory limit under Section 3(1) of the Local Government Act 2003.</p>	£127m	£101m
<p>Operational Boundary</p> <p>Calculated on a similar basis as the authorised limit but represents the expected level of external debt & other long term liabilities (PFI & leases) excluding any temporary borrowing – this is not a limit.</p>	£107m	£101m
<p>Upper limits on fixed interest rates</p> <p>(Maximum limit of net fixed interest rate exposure - debt less investment)</p>	£3.2m	£2.8m
<p>Upper limits on variable interest rates</p> <p>(Maximum limit of net variable interest rate exposure – debt less investment)</p>	£3.1m	£2.8m
<p>Gross debt and Capital Financing Requirement</p> <p>(This highlights all gross external borrowing, including other long term liabilities, is prudent, for capital purposes only and does not exceed the capital financing requirement – figures reflect amount capital financing requirement exceeds gross external borrowing).</p>	£33m	£37m
<p>Maturity structure of fixed rate borrowing</p> <p>(These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing – these are required for upper, as shown and lower limits which were set at 0%).</p>		
Under 1 year (this includes the next call date for Market loans)	70%	55.6%
1 year to 2 years	25%	3.9%
2 years to 5 years	25%	14.2%
5 years to 10 years	25%	14.6%
10 years to 20 years	25%	0.4%
20 years to 30 years	25%	6.1%
30 years to 40 years	25%	0.0%
40 years and above	25%	5.3%
<p>Maximum principal funds invested exceeding 364 days (including Manchester International Airport shares) - (These limits are set to reduce the need for early sale of an investment)</p>	£50m	£46m

Performance Indicators for 2014/15

Indicator	Target	Actual
Security – potential default rate of the Council’s investment portfolio based on default rates from the 3 main credit rating agencies – inclusion is recommended by CIPFA.	Max 0.09%	Max 0.03%
Liquidity – investments available within 1 week notice	£15m min.	Achieved
Liquidity – Weighted Average Life of investments	6 months	4.4 months at 31 March 2015
Yield – Investment interest return to exceed 7 day London Interbank BID rate	0.36% (Avg. 7 day LIBID)	0.71%
Origin of investments placed - maximum investments to be directly placed with non-UK counterparties.	UK institutions 100% Non UK institutions 40%	Min 61% Max 39%

TRAFFORD BOROUGH COUNCIL

Report to: Executive 29 June 2015
Accounts & Audit Committee 30 June 2015
Council Meeting 15 July 2015

Report for: Decision

Report of: The Executive Member for Finance and the Director of Finance

Treasury Management Strategy: The Local Authority Property Investment Fund

Summary

This report outlines the request for a new investment instrument to be added to those currently permitted to be used as outlined in the Council's Treasury Management Strategy approved 18 February 2015.

The Local Authority Property Investment fund which is managed by the Church Commissioners Local Authority is only available to Local Authorities and the objective of it is to generate long-term growth in the original amount invested whilst generating returns in the form of annual dividends by investing in commercial property throughout the UK.

The inclusion of this instrument would involve the Council placing a proportion of its monies into this fund for a minimum period of 5 years, to improve the potential for an increase in investment income to be generated.

Recommendations

That the Accounts & Audit Committee and Executive recommend to Council the following elements for approval:-

- inclusion of the Local Authorities Property Investment fund into the current Investment strategy,
- maximum duration funds can be placed in an investment instrument be extended from 3 years to 10 years however this extension only applies to monies placed in this fund,
- maximum level of funds to be placed into this fund be set at **£10m**,
- the Prudential indicator for Upper limit for sums invested over 364 days be amended from £60m 2015/16, £60m 2016/17 & £50m 2017/18 to £70m 2015/16, £70m 2016/17 & £60m 2017/18 and a new category be incorporated under the existing Investment criteria as detailed at Appendix A.

Contact person for background papers:
Graham Perkins – Technical Accountant - Extension: 4017

Background papers: None

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	The inclusion of this investment instrument to the Investment strategy will aim to increase investment interest generated.
Legal Implications:	Approval is required for the inclusion of this instrument into the current treasury management investment strategy.
Equality/Diversity Implications	Not applicable
Sustainability Implications	Not applicable
Resources Implications e.g. Staffing/ICT/Assets	Not applicable
Risk Management Implications	The monitoring and control of risk underpins all treasury management activities. The Council's in-house treasury management team continually monitor to ensure that the main risks associated with this function of adverse or unforeseen fluctuations in interest rates are avoided and security of capital sums are maintained at all times. This type of instrument is a long term investment so the value of the fund may fall below that invested in adverse market conditions.
Health & Wellbeing Implications	Not applicable
Health and Safety Implications	Not applicable

1. BACKGROUND

- 1.1 The Treasury Management Strategy report approved in February 2015 outlined the investment criteria to be adopted in the forthcoming year. This criteria had been prepared in compliance with regard to the CLG's Guidance on Local Government Investments and the revised CIPFA Treasury Management in Public Services Code of Practice.
- 1.2 This investment criteria remains as that of previous years i.e. security of capital first, liquidity of its investments and then yield.
- 1.3 Whilst investment risk cannot entirely be eliminated it can be minimised and in order to ensure that investments are only placed with strong creditworthy institutions, the Council creates a counterparty list based on credit ratings issued by all three of the main rating agencies (Fitch, Moody's and Standard and Poor's).
- 1.4 Institutions which make up this counterparty list include Banks (UK based & Worldwide), UK Building Societies, UK Local Authorities & UK Money Market Funds.
- 1.5 Investments are placed into three categories as follows;
 - Short-term – cash required to meet known cash outflows in the next month, plus a contingency to cover unexpected cash flows over the same period.
 - Medium-term – cash required to manage the annual seasonal cash flow cycle covering the next 12 months.
 - Long-term – cash not required to meet any forthcoming cash flow requirements which can be used primarily to generate investment income after taking into consideration the forecasted interest rate yield curve.
- 1.6 The use of longer term instruments (greater than one year from inception to repayment) are classified as being Non-specified and funds placed in instruments for this duration will only be undertaken where the Council's liquidity requirements are safeguarded.
- 1.7 Prudential Indicators limit the amount of funds permissible to be placed in this category is currently set at a maximum level of £60m for investments placed maturing in 1 or 2 years and £50m for 3 years. The Manchester Airport Shares valuation of £36.7m at 31 March 2014 is included within these figures.
- 1.8 All Investments must be undertaken in Sterling and can be placed in any of the following instruments; however it is only the first two of these which are currently used:
 - Term Deposits
 - Money Market Funds
 - Treasury Bills
 - Gilts
 - Certificates of Deposits
 - Supranational bonds
 - Multilateral development bank bonds
 - Government bonds
 - Share capital or loan capital
- 1.9 Currently the Council has £99.4m invested with 13 institutions attracting an average rate of return of 0.70% (as at 18 May 2015) and of which £94.4m will mature at various times throughout the next 12 months and £5m in August 2016.

2 LOCAL AUTHORITY PROPERTY FUND

- 2.1 This fund is aimed solely for use by public sector organisations (Parish Councils through to County Councils) wishing to invest in the property market whilst at the same time generating a favourable rate of return than that achieved from cash deposits.
- 2.2 The fund currently has approximately 109 clients and has grown from £75m to £387m since 2013 and a breakdown of authorities is shown below for reference;

Value of original investment	Type of Investor
Under £1m	48 Councils – 1 London Borough, 1 Borough Council, 2 District Councils, 25 Town Councils & 16 Parish Councils, 2 Association of Local Councils & 1 Community Council.
£1m to £5m	30 Councils – 2 County Councils, 1 London Borough, 10 Borough Councils, 4 City Council, 11 District Councils, 1 Fire Authority & 1 Police Authority.
£5m+	31 Councils – 8 County Councils, 3 London Borough, 12 Borough Councils, 4 City Council & 4 District Councils.

- 2.3 A major advantage of the Fund is that, unlike other property investments, it does not need to be accounted for in the capital programme. If it was treated as capital expenditure this would require the use of capital receipts or other resources to be matched against the investment. This distinction is permitted by Statutory Instrument (SI 2010 No. 454 paragraph 25(3)d) and the trustee of the fund is LAMIT (The Local Authorities Mutual Investment Trust).
- 2.4 The Local Authorities Mutual Investment Trust is a company incorporated under the Companies Act 1948 which is controlled by representatives of the Local Government Association, the Convention of Scottish Local Authorities, the Northern Ireland Local Government Officers Superannuation Committee and investors in the Fund and its responsibilities include the approval of the property investment strategy, monitoring the diversification, suitability and risk profile of the Fund's investments, reviewing the performance and expenditure of the Fund and approving the payment of dividends.
- 2.5 Whilst LAMIT are the appointed trustees of the fund, Church Commissioners Local Authority, CCLA, are the appointed fund managers and they provide administrative and registrar services for the fund as well as company secretarial services to the trustees. CCLA has over 50 years of investment management experience and manage assets of more than £5.0 billion on behalf of its charity, church and public sector clients.
- 2.6 The fund operates on a monthly dealing basis enabling clients to invest and withdraw funds on a specific date each month, typically being the last working day. As property is an illiquid asset, a minimum lead in time of approximately 2 to 6 months is ideally required to enable the fund managers to acquire / dispose of a property or another Local Authority is found which wishes to sell / purchase a stake in the fund. During this lead in time however, the price of the fund will continue to be subject to market movements which will affect the eventual purchase and selling prices.

- 2.7 Once funds have been placed in the fund (minimum amount required is £25k – no maximum stipulated) this can be topped up at any time with future investments (minimum amount required is £10k).
- 2.8 As with any money market transaction, the fund operates on an Offer price (purchase) and Bid price (selling) basis and this reflects the costs of dealing in the fund i.e. stamp duty, Agents fees, Legal fees etc. On any day the Offer price will always be higher than the Bid price and therefore any potential investment in the fund will immediately appear to be a loss. For reference purposes, as at 31 May 2015, the Offer price was 296.35p per unit with the Bid price being 275.90p per unit giving a spread in prices of 7.4%. If, as expected, the fund grows the Offer price will also grow and over a period of time its value should exceed that of originally paid thereby generating a favourable return. Hence the reason for this type of transaction to be regarded as a long term investment.
- 2.9 Currently the fund's portfolio is made up of Shopping units (9%), Retail warehouses (21%), Offices (41%) and Industrial units (29%) and these are located throughout the country.
- 2.10 Interest earned on this fund is variable and is currently 4.5% net of fees (0.65%) and is received quarterly net of admin fees; as a comparison, current market interest rates for a 5 yr cash deposit is approximately 2%.
- 2.11 Capital growth of the fund did suffer in 2008 & 2009 seeing valuations fall by -25% & -3% respectively, however since then it has seen a resurgence in performance achieving over the last 5 years growth, for the year ending 31 March respectively of, 12.1% (2011), 6.0% (2012), 3.7% (2013), 14.3% (2014) & 17.8% (2015). Throughout all of this time however annual dividend returns of approximately 4.5% - 5.0% (net of fees) has been achieved.
- 2.12 Like with any investment there are no guarantees that the original amount of investment placed will be repaid in full and whilst the fund could generate a more favourable return when sold, it could also produce a loss if the property market encounters difficulties and the selling price goes below the original purchase price.

3 ACCOUNTING

- 3.1 The International Accounting Standards Board has completed the final element of its comprehensive response to the financial crisis with the publication of the International Financial Reporting Standards, IFRS, 9 on Financial Instruments with an effective date of 1 January 2018. The implementation of this could impact on Local Authorities holding investments that are classified within the Available for Sale category which this type of investment would be. It is currently proposed that any variation in prices in the value of the fund will have to be taken in full to the Council's Income and Expenditure account as they arise and whilst there may be exemptions to this, it is currently not clear what these will include. CIPFA /LASAAC are currently working with HM Treasury to consider the impact of implementation of this standard will have on Local Authorities.

4. CONCLUSION

- 4.1 The need to look at alternative investment instruments to that traditionally used has arisen due to the number of high quality banks actively seeking cash is reducing and interest rates are expected to remain low for the foreseeable future.

- 4.2 Whilst one option to overcome this scenario would be to reduce the Council's minimum credit rating criteria thereby enabling funds to be placed in institutions paying better rates of interest, this course of action however would lead to an exposure to higher levels of credit risk.
- 4.3 Another option would be to increase the total amount which is permissible to be placed with any institution but this again would generate an increase in credit risk exposure at a time when Governments throughout the world are withdrawing support for banks.
- 4.4 It is proposed, subject to Member approving the addition of this instrument to those currently permitted to be used as outlined at paragraph 1.8, that £5m would initially be placed into this fund. This would permit the performance of the fund to be monitored before committing to any further investments being placed into it.
- 4.5 By adopting this course of action it would;
- ease the pressure of having to find suitable institutions contained on the Council's approved list who would take its cash and which was not already up to its maximum limit of funds able to be placed with it and
 - anticipate a boost to its income generated from investments.

5 RECOMMENDATIONS

- 5.1 That the Accounts & Audit Committee and Executive recommend to Council the following elements for approval;-
- inclusion of the Local Authority Property Investment fund into the current Investment strategy,
 - maximum duration funds can be placed in an investment instrument be extended from 3 years to 10 years however this extension only applies to funds placed in this fund,
 - maximum level of funds to be placed into this fund be set at **£10m**, Prudential indicator for Upper limit for sums invested over 364 days be amended from £60m 2015/16, £60m 2016/17 & £50m 2017/18 to £70m 2015/16, £70m 2016/17 & £60m 2017/18 and a new category be incorporated under the existing Investment criteria as detailed at Appendix A.

Other Options

This report has been produced in order to comply with Financial Regulations and relevant legislation.

Consultation

Advice has been obtained from Capita, the Council’s external advisors.

Reasons for Recommendation

The report has been produced in order to meet the requirements of the Council’s Financial Procedure Rules which incorporate the requirements of both the CIPFA Prudential Code and the CIPFA Treasury Management Code.

Finance Officer Clearance ...GB...

Legal Officer Clearance JL.....

Director of Finance Signature

PRUDENTIAL LIMITS & INVESTMENT CRITERIA

In accordance with CLG Guidance, the CIPFA Prudential Code and the CIPFA Code of Practice on Treasury Management each council is required to set, before the commencement of each financial year, Treasury Management Prudential Indicators and limits, a Minimum Revenue Provision Statement and Investment criteria. For 2015/16 these were approved by Council at its meeting on 18 February 2015 however in response to this request the following Prudential Indicators and Investment criteria have been revised.

The Accounts and Audit Committee and Executive are requested to recommend that Council approve these amendments to these limits and criteria for the period 2015/16 – 2017/18 as detailed below.

Prudential Limits

Upper Limit for Sums invested for over 364 days

	2015/16	2016/17	2017/18
Current limit	£60m	£60m	£50m
Revised Limits	£70m	£70m	£60m
– these limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment.			

Investment Criteria

Counterparty Selection

The current minimum criteria for providing a list of high quality investment counterparties is highlighted in the categories below and this is applied to all the Council's investments, a new category, (5) is now requested to be included incorporating the Local Authority Property Investment fund as highlighted below;

	Fitch (or equivalent) – Long Term	Maximum Group Limit	Maximum Time Limit
Category 1 – All UK or Non UK banks and building societies domiciled in a non-UK country which has a minimum Sovereign long term rating of AA and individual credit rating issued by Fitch, Moody's and Standard and Poor's of: <ul style="list-style-type: none"> • Short Term – Fitch F1 or equivalent • Long Term – Fitch A- or 	AA- To AAA A- to A+	£20m £5m	3yrs 1yr

equivalent			
Category 2 – UK Banks part nationalised - Lloyds Bank and Royal Bank of Scotland. These banks can be included if they continue to be part nationalised or they meet the ratings in category1 above.	-	£20m	1yr
Category 3 – The Council's own banker if the bank falls below the above criteria for transactional purposes only.	-	n/a	1day
Category 4 – <ul style="list-style-type: none"> • Money Market Funds – must be AAA credit rated • Enhanced Money Market Funds – must be AAA credit rated • UK Government (including treasury bills, gilts and the DMO) • Local Authorities • Supranational Institutions • Corporate bonds (Manchester International Airport only) 	-	£20m	3yrs
NEW Category 5 – Local Authority Property Investment fund	-	£10m	10yrs

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TRAFFORD COUNCIL

Report to: Council
Date: 15 July 2015
Report for: Information
Report of: Chairman – Scrutiny Committee and Health Scrutiny Committee

Report Title

ANNUAL SCRUTINY REPORT

Summary

The Scrutiny Committees are required to present an annual report to the Council on the previous year's work and their work programme for the year ahead. The report covers

- Scrutiny Committee
- Health Scrutiny Committee

Recommendation(s)

That the report be noted.

Contact person for access to background papers and further information:

Name: Peter Forrester
Extension: 1815

Background Papers

None

Background Information

Relationship to Corporate Priorities	The Scrutiny Committees consider issues in accordance with the Corporate priorities
Financial	None
Legal Implications	The report is in accordance with the Council's constitutional requirement for Scrutiny Committees to submit an annual report to Council.
Equality/Diversity Implications	None
Sustainability Implications	None
Staffing/E-Government/Asset Management Implications	None
Risk Management Implications	None
Health and Safety Implications	None

Report of the Scrutiny Committee

1. During 2014/15, the Scrutiny Committee met on three occasions. Many topics were discussed at these meetings, including the Scrutiny Committee Work Programme, the Universal Credit roll out and impact on Trafford Assist and the outcome of the Scrutiny Review of Cycling.
2. The items, which took up most of the Committee's attention, were Budget Scrutiny and, in particular, the Joint Venture process.
3. Budget Scrutiny 2015/16 was discussed at the meeting held on 29 October, 2014. The Committee received a presentation from the Leader of the Council which set out the Executive's Budget Proposals for 2015/16 and the challenges facing the Council. Members of both the Scrutiny Committee and the Health Scrutiny Committee then held detailed scrutiny sessions with Executive Members and Corporate Directors and identified key areas they would like to look into further.
4. The Scrutiny Committee will be following up on two areas in particular:
 - Management of impact of reductions in financial and ICT support services
 - School Crossing Patrols
5. The Joint Venture Contract process was discussed by the Committee over the year. At the meeting on 29 October, 2014 the Director of Growth and Regulatory Services presented an overview of the proposals and gave an update of the process for engaging private sector partners to deliver Environmental, Highways, Professional, Technical and Infrastructure services. The key risks to the Joint Venture were identified, which included performance monitoring, the realisation of expected benefits, the transferability of contract arrangements and slip and trip insurance claims, and the strategy for managing each risk was outlined.
6. A further presentation by the Director of Growth and Regulatory Services was brought to the Committee at the meeting held on 26 February. This provided an update on the work to engage private sector partners for the delivery of a range of environmental, highways, professional, technical and infrastructure services. The Committee received a report containing information relating to the terms of the Joint Venture contracts, the evaluation criteria for reviewing bids and an overview of the shortlisted bids.
7. As a result of these meetings, the Scrutiny Committee produced a report for the Executive's consideration, which was submitted to the meeting of the Executive on 25 March.
8. The Joint Venture Process will continue to be monitored by the Scrutiny Committee. The Committee received an update on progress at their meeting in June and have a further update scheduled for the meeting due to be held on 27 January, 2016.
9. In addition to this and the issues identified as part of the budget process, the Committee will also be looking at home to school transport, community safety, the community asset framework and town centre management. The Committee is also to carry out a significant piece of work on education.
10. The Committee have also flagged up possible items on libraries and leisure that they may add into the programme as matters progress.

Report of the Health Scrutiny Committee

11. The Health Scrutiny Committee met on four occasions during the municipal year 2014/15. A wide number of issues were covered during these meetings involving representatives of various health partners from across Greater Manchester.
12. Topics included the procurement of specialised cancer services by NHS England, an update on Trafford Council's Alcohol Services and performance updates from Healthwatch Trafford, Trafford CCG and other health care organisations. The Committee also received regular updates from the Vice Chairman from the Greater Manchester Joint Health Scrutiny Committee and the Greater Manchester Health and Wellbeing board.
13. The topics listed below represent what the Committee identified as key areas of interest in 2014/15. Many of these items are still on-going and form part of the Committees work plan for 2015/16.

Healthier Together

14. The Healthier Together consultation was presented to the Health Scrutiny Committee in July 2014. Healthier Together is a collaborative redesign of services involving NHS England, CCGs and NHS Trusts from across Greater Manchester. Members have a continued interest in the development of this work. NHS England representatives are to attend the Committee meeting on 7th October 2015 to provide an update on developments since the consultation.

Joint Health Scrutiny Committee (JHOSC) – New Health Deal for Trafford

15. The Joint Health Scrutiny Committee was established by Trafford Council and Manchester City Council in order to scrutinise the New Health Deal for Trafford. Representatives of NHS Trusts, NHS England and Trafford CCG give updates to the Committee on the performance of A & E services where Trafford residents receive treatment since the closure of Trafford General Hospital's A&E department.
16. The Chairman and Vice Chairman of Health Scrutiny sit on the JHOSC and provide regular updates to the Committee. It was agreed in March 2015 for the JOHSC to continue in this capacity for 2015/16.

North West Ambulance Service NHS Trust (NWAS)

17. NWAS became an area of focus in 2014/15 as a performance report showed that ambulance response times in Trafford were significantly slower than in the other areas of Greater Manchester. A series of meetings were held to identify the reasons for the slower ambulance response times in Trafford. This culminated in the Committee submitting a letter to NWAS in January 2015 detailing their concerns.
18. This is an on-going area for concern with the Committee and they will continue to monitor the performance of NWAS in 2015/16.

Integrated Care

19. In December 2014 the Committee received a presentation detailing how Trafford Council is moving to an integrated care model. The Committee noted that this was in the early stages of implementation and, given the large impact that this will have on service delivery, requested regular updates. Representatives of CFW, Trafford CCG and Pennine Care will be providing a full update on the implementation of integrated care to the Committee in December 2015.

District Nursing in Trafford

20. Concerns about the provision of district nursing in Trafford were raised leading to Councillor Chilton meeting with representatives, of Pennine Care to address these concerns and explore how the Committee could support improvements. This was followed up by a visit to Meadway Health Centre in March 2015 and Councillor Chilton will update the board with his findings in October 2015.

Quality Accounts

21. It is a statutory requirement for all health providers who look after Trafford Residents to submit a quality account annually to the HOSC for comment. Quality accounts represent an opportunity for the Committee to comment on the previous year's performance and influence the priorities for health providers in the year ahead.

22. This year both Central Manchester Foundation Trust and the North West Ambulance Service submitted their draft Quality Care Accounts and each has received comments in relation to their performance and priorities from the Chairman and Vice Chairman of the Committee.

TRAFFORD COUNCIL

Report to: Council
Date: 15 July 2015
Report for: Information
Report of: Councillor Whetton and Councillor Mrs. Evans – Chairman and Vice-Chairman Accounts & Audit Committee (2014/15)

Report Title

Accounts and Audit Committee Annual Report to Council 2014/15.

Summary

The report sets out the 2014/15 Annual Report of the Accounts and Audit Committee to be submitted to Council.

Recommendation

The Council is asked to note the report.

Contact person for access to background papers and further information:

Name: Mark Foster – Audit and Assurance Manager
Extension: 1323

Background Papers:

2014/15 Accounts and Audit Committee minutes

Accounts & Audit Committee
Annual Report
To Council

2014-2015



TRAFFORD
COUNCIL

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FOREWORD BY THE CHAIR AND VICE-CHAIR OF THE ACCOUNTS & AUDIT COMMITTEE

Financial pressures faced by local authorities highlight the need for the Council to ensure that there are effective governance, risk management and internal control arrangements in place in order that resources are managed effectively. The Committee is independent of the Executive and has a key role in providing challenge across the organisation. It provides independent assurance to the Council and the public on how effectively the Council is being managed. We believe that the Accounts and Audit Committee should be and is central to the provision of effective corporate governance.

In addition to coverage of its work plan which was agreed at the start of the year, the Committee has sought assurance through the year as issues arise. A particular focus for the Committee in 2014/15 was the monitoring of issues identified and actions undertaken in respect of improvements to budget monitoring arrangements across the Council. In undertaking this role, the Committee sought assurance from both management and the External Auditors. In addition to the planned timetable of meetings, a further Committee meeting was arranged to focus on this issue and through the year assurance was obtained in respect of improvement actions being undertaken. The Committee requested and received information and providing constructive challenge, contributing to the on-going developments being made.



**Councillor Michael Whetton
Chairman, Accounts & Audit Committee 2014-15**



**Councillor Mrs. Laura Evans
Vice-Chair, Accounts & Audit Committee 2014-15**

INTRODUCTION

Role of the Committee

The role of the Accounts and Audit Committee is to:

- provide independent assurance on the adequacy of the risk management framework and the associated control environment,
- undertake independent scrutiny of the Authority’s financial and non financial performance to the extent that it affects the Authority’s exposure to risk and weakens the control environment, and
- oversee the financial reporting process.

Assurance is gathered by the Committee largely from the work of Finance Services (including the Audit and Assurance Service and Financial Management), and External Audit (provided by Grant Thornton in 2014/15). Relevant officers within these areas attended meetings through the year. This was supplemented by assurance from other sources where this was considered appropriate, for example direct from the Council’s managers.

Purpose of the Report

The purpose of this report to Council is to:

- Summarise the work undertaken by the Accounts & Audit Committee during 2014/15 and the impact it has had.
- Provide assurance to the Council on the fulfilment of the Committee’s responsibilities.

Membership of the Committee

The Accounts & Audit Committee’s terms of reference state that its membership shall comprise seven Members, be politically balanced within the Council’s current system, and shall not include any Members of the Executive.

Accounts & Audit Committee Membership	
2014/15	2015/16
Cllr Michael Whetton (Chair)	Cllr Alan Mitchell (Chair)
Cllr Laura Evans (Vice Chair)	Cllr Dylan Butt (Vice Chair)
Cllr Tom Ross	Cllr Tom Ross
Cllr Barry Brotherton	Cllr Barry Brotherton
Cllr Jane Baugh	Cllr Jane Baugh
Cllr Chris Boyes	Cllr Chris Boyes
Cllr Dylan Butt	Cllr Nathan Evans

ACCOUNTS & AUDIT COMMITTEE – SUMMARY OF WORK COMPLETED

The Committee derives its independent assurance from a number of sources including the work of External Audit, Finance (including Internal Audit and Financial Management) and managers across the Council.

During the year, these sources of assurance were reported to the Committee on a regular basis across a wide spectrum of the work of the Council encompassing all the themes identified in the Committee's Terms of Reference. The Committee was able to both receive information and provide challenge and feedback to officers and external auditors. The Committee has therefore effectively fulfilled its responsibilities during 2014/15.

The members of the Accounts & Audit Committee are very aware of the important role they have as the Council's Members charged with responsibility for governance. Ongoing financial pressures for local authorities to achieve savings highlight the need for organisations to ensure effective governance arrangements, systems and controls are in place. Areas covered by the Committee during the year included:

- Internal and External Audit;
- Risk Management;
- Corporate Governance, Internal Control and the Annual Governance Statement;
- Anti-Fraud and Corruption, and
- The production of the Statement of Accounts.

A work programme was agreed by the Committee at the start of the year to ensure it met its responsibilities. This included reviewing regular updates on the work of internal audit, external audit, approval of draft and final accounts, updates of the Council's strategic risk register, review of anti-fraud and corruption arrangements, and updates on treasury management and insurance activity.

Further to the establishment of the agreed meeting timetable and work programme at the start of the year, the Committee agreed to add an additional meeting in August which was established to include review of the findings made following the internal investigation into the Council's budget monitoring arrangements. The Committee subsequently ensured that further updates on progress against the recommendations made as part of the investigation were provided to it during the year. The Committee noted the significant developments made during 2014/15 in addressing the issues raised.

Assurance in terms of the outcome of the 2014/15 External Audit of the Council's Financial Statements and a conclusion on the Council's Value for Money arrangements will be reported later in 2015 to the Committee in the External Auditor's 2014/15 Annual Audit Letter. In November 2014, the Committee had gained assurance through the 2013/14 Annual Audit Letter that an unqualified opinion was given on the 2013/14 financial statements. The report also concluded that, overall, the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2014. The report included recommendations including the need to ensure close monitoring to ensure weaknesses identified as part of the budget monitoring investigation were being addressed. As noted above, the Committee contributed to ongoing monitoring of this issue.

Details of the work undertaken by the Committee are set out in the rest of this report.

Accounts and Audit Committee – Work Completed During 2014/15

Internal Audit

Role of the Committee in relation to Internal Audit:

- Review and approve (but not direct) the Internal Audit Charter, an Internal Audit Strategy and internal audit resourcing.
- Review and approve (but not direct) the annual Internal Audit work programme. Consider the proposed and actual audit coverage and whether this provides adequate assurance on the organisation’s main business risks. Review the performance of Internal Audit.
- Receive summary internal audit reports and seek assurance on the adequacy of management response to internal audit advice, recommendations and actions plans.
- Review arrangements for co-operation between Internal Audit, External Audit and other review bodies, and ensure that there are effective relationships which actively promote the value of the audit process.
- Receive the Annual Internal Audit report and opinion.

Work Completed	Outcome/ Impact
<p>The progress of internal audit work conducted by the Audit and Assurance Service continues to be reported to the Committee on a quarterly basis. This includes the results of individual reviews, responses to audit reports, progress in implementing the annual audit plan and performance of the Audit and Assurance Service. Update reports were presented in September 2014, November 2014 and February 2015.</p> <p>June 2014 The Annual Internal Audit Report was submitted, providing an opinion on the standard of internal controls during 2013/14 based on Internal Audit work undertaken during the period.</p>	<p>The Committee maintained an overview of the control environment reviewed by Internal Audit and also obtained assurance in respect of Internal Audit performance.</p> <p>Updates included details of areas reviewed where controls were found to be operating to a satisfactory standard and others within the Council where improvements were identified and audit recommendations made accordingly.</p>
<p>March 2015</p> <p>A report was submitted incorporating the 2015/16 Annual Internal Audit Plan.</p>	<p>Assurance that Internal Audit coverage for the coming year covered a wide range of key business risks and plans were in place to make adequate internal audit resources available to complete the planned work.</p>

External Audit

The role of the Committee in relation to External Audit is:

- To review and consider proposed and actual External Audit coverage and its adequacy, and consider the reports of External Audit and other inspection agencies.
- To receive updates from External Audit on findings and opinions, and assurance as to the adequacy of management’s response to External Audit advice, recommendations and action plans.
- To review arrangements made for co-operation between External Audit, Internal Audit and other review bodies.

Work Completed	Outcome/ Impact
<p>June 2014 The Committee received a report from Grant Thornton on the progress made in delivering its responsibilities as the Authority’s external auditor. The report also highlighted key emerging national issues and developments which could be of interest to members of the Committee. Other such updates were provided at meetings in November 2014, February 2015 and March 2015.</p>	<p>The Committee was able to monitor progress in respect of external audit work.</p>
<p>September 2014 The Committee receive a report on the findings to date from the External Auditor in respect of the audit of the Council’s accounts for the year ended 31 March 2014 and its work to provide a conclusion on whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources (Value for Money conclusion).</p>	<p>Members were advised that it was anticipated that an unqualified opinion on the financial statements would be provided.</p> <p>Based on the Council’s arrangements to secure economy, efficiency and effectiveness in its use of resources, an unqualified Value for Money conclusion was proposed.</p> <p>The External Auditors stated there was a serious misreporting and understatement of the projected financial deficit in Adult Social Care during the year which led to a deficit of £3.6m for that service. The deficit was contained, however, within Adult Social Care and the overall Council budget was underspent by £3.7m. The External Auditors also reported that the Council has taken action to address the budget issues going forward.</p>
<p>November 2014 The Committee received the Council’s Annual Audit Letter for the year ended 31 March 2014, summarising the key findings arising from the work of the External Auditor, Grant Thornton.</p>	<p>The Annual Audit Letter confirmed that an unqualified opinion was given on the financial statements.</p> <p>It was also concluded that the Council has put in</p>

	<p>place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2014. It was concluded that weaknesses were highlighted in budget monitoring arrangements in adult social care services but the Council's overall corporate management arrangements and services' outcomes were sufficiently robust to support an unqualified Value for Money conclusion.</p> <p>The Committee noted the key messages, audit conclusions and key areas for the Council's attention, including close monitoring of additional cost savings measures to address the budget issues referred to above.</p>
<p>February 2015 As part of the February update report, Grant Thornton presented a letter summarising its overall findings from the certification of the Council's 2013/14 Housing Benefits subsidy claim.</p> <p>March 2015</p> <p>The Committee received the External Audit Plan from Grant Thornton which outlined its audit strategy and plan to deliver the audit for the year ended 31 March 2015. The report also set out the External Audit fees and assumptions supporting these.</p>	<p>The Committee questioned the fee charged for certifying the claim and it was noted that this was set independently by the Audit Commission.</p> <p>The report submitted provided the Committee with details of work Grant Thornton is required to undertake as the council's external auditor.</p>

Risk Management

The role of the Committee in relation to risk management:

- Review the adequacy of arrangements for identifying and managing the organisation’s business risks – including the Council’s risk management policy and strategy and their implementation.
- Review the robustness of the strategic risk register and the adequacy of associated risk management arrangements.
- Receive and consider regular reports on the risk environment and associated management action.

Work Completed	Outcome/ Impact
<p>November 2014 The Committee was provided with a report setting out the Council’s Strategic Risk Register. The report provided an update on the strategic risk environment which included details of risks that had been removed, risks added to the register since the previous update as well as changes in risk levels.</p>	<p>The Committee received assurance on the arrangements for reviewing key strategic risks. The Committee provided feedback regarding the detail provided relating to some risks and this was taken into account as part of future updates.</p>
<p>March 2015 The Committee was provided with a further update report on the Strategic Risk Register. The highest risks identified reflected risks relating to the Council’s medium term financial position and risks in relation to managing demand and budgets in Adult Social Care.</p>	<p>The Committee received assurance that there is ongoing monitoring of strategic risks with details provided for each risk of control / monitoring arrangements in place and where applicable further improvements planned.</p>

Corporate Governance, Internal Control and the Annual Governance Statement

The role of the Committee in relation to the above is to:

- Conduct a critical review of the proposed Annual Governance Statement, the procedures followed in its completion and supporting evidence to provide assurance to the Leader of the Council and the Chief Executive of its meaningfulness and robustness.
- Review effectiveness of corporate governance and internal control across the organisation and the adequacy of action taken to address any weaknesses or control failures.

Work Completed	Outcome/ Impact
<p>June 2014 A report including the 2013/14 draft Annual Governance Statement, details of the Committee’s review of the Statement and also the updated Corporate Governance Code were presented.</p>	<p>The Committee noted that the Members were satisfied with the robustness of the process followed in generating the Annual Governance Statement and were satisfied that the statement itself is robust. The Committee also agreed the amendments to the Council’s Corporate Governance Code.</p>
<p>August 2014 A report was circulated to Members on the internal investigation into the Council’s budget monitoring arrangements. (The public were excluded from this item as recorded in the minutes of the meeting).</p>	<p>Members considered the findings and recommendations detailed in the report and fed back comments to be taken into account in future reporting on this issue.</p>
<p>September 2014 The final version of the Annual Governance Statement, signed by the Chief Executive and Leader, was submitted to the Committee.</p> <p>The Committee was presented with an Action Plan setting out planned actions and responsibilities for addressing recommendations made following the Budget Monitoring investigation.</p> <p>The Committee considered a report on the forensic review carried out by the External Auditor on the internal investigation into the Council’s budget monitoring arrangements.</p>	<p>The Committee approved the 2013/14 Annual Governance Statement.</p> <p>The Committee was able to note progress in addressing recommendations made as part of the Budget Monitoring investigation and gain assurance that the Council was taking appropriate action to address control issues identified.</p>

<p>November 2014</p> <p>The Committee received an update on progress made against each of the planned actions listed in the Budget Monitoring Action Plan.</p> <p>The Committee received a presentation outlining details of the work of the Transformation team and planned work for 2014/15. Included in the presentation was detail in respect of the “Reshaping Trafford” programme which was identified as one of the significant governance issues for 2014/15 within the 2013/14 Annual Governance Statement.</p>	<p>Assurance was provided that the organisation is taking action to strengthen a key area highlighted for further improvement in the previous year’s Annual Governance Statement.</p> <p>Members were able to gain information to understand arrangements in place and planned developments in respect of the Council’s “Reshaping Trafford” programme.</p>
<p>February 2015</p> <p>A report setting out a proposed action plan to ensure compliance with the production of an Annual Governance Statement for 2014/15 was presented.</p> <p>A report was submitted to provide an update on the work of the Locality Partnerships which was identified as a significant governance issue for 2014/15 in the 2013/14 Annual Governance Statement.</p> <p>The Committee received a further update on progress made against each of the planned actions listed in the Budget Monitoring Action Plan.</p>	<p>Procedures and responsibilities of Members and officers in the process for producing and approving the 2014/15 Annual Governance Statement were agreed.</p> <p>Assurance was provided that the organisation is taking action to progress areas highlighted for further development in the previous year’s Annual Governance Statement. Members had the opportunity to raise queries and make recommendations.</p>
<p>March 2015</p> <p>A report was presented in respect of another significant governance issue highlighted in the 2013/14 Annual Governance Statement. This related to the progress made in respect of Information Governance arrangements across the Council, including the establishment of a new integrated team.</p> <p>Further to the meeting, the Committee Members were also sent an update report in respect of developments regarding Public Service Reform which was a significant governance issue listed in the 2013/14 Annual Governance Statement.</p>	<p>Assurance was provided that the organisation is taking action to strengthen areas highlighted for further development in the previous year’s Annual Governance Statement.</p>

Anti - Fraud & Corruption Arrangements

The role of the Committee is to:

- Review and ensure the adequacy of the organisation’s Anti - Fraud & Corruption policy and strategy and the effectiveness of their application throughout the Authority.
- Review and ensure that adequate arrangements are established and operating to deal with situations of suspected or actual fraud and corruption.

Work Completed	Outcome/ Impact
<p>September 2014 The Fraud Investigation Team 2013/14 Annual Report was presented outlining the Council’s responsibilities towards tackling benefit fraud and detailing the team’s performance during the period and plans for the year ahead.</p>	<p>In respect of benefit fraud, assurance was obtained through the year on the adequacy of the Council’s anti-fraud and corruption arrangements and ongoing developments.</p> <p>The Committee was provided with assurance that the Council is working to aim to maintain sufficient fraud investigation capacity going forward.</p>
<p>March 2015 The Audit and Assurance Service provided a report on anti-fraud and corruption work undertaken during the year. This included a summary of investigation work undertaken by the Service and an update on other work undertaken including an update on activity to support the National Fraud Initiative.</p> <p>The report also provided an update on developments within the Council in light of the forthcoming transfer in March 2016 of Fraud investigation staff to the Department for Work and Pensions as part of the new Single Fraud Investigation Service. A new counter-fraud investigation team is in the process of being established in the Council utilising monies obtained from a successful grant application.</p>	

Accounts / Financial Management

The role of the Committee is to:

- Approve the Council’s Annual Statement of Accounts including subsequent amendments.
- Consider the External Auditor’s report on the audit of the Council’s annual financial statements.
- Be responsible for any matters arising from the audit of the Council’s accounts.

Work Completed	Outcome/ Impact
<p>June 2014</p> <p>The Director of Finance provided an update on the preparation of the pre-audited Statement of Accounts for the year-ended 31 March 2014. The Capital Investment Programme 2013/14 Outturn report was also presented.</p> <p>A report was submitted providing details of the Council’s insurance arrangements and activity in 2013/14. This included details in respect of the major classes of insurance.</p> <p>A report was submitted on the outcome of the review of treasury management activities for the past financial year.</p> <p>(In advance of the June Committee meeting, a training session was arranged for Committee Members on the Council’s Accounts).</p>	<p>The Committee agreed to review the unaudited accounts for 2013/14 and the 2013/14 Revenue Budget Monitoring Outturn report at the next meeting of the Committee (In August 2014).</p> <p>Assurance was obtained that insurance arrangements are monitored and regularly reviewed.</p> <p>Assurance was obtained that treasury management activities adhere to the CIPFA Code of Practice on Treasury Management and CIPFA Prudential Code for Capital Finance.</p>
<p>August 2014</p> <p>The pre-audited Statement of Accounts for 2013/14 was presented along with the 2013/14 Revenue Budget Monitoring Outturn report.</p>	<p>The Committee was able to review the Accounts submitted to the External Auditor.</p>
<p>September 2014</p> <p>The final accounts were presented following the audit of the 2013-14 draft accounts.</p>	<p>The Committee approved the final accounts and stated that the Director of Finance and his team and the External Auditor be commended for their efforts in producing and reviewing the accounts.</p>
<p>November 2014</p> <p>A report was presented providing an update on the progress of the treasury management activities undertaken for the first half of 2014/15.</p>	<p>The Committee was able to monitor treasury management performance during the year in line with the CIPFA Code of Practice on Treasury Management.</p>

<p>The Committee received a presentation from the Director of STaR Shared Procurement Service. The presentation included information on the Governance and Performance Framework, objectives, current activity and delivered savings.</p>	<p>The Committee was able to gain information on current corporate procurement arrangements.</p>
<p>February 2015 A Treasury Management report was submitted setting out the Council’s strategy for 2015/16 – 2017/18. This included the debt strategy, minimum revenue provision (amounts set aside for debt repayment) and investment strategy.</p> <p>A report was provided on the position in respect of the Council’s reserves and provisions.</p> <p>All meetings</p> <p>The Accounts and Audit Committee received the most recent available monthly budget monitoring report at each meeting.</p>	<p>The Audit Committee recommended that the Council approve the various elements of the Strategy.</p> <p>The Committee was able to gain information on specific components of the Council’s reserves and was also advised of forecasted reserve and provision balances at March 2017.</p> <p>Following a request by the Committee during the previous year, the Director of Finance agreed to submit the most recent available budget monitoring reports at each Committee meeting. This gave the Committee the opportunity to review information and raise queries on budget monitoring information submitted during the year.</p>

TRAFFORD COUNCIL

Report to: Council
Date: 15th July 2015
Report for: Decision
Report of: Chief Executive

Report Title

Report of the Independent Remuneration Panel

Summary

In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 the Panel was convened to make recommendations to the Council in relation to amendments to the Scheme of Members' allowances.

The recommendations of the Panel and are appended at appendix 1 to this report for consideration by the Council.

Recommendation(s)

1. The Council is asked to consider the recommendations of the Panel as set out in the report at Appendix 1.
2. That the Director of Legal and Democratic Services be authorised to make any revisions to Part 6 of the Constitution (Members Allowances Scheme) as a consequence of the decisions of the Council.

Contact person for access to background papers and further information:

Name: Peter Forrester
Extension: 1815

Background Papers:

Email to IRP Members – 12 June 2015 and responses.

Implications

Relationship to Policy Framework/Corporate Priorities	N/A
Financial	The report recommends allowances totalling £9379. The Council's approved budget includes provision for this.

Legal Implications:	The Council is required to request an Independent Remuneration Panel to make recommendations about allowances for Members. The Council is required to give notice of a receipt of a report from a Panel and that it is about to make or amend a scheme. Notice of the receipt of a report was given on the 9 th July 2015.
Equality/Diversity Implications	None
Sustainability Implications	None
Staffing/E-Government/Asset Management Implications	None
Risk Management Implications	None
Health and Safety Implications	None

Report

1 Introduction

In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 the Panel was convened in June 2015 to make recommendations to the Council in relation to amendments to the Scheme of Members' allowances.

The independent panel comprised:

- Mr. Ralph Rudden, Voluntary Sector
- Sir Bill Moorcroft, Trafford College; and
- Mr Chris Fletcher, Greater Manchester Chamber of Commerce

The purpose was to consider the remuneration for the new Lead Member and Shadow Lead Member roles for the Integration of Health and Social Care which were established at the Annual Meeting on the 28 May 2015.

The Panel had previously recommended that Lead Member roles established in 2014 receive a Special Responsibility Allowance of £7,789 for the Lead Member and £1,590 for the Shadow Lead Member.

2. The Panel's Findings

The Panel reviewed the Terms of Reference for the Lead Member portfolio to understand the workload and the scope of the role. They noted that the roles will be important given the devolution agenda in Greater Manchester and the importance of the issue for Trafford Council. They concluded that it would be consistent to treat them in the same way as the other Lead and Shadow Lead roles.

3. Recommendations

The Panel recommend

1. That the Scheme of Members' Allowances for Trafford Council be amended to include a Special Responsibility Allowance of £7,789 for the Lead Member for the Integration of Health and Social Care and £1,590 for the Shadow Lead Member.
2. That the allowances be backdated to the date of appointment of 28 May 2015.

**REPORT OF INDEPENDENT REMUNERATION PANEL TO THE
CHIEF EXECUTIVE OF TRAFFORD COUNCIL**

**RECOMMENDATIONS IN RELATION TO AMENDMENTS TO THE MEMBERS'
ALLOWANCES SCHEME**

1 Introduction

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**Ralph Rudden
Sir Bill Moorcroft
Chris Fletcher**

Panel Members – June 2015

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