

DRINKSTONE PARISH COUNCIL

To: Councillors

March 2016

Item 10 To review Standing Orders and Financial Regulations following SALC recommendations.

Following feedback from NALC and Legislative changes the Model Financial Regulations have been amended to take account of the following:

1. MFR 1.6 has been amended to provide for the possibility of disciplinary action in the event of a breach of the Regulations rather than a definitive statement as to gross misconduct.
Current wording - ~~A breach of these Regulations by an employee is gross misconduct.~~
Amended wording- **Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.**
2. MFR 6.4 has been re written to apply more generally than merely in respect of disclosable interests.
Current wording - ~~Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to council or committee shall be signed by two member of council in accordance with a resolution instructing that payment. If a member who is also a bank signatory has declared a disclosable pecuniary interest, or has any other interest, in the matter in respect of which the payment is being made, that Councillor shall be required to consider Standing Orders, and thereby determine whether it is appropriate and / or permissible to be a signatory to the transaction in question.~~
Amended wording - **Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to council or committee shall be signed by ~~{one}~~ two member[s] of council ~~[and countersigned by the Clerk,]~~ in accordance with a resolution instructing that payment. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.**
3. MFR 11 has been amended to incorporate the specific requirements of The Public Contracts Regulations 2015.
Please note: The basis of the changes to Financial Reg no. 11 is that the previous level to trigger a formal tender process was set at £60,000 this has now been reduced to £25,000
Current wording – ~~11.1b Where it is intended to enter into a contract exceeding ~~[£60,000]~~ in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk shall invite tenders from at least three firms to be taken from the appropriate approved list.~~
Amended wording – 11.1b **Where the council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 (“the Regulations”) which is valued at £25,000 or more, the council shall comply with the relevant requirements of the Regulations¹.**
11.1c - The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)².

¹ The Regulations require councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts

² Thresholds currently applicable are:

11.1.g has been removed completely, it's unclear why, and you could leave this in.

Current wording - If less than three tenders are received for contracts above £60,000 or if all the tenders are identical the council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.

11.1.h relates directly to Standing Order no 18.

Current wording on SO 18 – Financial regulations shall confirm that a proposed contract for the supply of goods, materials, services and the execution of works with an estimated value in excess of ~~£60,000~~ shall be procured on the basis of a formal tender as summarised in standing order 18(d) below.

Amended wording – **replace £60,000 with £25,000 if other amendments are approved.**

11.1.i – Current wording - When it is to enter into a contract of less than ~~£60,000~~ in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £500 and above £100 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10 (3) above shall apply.

Amended wording – **replace £60,000 with £25,000 if other amendments are approved.**

Recommendations:

1. That council approve the amendments to Financial Regulations 1.6 and 6.4 as suggested by Salc.
2. That council approve the amendments to Financial Regulations and Standing Orders triggered by the changes in legislation to the Public Contracts Regulations 2015

Paula Gladwell

Clerk