

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Review of the Code of Financial Management and Code of Procurement

Meeting/Date: Corporate Governance Committee – 17 January 2018

Executive Portfolio: Executive Councillor for Strategic Resources
Councillor Jonathan Gray

Report by: Head of Resources

Ward(s) affected: All

Executive Summary:

The Code of Financial Management and the Code of Procurement are regularly reviewed to ensure that they reflect current legislation and the changing needs of the Council. Both Codes provide the necessary regulatory framework as well as basic guidance on “Best Practice”. The changes are proposed to accommodate the formation of the Local Authority Trading Company (LATC) “Huntingdon Ventures”, policies for the disposal of small land parcels, disposal and acquisition of Land and Buildings and Debt Management.

This policy underpins governance of procurement in the Council and is an annex to the Council’s constitution.

RECOMMENDATION

that Council approve the revised Codes of Financial Management and Procurement as set out in Appendix 1 and Appendix 3 to the report.

1. PURPOSE OF THE REPORT

- 1.1 To approve the updated Codes of Financial Management and Procurement.

2. BACKGROUND

- 2.1 The roles and responsibilities of Members and Officers are set out within the Council's Constitution. The purpose of the Code of Financial Management is to provide an overview of the respective financial roles and responsibilities of Members and Officers within the Council. Specific financial responsibilities are set out in more detail throughout the subsequent sections of the Code.

3. CODE OF FINANCIAL MANAGEMENT

The Code has been reviewed and updated for the following:

- HDC Trading Company and Joint Venture Company
- Disposals of Small Land Parcels Policy
- Disposals and Acquisitions of Land and Buildings Policy
- Debt Management Policy
- Fees and Charges Guidance for Managers

- 3.1 **HDC Trading Company and Joint Venture Company** – the Council has set up a new company HDC Ventures and potentially in the future a Joint Venture Company. It will be a requirement that these will need to be included within the Council's Statement of Accounts. The Code of Financial Management has been updated to reflect this under Section 5. Accounting Requirements, paragraph 5.12.

- 3.2 **Disposals of Small Land Parcels Policy** – this new Policy was approved by Cabinet in October 2017 and endorsed by Council in December 2017. The financial thresholds of the sale or transfer of small land parcels have been included in Section 5.

- 3.3 **Disposals and Acquisitions of Land and Buildings Policy** – this Policy has been updated and was approved by Cabinet in October 2017 and the Council in December 2017 approved the specific updates to the Council's constitution.

- 3.4 **Debt Management Policy** - the new Policy was approved by Cabinet in June 2017 and reference to this is made under Section 4. Cash and Credit Management, paragraph 4.6 where all Budget Managers are required to comply with this Policy.

- 3.5 **Fees and Charges Guidance for Managers** – This guidance has been produced for Budget Managers in reviewing their Fees and Charges for 2018/19 onwards. This guidance is referenced in the Code and extracts from it included in Section 1. Financial Responsibilities, paragraph 1.19.

4. THE CODE OF PROCUREMENT

- 4.1 The Code has been revised to ensure the recently formed Local Authority Trading Company (LATC) "Huntingdon Ventures" can legitimately access HDC contracts and frameworks. The LATC is a wholly publicly owned "Legal Person" and as such is entitled to use contracts and frameworks created by its owning and controlling public bodies. The Public Contracts Regulations 2015 state that a public body has to be named in the advert calling the competition in order that

the public body identified can legitimately use the framework to procure goods and/or services. The proposed change requires Service Managers to name "Huntingdon Ventures" so that the company can access our contracts and frameworks.

5. KEY IMPACTS

- 5.1 Not including measures to support the LATC would result in their having to independently undertake procurements duplicating the effort required and potentially increasing costs for the LATC.

6. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND / OR CORPORATE OBJECTIVES

- 6.1 The Code of Procurement and Code of Financial Management meets the specific aims and objectives of the Corporate Plan of becoming a more efficient and effective Council and become more efficient in the way we deliver services providing value for money services.

7. CONSULTATION

- 7.1 None

8. LEGAL IMPLICATIONS

- 8.1 The Code of Procurement and the Code of Financial Management have been updated to reflect current legislation and regulations, aiding the Council's compliance.

9. RESOURCE IMPLICATIONS

- 9.1 There are no direct cost implications arising from this report, however both of these Codes promote best practice and best value in the management of the Council's resources.

10. REASONS FOR THE RECOMMENDED DECISIONS

- 10.1 The Code of Financial Management and the Code Procurement supports the internal governance framework of the Council, it also forms part of the Council's Constitution. This annual review seeks to ensure that it continues to be relevant and up-to-date, reflecting any new statutory regulations of changes in local management and practice.

11. LIST OF APPENDICES INCLUDED

Appendix 1 - Code of Financial Management

Appendix 2 - Proposed changes to the Code of Procurement

Appendix 3 - Code of Procurement

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