

To: POLICY AND RESOURCES (FINANCE) SUB COMMITTEE		Subject: REVIEW OF FINANCIAL REGULATIONS AND CONTRACT STANDING ORDERS
From: DIRECTOR OF FINANCE		
Date: 29 th August, 2001	Ref: FI01/1250	

1 Purpose of Report

To seek Committee approval for amendments to the Financial Regulations and Contract Standing Orders.

2 Background

The Director of Finance is required to conduct an annual review of the Regulations and Orders. The 2001 review has just been completed.

3 Considerations

Various amendments are proposed, details of which are contained in the Appendices. Appendix 1 deals with the Financial Regulations and Appendix 2 the Contract Standing Orders. The proposed amendments fall into two categories:

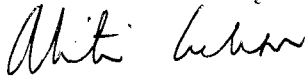
- 3.1.1 Changes to monetary values to bring North Lanarkshire Council into line with other major authorities in Scotland, to reflect the Council's commitment to improving operational effectiveness and efficiency across its services and to facilitate the process of Modernising Government.
- 3.1.2 Changes reflecting amendments to Committee Structures and administrative procedures during the last year.
- 3.1.3 Although the majority of amendments are of a minor nature, Members' attention is drawn to the proposed changes in virement, where increases to the existing limits are recommended. The use of virement by departments will be closely monitored during the year and highlighted in specific appendices to the Budget Monitoring reports on an ongoing basis.

4 Corporate Considerations

All Directors have been consulted in the process of the review.

5 Recommendation

The Committee is invited to agree the amendments to the Financial Regulations and Contract Standing Orders as detailed.

A handwritten signature in cursive script, appearing to read "Ajit Kumar".

Director of Finance

**REVIEW OF FINANCIAL REGULATIONS AND CONTRACT STANDING ORDERS
Proposed Amendments, August 2001.**

FINANCIAL REGULATIONS

Capital Expenditure – Authorisation

Existing wording:

- 3.4 The programmes and the estimates shall be considered by the relevant Spending Committees and approved by the Policy and Resources Committee before submission to the Council for approval.

Proposed change: Delete entire paragraph.

Budgetary Control – Deviations

Existing wording:

- 3.9 Deviations (at line 8) defines “significant” as £5,000 or 5%, whichever is higher

Proposed change: substitute £20,000 or 5%, whichever is higher.

- 5.3 Deviations (at line 8) defines “significant” as £5,000 or 5%, whichever is higher.

Proposed change: substitute £20,000 or 5%, whichever is higher.

Budgetary Control – Virement

Proposed changes:

	Existing Limits	Proposed Limits	Proposed new Wording
5.4 (i)	£5,000	£20,000	at discretion, in consultation with the Convener of the appropriate Committee – the change to be notified immediately to the Director of Finance.
5.4 (ii)	£5,001 - £10,000	£20,001 - £50,000	following consultation with the appropriate Convener and with the agreement of the Director of Finance.
5.4 (iii)	over £10,000	over £50,000	on the recommendation of the Spending Committee, either in the form of a specific report to that Committee or requested within Budget Monitoring reports.

Leasing Agreements.

- 7.11 Leasing Agreements

Proposed new paragraph

All leasing agreements for the occupation or use of Council Property or resources shall be in a form approved by the Director of Administration.

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Proposed Amendments, August 2001.

Contracts – Deviations

Existing wording:

12.4 Deviations (at line 6) defines “significant” as £5,000 or 5%, whichever is higher

Proposed change: substitute £20,000 or 5%, whichever is higher.

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Proposed Amendments, August 2001.**

CONTRACT STANDING ORDERS

Responsibility for Construction Works.

Existing wording:

2.6 Responsibility for Construction Works.

All contracts for the execution of construction works shall be the responsibility of the Director of Housing and Property Services, save in the cases of Roads Maintenance Contracts, for which the lists shall be kept by the Director of Planning & Environment.

Proposed changes:

Delete the word "Maintenance".

Add the sentence "In all other cases, responsibility shall rest with the Budget Holder."

Exemptions

Present wording:

3.2 (at lines 4 and 5) "but does not exceed £20,000."

Proposed change: substitute £30,000.

Standing List of Approved Contractors

Existing wording:

5.2 The list of persons to be invited to tender for contracts for the execution of construction works shall be kept by the Director of Housing and Property Services, save in the cases of Roads Maintenance Contracts, for which the lists shall be kept by the Director of Planning and Environment.

Proposed changes:

Delete the word "Maintenance".

Add the sentence "In all other cases, responsibility shall rest with the Budget Holder."

Alternative to in-house Standing List of Approved Contractors

Proposal – add new paragraph

5.9 As an alternative to maintaining an in-house list of approved contractors for construction work, the Director of Housing and Property Services may elect to use a list of acceptable contractors maintained by Constructionline.