

“Proposed changes” to Schedule of Monetary Limits - Financial Regulations & Constitution**Attachment ‘C’**

The following is a summary schedule of monetary limits covered by the Council’s Constitution, including delegations, virements and contracts.

1. Financial Delegations

Article	Description	Limit	<u>Proposed 1/4/2006</u>
Part 2 13.03 (b)	Key Decision – Executive, likely to result in the Council incurring expenditure or making savings	Larger of <u>£50,000</u> or 25%, of the budget for the service or function to which the decision relates	Agreed at Council October 2005
Part 3 5.1 (e)	Functions – Area Committees - acquisition & disposal of land	£30,000	£30,000
Part 3 - Delegation to Officers			
	<u>Built Environment Team Leader</u> – authorisation of compensation claims under the Public Health Acts in connection with sewerage schemes	£1,000	£1,000
	<u>Section 151 Officer</u> -		
	- write off unpaid amounts	£500	<u>£1,000</u>
	<u>Legal Team Leader</u> -		
	- authority to purchase, sell, lease, exchange, grant or take options in respect of land	Unlikely to exceed £10,000	<u>Up to indicative valuation of £15,000</u>

2. Revenue Budget Virements (Regulation 4.7 Appendix A)

4.7 Appendix A	Description	Limit	Proposed 1/4/2006
1.12	Responsible Financial Officer to prepare jointly with Corporate Management Board member a report to the Executive for virements	Over £10,000	Over £50,000
1.13	Corporate Management Board member- virement on budgets following notification to the Responsible Financial Officer	£3,000	£10,000
1.14	Virement in consultation with appropriate Executive members & following notification to the Responsible Financial Officer	Between £3,000 & £10,000	Between £10,000 & £50,000
1.15	Virement requiring approval of executive following a report by appropriate Strategic Manager in consultation with Responsible Financial Officer	Greater than £10,000	Covered in 1.12 above
1.16	Virements requiring approval of full Council	Greater than £30,000	None, unless the impact is such as to change the budget (minute 94.8)

3. Contracts & Capital Virements (Regulation 4.6 & 4.7 Appendix B)

Procedure Rule	Description	Limit	<u>Proposed 1/4/2006</u>
4.6.29	Requirements for formal contracts with a value..	Over £30,000	Over <u>£50,000</u>
4.7 Appendix B			
2.63	Prepare & submit reports, jointly with the Responsible Financial Officer, to the executive of any <u>variation in contract costs</u>	Greater than 5% (subject to a minimum variation of £10,000)	Greater than <u>10%</u> (subject to a minimum variation of <u>£50,000</u>)
2.64	Prepare & submit reports, jointly with the Responsible Financial Officer, to the executive committee <u>on completion of all contracts</u> where the final expenditure sum exceeds the approved contract sum	By more than 5% (subject to a minimum variation of £10,000)	By more than <u>10%</u> (subject to a minimum variation of <u>£50,000</u>)
2.69	Responsible Financial Officer to prepare jointly with appropriate Corporate Management Board member a report to the Executive where capital virements are proposed	In excess of £10,000	In excess of <u>£50,000</u>
2.70	Any Corporate Management Board member may exercise capital virement in consultation with the appropriate members & following notification to the Responsible Financial Officer on schemes	Up to £10,000	Up to <u>lower of 10% or £50,000</u>
2.71	Any Corporate Management Board member – virement requires the approval of full Council for amounts	Greater than £50,000	Greater than <u>£100,000</u>

4. Assets (Regulation 4.7 Appendix C)

4.7 Appendix C	Description	Limit
3.58	Responsible Financial Officer to maintain a Register of Fixed Assets with a minimum value of	£5,000
3.83	Responsible Financial Officer to write off discrepancies in stocks & stores as recommended by appropriate Corporate Management Board member <u>or</u> Responsible Financial Officer in conjunction with appropriate Corporate Management Board member, to seek Executive approval to write off discrepancies	Up to £1,000 In excess of £1,000
3.84	Responsible Financial Officer to write off redundant stock as recommended by appropriate Corporate Management Board member <u>or</u> Responsible Financial Officer in conjunction with appropriate Corporate Management Board member, to seek Executive approval to write off redundant stocks	Up to £1,000 In excess of £1,000

5. Contract Procedure Rules (Regulation 4.8)

Regulation 4.8	Description	Limit	Proposed 1/4/2006
2.1	Any member of Corporate Management Board or Team Leader shall have power to accept tenders & enter into contracts	Not exceeding £40,000	Not exceeding £50,000
3.1	Tenders need not be invited for contracts estimated to have a value of.... but evidence of quotations must be obtained and recorded	£7,500 or less	£5,000 or less
3.2	At least 3 written quotations must be obtained for contracts, including the provision of services, estimated to have a value of between.... At least 4 written quotations must be obtained for contracts estimated to have a value of between....	£7,500 & £40,000 £7,500 & £40,000	£5,000 & £20,000 £20,000 & £50,000

NWDC Schedule of Monetary Limits

Regulation 4.8	Description	Limit	<u>Proposed 1/4/2006</u>
4.1	Subject to Rule 4.2 tenders shall be invited where the contract sum is estimated to exceed (4.2 relates to special character etc)	£40,000	<u>£50,000</u>
8.2	Selection of persons from whom tenders shall be invited in accordance with Rule 6 (ad hoc list) & Rule 7 (standing approved list) where the contract sum is estimated to bebe delegated to a member of the Corporate Management Board or Team Leader	£40,000 or less	<u>£50,000</u> or less
13.3	In accordance with standing orders, every contract exceeding in value not required or intended to be made under seal shall be signed by two officers, who must be a member of the Corporate Management Board or Team Leader or other officer authorised by him/her.	£7,500	<u>£5,000</u>
14.1	Every contract in respect of the supply of goods or materials or the carrying out of works which exceeds... shall provide for liquidated damages... save contracts for supply of goods or materials the appropriate member of Corporate Management Board or Team Leader shall have a discretion...	£40,000	<u>£100,000</u>
14.2	Council shall require and take sufficient security for the due performance of every contract estimated to exceed....	£40,000	<u>£100,000</u>
16	Prevention of bribery clause – giving Council power to cancel the contract & recover any loss form the contractor, in every contract which exceeds...	£40,000	<u>£50,000</u>
17.1	Nominated sub-contractors – where the estimated amount of a sub-contract exceeds.... then unless the appropriate member of Corporate Management Board or Team Leader certifies that it is not practical to obtain competitive tenders, tenders for the nomination shall be invited & dealt with in accordance with these Contract Procedure Rules as if they were for a contract with the Council	£40,000	<u>£50,000</u>

18 Engagement of Consultants, including temporary contractors (agency or self employed)

18.1 See 3.2 for general contract requirements

18.2 Every such engagement referred to in Rule 18.1

18.2.1 shall be evidenced in writing

18.2.2 shall be subject to the conditions that such an architect engineer surveyor or other professional consultant shall at all times be fully covered by professional indemnity insurance and that in relation to any contract referred to in Rule 18.1 he shall conform to the requirements of these Contract Procedure Rules the Council's Financial Procedure Rules and any direction from the Executive or the Council a Committee or Sub-Committee or duly authorised officer

18.2.3 shall be covered by the general professional terms of his/her appropriate professional body, eg RIBA for Architects

18.2.4 the term of engagement must not exceed 12 months without written HR approval, and

18.2.5 any such appointment(s) must be for the likely term of the work or service required and not subject to continuing short term renewal

20 Contract Register

20.1 A separate register of all contracts in excess of £50,000 in value placed by the Council shall be kept and maintained by Legal Services (but delegated to Corporate Administration and Member Support). This register shall specify at least the following for each contract :

§ approval to enter into the contract

§ name and contact details of the contractor

§ works to be executed or goods to be supplied

§ contract value

§ contract payment schedule

§ retentions, and

§ time period

20.2 Pursuant to these Procedure Rules, all Corporate Management Board members shall report to Legal Services the making of any such contract, providing such details as Legal Services may require.

6. Members Code of Conduct – Part 2 & 3 Interests

Interests	Description	Limit
Personal (Part 2) 8.1 (c)	Any corporate body in which such persons have a beneficial interest in a class of securities exceeding the nominal value of	£5,000
Register (Part 3) 14 (d)	The name of any corporate body which has a place of business or land in the authority's area, and in which the member has a beneficial interest in a class of securities of that body that exceeds the nominal value of ...	£25,000 or one hundredth of the total issued share capital of that body
Gifts & Hospitality 17	A member must within 28 days of receiving any gift or hospitality over the value of..... provide written notification to the authority's monitoring officer of the existence & nature of that gift or hospitality	£25

7. Other Financial Controls with monetary limits (not referenced in financial regulations)

<u>Item</u>	<u>Description</u>	<u>Limit</u>
<u>Cheques</u>	<u>All cheques over the limit are countersigned by an authorised signatory</u>	<u>£10,000</u>
<u>BACS</u>	<u>All BACS payments over the limit to have the BACS schedule signed by an authorised signatory</u>	<u>£10,000</u>

8. Money Laundering Regulations 2003 & Proceeds of Crime Act (POCA) 2002

<u>Item</u>	<u>Description</u>	<u>Limit</u>
<u>Cash</u>	<u>Cash receipting system is set to not exceedin cash receipts</u>	<u>£1,000</u>
<u>Part 7 POCA 2002</u>	<u>Appoint a 'nominated officer' under this section, as local government does not fall within the FSA regulated area except in highly unusual circumstances. i.e. Council is not a 'High Value Dealer' – over 15,000 euros for single cash transactions</u>	<u>c. £10,000 (depending on exchange rate)</u>