

To: POLICY AND RESOURCES COMMITTEE (FINANCE) SUB COMMITTEE		Subject: REVIEW OF FINANCIAL REGULATIONS AND CONTRACT STANDING ORDERS	
From: DIRECTOR OF FINANCE			
Date: 7 October 2002		Ref: FI02/1369	

1. Purpose of Report

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

2. Background

The Director of Finance is required to conduct an annual review of the Regulations and Orders. The 2002 review has now 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 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
- 3.2 Minor changes in wording to reflect amendments to structures and administrative procedures during the last year or to improve the clarity of the documents.

4. Corporate Considerations

All Directors have been considered in the process of the review. The proposed amendments have also been discussed and agreed with the Chief Executive's Audit Group.

5. Recommendation

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



Director of Finance

Ref No	Heading	Existing Text	Proposed Amendment
1.7	Department	This includes, in addition to each recognised Council Department, each limited company or other organisation which is wholly owned or controlled by the Council.	Add at end of sentence "and each Partnership save where the Council has agreed to abide by the control arrangements of the partner organisation".
4.7	Additional Items	(3 rd paragraph) In an emergency, with the approval of the Spending Committee Chair and the Chief Executive, with reports to Spending and Finance Committees as soon as possible thereafter, or	Insert, between "emergency," and "with" where powers have been specifically delegated to officers for Building Control purposes, or
7.5	Write-offs	Any proposal to write off sums due to the Council requires the following authority: i) For individual sums of less than £100, the Director of Finance, with an annual report to the Finance Committee for information ii) For individual sums of £100 or over, the Spending Committee and the Finance Committee.	Delete £100, substitute £250 Delete £100, substitute £250
7.11	Leasing Agreements	All leasing agreements for the occupation or use of Council property or resources shall be in a form approved by the Director of Administration.	Delete (impracticable)
12.2	Payments (re contracts)	Payments to contractors may be certified as due only by Authorised Signatories	Payment Certificates to Contractors may be signed only by Authorised Signatories.
14.6	Removal	Council property must not be removed from Council premises except in the normal course of business.	Council property may not be removed from Council premises without the written authority of the appropriate Director or Head of Service.
19.1	Authority	These Regulations were approved by the Council on 27 th September, 2001	Amend date to 28 th November 2002
19.2	Responsibilities	Directors are responsible for ensuring that copies of the Regulations are made available to all appropriate members of staff, and, where appropriate, external consultants and contractors.	Directors are responsible for ensuring that all appropriate members of staff, and, where appropriate, external consultants and contractors, have access to the Orders.

Ref No	Heading	Existing Text	Proposed Amendment
19.3	Breach	Directors or any employees discovering a possible breach of these Regulations must report the matter immediately to the Director of Finance. Failure by any employee to comply with the Regulations, or, in the case of staff with appropriate supervisory responsibilities, failure to ensure the compliance with others, can be a serious offence which may give rise to disciplinary consequences.	Any employee discovering a possible breach of these Regulations must report the matter immediately to his or her Director or Head of Service, who must in turn immediately report it to the Director of Finance. Failure by any employee to comply with the Regulations, or, in the case of staff with appropriate supervisory responsibilities, failure to ensure the compliance with others, can be a serious offence which may give rise to disciplinary consequences.
19.6	Circulation	Paper copies of these Regulations are issued to all Directors and Authorised Signatories. In addition, the document can be accessed on the Council's Intranet.	Paper copies of these Regulations are issued to all Directors and Heads of Service. In addition, the document can be accessed on the Council's Intranet.

Ref No	Heading	Existing Text	Proposed Amendment
1.2	Definitions	This includes, in addition to each Council Department, each limited company wholly owned or controlled by the Council.	Add at end of sentence "and each Partnership save where the Council has agreed to abide by the control arrangements of the partner organisation.
1.3	Definitions	This includes work which is or may be assigned to external contractors or to any of the Council's Direct Labour or Direct Service organisations.	Delete Direct Labour
3.1	Exemptions	There shall be exempted from the provisions of these orders all contractswhere the total estimated price does not exceed £5,000	Delete £5,000. Substitute £10,000
3.2	Exemptions	(1st paragraph) There shall be exempted from the provisions of these orders all contracts.....where the total estimated price exceeds £5,000 but does not exceed £30,000.	Delete £5,000. Substitute £10,000 Delete £30,000. Substitute £50,000
3.2	Exemptions	(3 rd paragraph) Directors should seek at least three competitive quotations. Where three suitable contractors cannot be found, the fact, together with a note of the efforts made to secure three quotes, should be recorded.	Delete three throughout the paragraph. Substitute four.
7.1	Public Contracts Regulations – Tendering Procedures	(1 st paragraph, last sentence) As at 1 st January 2000, those regulations apply to a) services and supplies estimated to cost in excess of £144,456 and b) works estimated to cost in excess of £3,611,395.	As from 1 st January 2002, those regulations apply to a) services and supplies estimated to cost in excess of £154,477 and b) works estimated to cost in excess of £3,861,932.
10	Opening of Tenders	(1 st sentence) Tenders expected to be in excess of the exemption limit of £30,000 shall be opened in the presence of two members of the Administration department as nominated by the Director of Administration.	Delete £30,000. Substitute £50,000

Ref No	Heading	Existing Text	Proposed Amendment
12.2	Acceptance of Tenders	(1 st sentence) Tenders in excess of the exemption limit of £30,000 may be accepted by the Director of Administration as authorised by the appropriate Committee.	Delete £30,000. Substitute £50,000
22	Authority	These Orders were approved by the Council on 27 th September 2001.	Amend date to 28 th November, 2002
23	Circulation	Paper Copies of these Orders are issued to all Directors and Authorised Signatories. In addition, the document can be accessed on the Council's Intranet.	Paper copies of these Orders are issued to all Directors and Heads of Service. In addition, the document can be accessed on the Council's Intranet. Directors are responsible for ensuring that appropriate members of staff, contractors or consultants have access to the Orders.
25	Breach	Not presently covered	Any employee discovering a possible breach of these Regulations must report the matter immediately to the Director of Finance and to his or her own Director. Failure by any employee to comply with the Orders, or, in the case of staff with appropriate supervisory responsibilities, failure to ensure the compliance with others, can be a serious offence which may give rise to disciplinary consequences.
26	Annual Reviews	Not presently covered	The Director of Finance, having consulted the other Directors, will present proposals for the revision of the Orders, annually, to the Policy and Resources (Finance) Sub-Committee for agreement and approval by Council.

PROPOSED AMENDMENTS TO CONTRACT STANDING ORDERS (SOCIAL WORK) 2002

Ref No	Heading	Existing Text	Proposed Amendment
1.2	Definitions	This includes, in addition to each Council Department, each limited company wholly owned or controlled by the Council.	Add at end of sentence "and each Partnership save where the Council has agreed to abide by the control arrangements of the partner organisation."
1.3	Definitions	This includes work which is or may be assigned to external contractors or to any of the Council's Direct Labour or Direct Service organisations.	Delete Direct Labour
3.1	Exemptions	There shall be exempted from the provisions of these orders all contractswhere the total estimated price does not exceed £5,000	Delete £5,000. Substitute £10,000
3.2	Exemptions	(1st paragraph) There shall be exempted from the provisions of these orders all contracts.....where the total estimated price exceeds £5,000 but does not exceed £30,000.	Delete £5,000. Substitute £10,000 Delete £30,000. Substitute £50,000
3.2	Exemptions	(3 rd paragraph) Directors should seek at least three competitive quotations. Where three suitable contractors cannot be found, the fact, together with a note of the efforts made to secure three quotes, should be recorded.	Delete three throughout the paragraph. Substitute four.
7.1	Public Contracts Regulations – Tendering Procedures	(1 st paragraph, last sentence) As at 1 st January 2000, those regulations apply to a) services and supplies estimated to cost in excess of £144,456 and b) works estimated to cost in excess of £3,611,395.	As from 1 st January 2002, those regulations apply to a) services and supplies estimated to cost in excess of £154,477 and b) works estimated to cost in excess of £3,861,932.
10.1	Opening of Tenders	(1 st sentence) Tenders expected to be in excess of the exemption limit of £30,000 shall be opened in the presence of two members of the Administration department as nominated by the Director of Administration.	Delete £30,000. Substitute £50,000

PROPOSED AMENDMENTS TO CONTRACT STANDING ORDERS (SOCIAL WORK) 2002

Ref No	Heading	Existing Text	Proposed Amendment
10.2	Opening of Tenders	In the case of Care contracts up to a value of £100,000, tenders shall be opened by two officers of the Social Work department, one of whom shall be a Head of Service	For all contracts up to a value of £100,000, tenders shall be opened by two officers of the Social Work department, one of whom shall be a Head of Service
12.2.2	Acceptance of Tenders	(1 st sentence) Tenders in excess of £100,000 for Care contracts and £30,000 for other contracts may be accepted by the Director of Administration as authorised by the Committee.	Delete £30,000. Substitute £50,000
22	Authority	These Orders were approved by the Council on 27 th September 2001.	Amend date to 28 th November, 2002
23	Circulation	Paper Copies of these Orders are issued to all Directors and Authorised Signatories. In addition, the document can be accessed on the Council's Intranet.	Paper copies of these Orders are issued to all Directors and Heads of Service. In addition, the document can be accessed on the Council's Intranet. Directors are responsible for ensuring that appropriate members of staff, contractors or consultants have access to the Orders.
25	Breach	Not presently covered	Any employee discovering a possible breach of these Regulations must report the matter immediately to the Director of Finance and to his or her own Director. Failure by any employee to comply with the Orders, or, in the case of staff with appropriate supervisory responsibilities, failure to ensure the compliance with others, can be a serious offence which may give rise to disciplinary consequences.
26	Annual Reviews	Not presently covered	The Director of Finance, having consulted the other Directors, will present proposals for the revision of the Orders, annually, to the Policy and Resources (Finance) Sub-Committee for agreement and approval by Council.