



GOVERNANCE COMMITTEE

TUESDAY, 26 APRIL 2016

11.00 AM (OR AT THE CONCLUSION OF THE STANDARDS COMMITTEE, WHICHEVER IS THE LATER)
COMMITTEE ROOM, COUNTY HALL, LEWES

MEMBERSHIP - Councillor Keith Glazier (Chair)
Councillors Godfrey Daniel, David Elkin, Philip Howson and David Tutt

A G E N D A

- 1 Minutes of the meeting held on 8 March 2016 (*Pages 3 - 4*)
- 2 Apologies for absence
- 3 Disclosures of interests
Disclosures by all members present of personal interests in matters on the agenda, the nature of any interest and whether the member regards the interest as prejudicial under the terms of the Code of Conduct.
- 4 Urgent items
Notification of items which the Chair considers to be urgent and proposes to take at the appropriate part of the agenda. Any members who wish to raise urgent items are asked, wherever possible, to notify the Chair before the start of the meeting. In so doing, they must state the special circumstances which they consider justify the matter being considered urgent.
- 5 Procurement Standing Orders (*Pages 5 - 42*)
Report by Chief Operating Officer
- 6 East Sussex Electoral Boundary Review (*Pages 43 - 44*)
Report by Assistant Chief Executive
- 7 Annual Leave Entitlement for Staff on Soulbury Pay Scales (*Pages 45 - 50*)
Report by Director of Children's Services
- 8 Ordinary Commuting - employees with more than one permanent workplace (*Pages 51 - 68*)
Report by Chief Operating Officer
- 9 Allocation to political groups and the independent groups of places on committees (*Pages 69 - 72*)
Report by Assistant Chief Executive
- 10 Any other items previously notified under agenda item 4

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18 April 2016

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GOVERNANCE COMMITTEE

MINUTES of a meeting of the Governance Committee held at Committee Room, County Hall, Lewes on 8 March 2016.

PRESENT: Councillors Keith Glazier (Chair), Godfrey Daniel, David Tutt, Mike Pursglove and Sylvia Tidy

ALSO PRESENT Councillor John Ungar

28 MINUTES OF THE MEETING HELD ON 26 JANUARY 2016

28.1 RESOLVED – that the minutes of the last meeting of the Committee held on 26 January 2016 be approved as a correct record

29 APOLOGIES FOR ABSENCE

29.1 Apologies for absence were received from Councillors Elkin and Howson. It was noted that Councillors Tidy and Pursglove were substituting for them

30 REPORTS

30.1 Copies of the reports referred to below are included in the minute book

31 ALLOCATION TO POLITICAL AND INDEPENDENT GROUPS OF PLACES ON COMMITTEES

31.1 The Committee considered a report by the Assistant Chief Executive regarding the allocation of places on committees, sub-committees, panels and other bodies to the six political and independent groups

31.2 The Committee RESOLVED – to recommend the County Council to allocate to political and independent groups the places on, and membership of, the main committees as set out in Appendix 1 of the report

32 PAY POLICY STATEMENT

32.1 The Committee considered a report by the Chief Operating Officer regarding the Pay Policy Statement for 2016/17

32.2 The Committee RESOLVED to:

- 1) recommend the County Council to agree the updated pay policy statement for 2016/17; and
- 2) receive a further report with the Pay Policy Statement updated appropriately to reflect the outcome of the current Government consultations, once known

33 CHIEF EXECUTIVE, CHIEF OFFICERS' AND DEPUTY CHIEF OFFICERS' PAY
2016/17

33.1 The Committee considered a report by the Interim Assistant Director, Personnel and Training regarding the pay award for the Chief Executive, Chief Officers and Deputy Chief Officers for 2016/17

33.2 The Committee RESOLVED to defer consideration of the pay award for the Chief Executive, Chief Officers and Deputy Chief Officers for the financial year 2016/17, until the level of the national pay award is known, and for this to be on the basis that no obligation is given to accepting parity with the national award

Report to: Governance Committee

Date of meeting: 26 April 2016

By: Chief Operating Officer

Title: Update to Procurement Standing Orders

Purpose: To review and consider proposed amendments to the Procurement Standing Orders

RECOMMENDATIONS

The Governance Committee is recommended to recommend the County Council to approve the revised Procurement Standing Orders as set out at Appendix 1

1 Background

1.1 The Procurement Standing Orders (PSOs) set out the mandatory rules by which the Council spends money on supplies, services and works. Following the restructure of the Procurement Team at the beginning of 2013, the Contract Standing Orders were replaced by the PSOs which were agreed by the County Council in December 2013. This was the first major change to the formal governance in procurement for many years, and resulted in changes including to thresholds. Although the look and feel of the PSOs are proposed to be amended, there are no further significant changes being made.

1.2 The PSOs cover all areas of spend and all staff are responsible for following them, whether permanent, interim or a contractor. The PSOs are our corporate standards for good governance and to obtain best value for money.

1.3 Changes to Standing Orders is a constitutional matter requiring approval by the Full Council. The previous changes brought East Sussex County Council more in line with the thresholds that other councils within the South East 7 (SE7) use and also ensured reference up to date policy, like the Employment and Skills Through Procurement Policy. The PSOs also encouraged the use of small and local businesses, where this offers best value. The changes now being proposed strengthen these areas further.

1.4 The PSOs have four main purposes, all of which help contribute towards the Councils overarching priority outcome of 'Making best use of resources':

- To secure **value for money** through appropriate market competition for contracts, so that the Council offers best value for services to the residents of East Sussex.
- To be **transparent** to the residents of East Sussex about how the County Council spend their money.
- To make sure that the Council spends its public money **legally and fairly**, and to **protect** it from undue criticism or allegation of wrongdoing.
- To support **social value objectives**, and the Council's public sector equality duty.

1.5 The proposed changes and updates are intended to take account of a number of areas:

- new Public Contract Regulations 2015;
- best practice updates for lower value contracts from Lord Young recommendations aiming to making it easier for small and local businesses to tender for contracts;
- the Local Government Transparency Code on publication of data;
- closer alignment of procurement practices to support effective collaboration and partnership working, including extension of the existing partnership with Surrey County Council, whilst still respecting the sovereignty of individual Council requirements;
- improvements to purchasing processes intended to speed up transactions and ensure proper compliance;
- improvements to strengthen contract management and management of contract variations and extensions; and
- updates to reflect best practice around electronic invoicing.

2 Supporting information

2.1 Workshops held in 2015 attended by Legal and Procurement officers across East Sussex and Surrey County Councils, explored areas where simplification of the current governance arrangements could bring benefit to both organisations. The 'look and feel' of the PSOs are intended to be easier to read and follow by 'non experts', and remove the uncertainty around which rules are more important than others.

2.2 The proposed revised PSOs document is attached at Appendix 1 incorporating comments from the Council's Statutory Officer Group and Corporate Management Team.

3. Conclusion and reasons for recommendations

3.1 The Governance Committee is recommended to recommend the County Council to approve the Procurement Standing Orders as set out in Appendix 1.

3.2 The PSOs should be regularly reviewed, and need to remain relevant to East Sussex County Council. The opportunity for further changes will be kept under review and reported through the Statutory Officers Group as appropriate, with any decisions being taken through the Council's decision making process in the usual way.

Kevin Foster
Chief Operating Officer

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Procurement Standing Orders

Rules to be followed when buying on behalf of the council

March 2016

Version 0.26

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1 Introduction

The Procurement Standing Orders set out how the Council authorises and manages spending. This includes all types of goods, works and services, as well as non-permanent workforce such as temporary and agency staff and consultants. We have a responsibility to do this in a transparent way that offers best value to residents.

Anyone who buys on behalf of the Council, including staff, contractors and consultants, are responsible for following these Procurement Standing Orders.

This document looks at public sector tendering and purchasing procedures and the legislative framework that surrounds them. Functions delegated to particular officers may be carried out by other officers authorised by them.

Note: In these Orders, 'You' means anyone who needs to buy from an external supplier.

1.1 Key Principles

These Procurement Standing Orders are based on these key principles:

- To get good **value for money** through appropriate market competition for contracts, so that we offer best value for services to our residents.
- To be **transparent** to our residents about how we spend their money.
- To make sure we spend public money **legally and fairly**, and to **protect** us from undue criticism or allegation of wrongdoing.
- To support **sustainability** and **social value** objectives, and our public sector **equality** duty, encouraging local small businesses.

1.2 Compliance

All Officers, and any external contractors empowered to form contracts on behalf of the council, must comply with these Orders at all times. If you breach them, you are breaching the council's Constitution and this may lead to disciplinary action.

You must not artificially separate contracts or spending to avoid these orders applying at any level, except insofar as this is necessary to enable small or medium-sized enterprises to compete, whilst delivering best value for money and remaining compliant with the law.

Where there is a difference between current legislation governing procurement and these Orders, the legislation prevails and you must comply with it.

Where these Orders appear to conflict with other council-determined rules the Assistant Chief Executive determines which takes precedence.

The Head of Procurement will report any breaches periodically to the Statutory Officers Group.

1.3 Scope

Apart from the exceptions listed below, these Orders cover all spend with external suppliers regardless of how they are funded (for example, revenue, capital, grants, ring-fenced government money and/or any third party funding).

These Orders do not apply to the following items, which are managed by separate policies:

Exclusion	Relevant Policy/Law
Contracts for the acquisition or lease of land and/or real estate	Managed via Property Services
Contracts for permanent or fixed-term employment	HR/Recruitment Policies
Works or orders placed with utility companies (e.g. re-routing pipe-work)	This is carried out as part of larger construction contracts
Direct payments to customers following care assessment (for example, payments under Self-Directed Support or Individual Budgets)	Dept. of Health Community Care Assessment Guidance 2004
Non-trade mandatory payments to third parties, such as insurance claims, pension payments, payments to public bodies	These are not subject to competition due to their nature
Fees for external auditors	These are determined by the Public Sector Audit Appointments Limited under the Local Audit and Accountability Act 2014
A declared emergency authorised by the Emergency Planning Officer	The Civil Contingencies Act 2004
Awarding of Grants	Managed according to locally agreed Grant process or Corporate Funding Protocol
Any contract relating to the engagement of Counsel or other legal specialists	Legal Services are either exempt from EU Procurement Regulations or are subject to the light touch regime, depending on the nature of the advice or representation sought
Placement of a child with Special Educational Needs in a Non-maintained school providing the value of the contract is below the light touch regime threshold.	

1.4 Roles and Responsibilities

The Head of Procurement is responsible for the complete process from procurement through to ordering and paying suppliers (known as 'Procure-to-Pay') across all Services and local systems. Any developments in the design of the process require the approval of the Head of Procurement.

The Procurement Service is responsible for:

- (a) Providing expert market knowledge to help you find the best supplier to meet specified needs
- (b) Managing all tenders and contract awards over £100,000

- (c) Engaging colleagues from Finance, Legal and HR in all contract strategies and awards
- (d) Developing strategic action plans for each category of spend
- (e) Taking a commercial lead on all strategic or critical contracts and relationships with suppliers alongside the contract manager
- (f) Ensuring that good practice contract and supplier management is written in to agreements with our strategic and critical suppliers
- (g) Developing our supply chain to deliver performance improvements
- (h) Ensuring transparency over spend, contracts and contract opportunities
- (i) Embedding social value and sustainability across the supply chain
- (j) Ensuring efficient and effective purchasing practices are in place for all staff
- (k) Working with Orbis Business Operations to manage a master database of suppliers on SAP

Anyone who buys from suppliers is responsible for:

- (a) Complying with these Orders
- (b) Ensuring there is adequate budget available
- (c) Following the corporate process at the earliest opportunity when you need a new supplier
- (d) Raising and ensuring a purchase order is approved before the requirements are delivered to the Council, regardless of which system is used.
- (e) Ensuring technical specifications meet the defined need and requirements
- (f) Ensuring specifications take into account equality and diversity as well as social value implications, and carrying out Impact Assessments where appropriate
- (g) Putting in place effective monitoring of the performance and management of contracts

1.5 Transparency

This section sets out how we meet our obligations to be transparent in our procurement, and maintain proper accountability to the public and obligations from the Transparency Code of Conduct and Public Contract Regulations 2015.

1.5.1 Publication of Contract Opportunities, Spend and Contracts

In accordance with current government requirements we publish details of all spend with suppliers over £500 on our website, as well as spend on purchasing cards. A list of current contracts and grants is also published.

All advertised opportunities for contracts over £25,000 are published via the national Contracts Finder website, as well as our own website. Contracts over the current EU threshold are advertised via the Official Journal of the European Union (OJEU).

1.5.2 Freedom of Information

Under the Freedom of Information Act (FOIA) 2000, we have an obligation to publish specific information and to provide information to members of the public upon request. However, the FOIA enables certain confidential information and commercially sensitive material to be withheld. You must therefore ensure tender information is kept confidential at all stages,

especially during tender evaluation and after the contract is awarded. Suppliers must also be given the opportunity to highlight in their tender any information that they would not wish disclosed under FOIA. Requests for information under the FOIA will be dealt with under the usual Council procedures for such requests.

1.5.3 Developing Local suppliers

The council is committed to encouraging businesses in the county to compete for contract opportunities in order to support the development of the local economy. It provides information and support via dedicated websites and through supplier events. We actively encourage the use of locally-based suppliers where they can offer best value for money.

1.5.4 Conflict of Interest

Our market searches, procurement and purchasing must be carried out free from any conflict of interest to support our transparency objectives. An 'interest' means any consideration or anything of economic value, including future consideration.

Conflicts of interest can arise when someone who is involved in these processes has a close connection with another party who is also involved which may mean they could influence, or be influenced by, the outcome of a buying decision.

Conflicts of interest can arise in the procurement process in a number of ways, including:

- a. Where someone who is actually buying goods or services for the council, or giving budgetary approval for the purchase, has an interest in the supplier's business
- b. Where someone with an involvement in a tender or other sourcing process has an interest in the a potential supplier's business
- c. Where Suppliers bidding for a contract with the council have an interest which could enable them to influence unfairly the outcome of a sourcing process
- d. Where consultants are supporting the council in conducting or developing market searches or project preparation including business case for solutions which could enable them to influence unfairly the outcome of any resultant sourcing process

If you are a council employee you must follow the Code of conduct and Conflict of Interest Policy, ensure all potential conflicts of interest are declared appropriately, and ensure you do not participate in any buying activity where these Conflicts of Interest could arise.

Temporary & agency staff, and other consultants or contractors must abide by the terms of their contract with the council and follow the council's Code of Conduct and Conflict of Interest Policy on Conflicts of Interest and on Equalities and Diversity.

Staff may supply goods, works and services as external suppliers to the council as long as the policy has been followed, and any interests declared and managed at the time a contract is agreed. Staff members who become suppliers must not have access to systems to raise Purchase Orders. There must be demonstrable transparency and fairness in any transactions of this nature.

Suppliers bidding for contracts with the council are required to declare any conflict of interest.

The council may undertake projects involving income generation and the available powers to trade and charge, where potential conflicts of interest may have an impact. These will be

referred to the Head of Procurement to agree with the Monitoring Officer an approach that best manages the council's interests.

Conflicts of interest arising from shared service or collaborative working will be also referred in the same way, unless already under the scope of an agreed governance body for that management of the shared service arrangement, who will then be responsible for agreeing an approach that manages the best interests of the parties.

2 Finding and contracting with suppliers

Whenever it is necessary to enter into a contract, you must take into account the 'aggregate' or total spend forecast. That is, the total amount you expect to spend with a supplier for the duration of the contract. This value determines the approach to be used to find a supplier and put a suitable contract in place. These rules apply to all contracts including works and service concessions.

2.1 Deciding when to use a grant or a contract

A grant is a sum of money given to an individual or organisation for a specific project or service. A grant usually covers only part of the total costs involved in the project or service.

A grant is usually given on the basis that if it is not used for the purposes for which it is given the funder can ask for all or part of the money back and maybe able to take legal action for breach of the terms of the Grant Agreement for sums paid.

The grant process involves an applicant submitting a proposal (or submission) to a potential funder, either on the applicant's own initiative or in response to a Request for Proposal from the funder. A procedure is provided on the intranet, which must be followed to decide if a project or service should be delivered via a grant or by a contract. All grants should incorporate the requirements of the local Compact, as well as consider Social Value and how the grant will help deliver the Councils Corporate priorities.

If, having followed this procedure, your requirement can be delivered through a grant then you must follow the locally agreed grant processes and guidance.

If, having followed this procedure, your requirement can be delivered through a contract then follow the instructions in section 4 below.

If you are not clear, then contact the Procurement team.

2.2 Overview and summary table

The table at 2.2.1 below sets out the approach that must be followed for each threshold aggregate value. As set out above, and in the Councils Scheme of Delegations to Officers, functions delegated to particular officers may be carried out by other officers authorised by them.

2.2.1 Governance – Process for finding new suppliers at each threshold level

Aggregate value	Purchase Card permitted?	How many quotes are required ?	How should you approach the market?	Who leads procurement ?	Should the contract be formally advertised?	What type of contract is required?	Who must approve the contract award? +	Who signs the contract on our behalf? ++	Contract Award Notice needed?	How much time should be allowed to carry out process?
£0 to £14,999	Yes, within individual card transaction/ credit limits	One	Email / Call Supplier. Use a local supplier if they offer best value.	Service Officer	No	Standard Terms (see Council's website)	Budget Holder	Not Required – (Approval of Purchase Order)	No	2 weeks minimum
£15,000 to £99,999	Only in formal emergency cases	Minimum of Three	Request For Quotation	Service Officer	No but where advert is placed, this must be via Contracts Finder	Council's Standard Terms, or a specific contract approved by the Assistant Chief Executive	Assistant Director or delegated manager	Assistant Director or delegated manager	Yes – over £25k on Contracts Finder	6 weeks minimum
£100,000 and over	No	(via tender process)	Issue Tender via Procurement	Procurement	Yes, via Contracts Finder and / or OJEU	Specific contract approved by Assistant Chief Executive	Chief Officer in consultation with Head of Procurement following Sourcing Governance (section 4.4.2)	Authorised Signatories in Legal Services as authorised by the Assistant Chief Executive	Yes – over £25k on Contracts Finder or OJEU over EU threshold	3-6 months
Over EU limit	OJEU tender process	(via tender process)	Issue Invitation to Tender or utilise procedures as allowed under legislation	Procurement	Yes, via Contracts Finder and / or OJEU determined by procurement and regulations	Specific contract approved by the Assistant Chief Executive	Chief Officer or, Lead Member	Authorised Signatories in Legal Services as authorised by the Assistant Chief Executive	Yes – over £25k on Contracts Finder or OJEU over EU threshold	6-12 months minimum depending on complexity of requirement

3 Buying Principles

These Buying Principles apply to contracts of all values to ensure that they are made in a fair and open way that delivers best Value for Money.

When a new requirement for goods, services or works is established, it is important to ensure the correct procedure is followed in order to obtain them.

The basic steps for this are as follows:

- Establish what the requirement is (key business needs);
- Ensure a new procurement is the right option – do we need to buy?
- Check that there is no existing contract or framework that is suitable to use for the requirement;
- Check that there is no collaborative arrangement available to use – Surrey, SE7 etc.;
- Looking at the applicable spend table (overleaf), plan what needs to be done;
- Engage with Procurement as early as possible especially where spend is over £100k and/or risk is high.

3.1 Contract Compliance

Where existing corporate contracts and agreements exist, these should be used as they provide best Value for Money for the council.

3.2 Purchase Orders

Once you have found the right supplier in compliance with the correct procedure required by these order, you must not make verbal commitments but must raise a Purchase Order (via a SAP or equivalent service-specific system). This must be approved according to the council's Financial Regulations before it is sent to the supplier.

Unless there are exceptional circumstances you must not raise the order retrospectively (that is, once the goods or services have been delivered by the supplier). This is to ensure that the purchase is properly approved in advance and that the commitment against the budget is clearly visible to the budget-holder. Failure to raise an order in advance is a breach of these orders.

3.3 Setting up a new Supplier

To set up a new supplier in order to raise a purchase order, please refer to the guidance on Setting up a new Supplier.

3.4 Select Lists

Select lists are lists of approved suppliers who have been pre-assessed or qualified in order to provide defined goods, works or services to areas of the Council in line with requirements of the Orders. The Head of Procurement must approve proposals to establish a select list of

approved suppliers.. This must happen at least 2 weeks before a list is compiled or reviewed. Suppliers on any existing list must be asked if they wish to join the new list, provided they can evidence meeting new assessment criteria or requirements.

A list must not normally operate for longer than 4 years and any appropriate continuing requirements for membership of the list, such as insurance obligations, should be included. The operation of the approved list in awarding contracts, and options to re-opening to new suppliers, any exemptions and/ or suspension of suppliers must be defined in writing as part of the approval of the list's establishment sought by the relevant service area from the Head of Procurement.

3.5 Collaboration

The council may enter into collaborative agreements for the procurement of goods and services with other public bodies or Central Purchasing Bodies where this offers best value for money for residents. The appropriate sign-offs and procedures as set out in the Procurement Standing Orders and Public Contract Regulations need to be followed when undertaking collaborative projects and spend, as well ensuring any risk is managed appropriately.

For the avoidance of doubt, the contract award procedure in the case of collaborative contracts must be:

- Based on the total value of contract (all contracts in the case of a Framework Agreements or Dynamic Purchasing System) where we act as lead or awarding Contracting Authority
- Where calling-off contracts from established collaborative agreements, via the procedure set out for the element of spend and risk for the council's budget only.

3.6 Framework agreements and Dynamic Purchasing Systems

Procurement can provide advice on all aspects of the operation and use of collaborative and framework agreements or Dynamic Purchasing Systems. There are a number of established central purchasing bodies, such as the Government Crown Commercial Service and the 'Pro5' organisations, who establish framework agreements and Dynamic Purchasing System which the council can utilise.

3.6.1 Framework Agreements

A framework agreement is a general term for an agreement with suppliers that sets out terms and conditions, under which specific purchases, or call-offs, can be made throughout the life of the agreement. The procurement activity to establish a framework agreement is subject to the EU procurement rules. There are different mechanisms for placing call-off orders under a framework agreement and at all times the council must ensure transparency and non-discrimination.

The council may establish a framework agreement and make this available to other contracting authorities, or make use of framework agreements awarded by other public sector bodies.

3.6.1.1 Setting Up a Framework Agreement

When putting a framework agreement in place, the Procurement Standing Orders apply to the process.

During the initial framework set up, the rules of the framework are developed and these apply to any subsequent arrangements that are let from the original framework.

3.6.1.2 Using and Operating a Framework Agreement

When using a Framework Agreement not established by the Council, the Assistant Chief Executive must be instructed to satisfy themselves that to the best of their knowledge the original agreement:

- (i) was tendered for in accordance with the Public Contracts Regulations 2015 or Public Concessions Directive 2013 for the potential use by the council,
- (ii) is in the interests of the council,
- (iii) contains conditions of contract acceptable to the council, and
- (iv) Contract Award Notices are published in accordance with the EU Procurement or Concession legislation (see section 7.1)

Access Agreements to join Framework Agreements for frameworks set up by other public bodies, once confirmed to have met these criteria, should be signed by the Head of Procurement.

Framework agreements can be used to source contracts for any value that fall within the scope of the framework and advice should be sought from Procurement. Frameworks have their own distinct rules which are defined as part of establishing the framework agreement. Specific rules governing an individual framework take precedence over the Procurement Standing Orders when these differ, e.g. to allow for the use of different number of suppliers and standards etc. Other obligations of the Procurement Standing Orders still apply and must be followed when utilising a framework agreement.

A Contract Award Notice for **all** contracts awarded from framework agreements must be published on the Contracts Finder website. See section 7.1 for more details.

3.6.2 Dynamic Purchasing System

A Dynamic Purchasing System (DPS) is an entirely electronic system where suppliers are able to express an interest and be evaluated against a defined set of suitability criteria in order to gain access to the DPS. The DPS must be open to any suppliers to apply to join it at any time during the operation of the DPS.

All opportunities for contracts being awarded from the DPS must be issued to all relevant suppliers on the DPS on the appropriate section of this. The operation on the DPS and all call-off contracts must comply with the timescales and evaluation procedures in accordance with the Public Contract Regulations 2015.

If you wish to use a DPS that has been established by another public body or central buying group, and which is open and available for use by the Council, it shall be subject to the same principles and checks as set out above under 'Framework Agreements'.

You must ensure that the call-off and award procedures are compliant with the requirements of the PSOs and Public Contract Regulations when awarding contracts from a DPS.

A Contract Award Notice for **all** contracts awarded from a DPS must be published in the Official Journal of the European Union. See section 7.1 for details.

3.7 Concession Contracts

A concession contract is one where the consideration consists of the right to exploit works or services or that right together with payment **and** where the operating risk is transferred to the supplier. Examples of concession contracts include toll bridges, canteen services and outsourced leisure centres. Additional details or advice on concession contracts can be obtained from the Procurement team.

3.8 Using Purchase Cards

You may only use a Purchase Card where there is no existing suitable supplier available and the spend value is below the level set out in the Purchasing Card Policy, unless otherwise agreed in writing by Procurement, or in emergency circumstances (see also section 5.2).

3.9 Commercial Confidentiality and Intellectual Property

If you are discussing developments with suppliers you should take care to ensure that you do not inadvertently share key commercial or confidential information such as budgets, existing pricing from other suppliers, or suggestions for improvements unless you have a non-disclosure agreement in place.

This protects the council's interests and our intellectual property. Procurement are responsible for putting these agreements in place where appropriate with advice from the Monitoring Officer, and can provide commercial advice and support in dealing with suppliers. Where arrangements include the Intellectual property of the council, appropriate or relevant contract clause/s must be included.

3.10 Service-Specific Arrangements

Several Council Services use local systems to send orders to suppliers, for example: Adults Social Care, Transport, Highways, Property and Libraries. All such systems must support financial approval of orders in accordance with the Financial Regulations and ensure compliance with the requirements of the PSOs in delivering any applicable service-specific obligations.

Orbis Business Operations will maintain all supplier master data on these systems to ensure it is of high quality and consistent with the master database of suppliers kept in accordance with section 1.4 of these orders.

3.11 Consultants

3.11.1 Definition

A consultant is defined as a person or company that advises on organisational change and/or provides subject matter expertise on technical, functional and business topics during development or implementation.

- No contract of employment is involved, even if one individual consultant is retained, but there is a contract for services that is defined as being 'self-employed'.
- This should be made clear in all documentation and payment made for the service on the basis of a fee, not a salary.

- Ordinarily consultants will be VAT registered; subject to Schedule D tax, and have professional indemnity insurance at appropriate levels (see section 6.1).
- Consultant must have clearly defined project objectives and performance targets. You should also evaluate the use of a consultant in terms of delivery against these.
- A requirement for skills transfer to internal staff should be included where appropriate.

You must source all other interim staff covering internal posts, and all temporary or agency staff by reference to the appropriate corporate contract or arrangement.

All external legal opinion and advice as required by the Assistant Chief Executive is exempt from these Orders.

3.11.2 Approval for Consultant engagements

If you are contemplating using consultants/contractors you must refer to the processes and limits in section 4 of these Orders. Due to the nature of consultancy spend, additional locally-agreed governance around approval for consultants may be required. Please check the Consultant Toolkit on the Intranet to ensure compliance.

4 Sourcing your Contract

4.1 Existing supplier/contracts

In the first instance, where contracts are in place for goods, works or services, these should be used. Guidance is maintained by Procurement on the Intranet

Regardless of value, framework agreements and Dynamic Purchasing Systems that meet the requirements of these Orders under section 3.6 can be used where they provide best Value for Money.

Refer to section 3.11 for specific approvals in relation to Consultancy contracts.

4.2 Contracts up to £14,999

For contracts for works, goods or services (excluding consultancy – see section 3.11) with an estimated value up to £14,999, the appropriate budget holder must obtain at least one written quotation. It is however, advisable to seek further quotations in order to evidence achieving best value for money.

Alternatively you may place an order with a contractor under a corporate contract, framework agreement or DPS, where such arrangements have been put in place by the Council.

Where a select list exists the quotation must be obtained from an approved supplier on the select list. If they offer best value, you should use a locally-based supplier.

4.3 Quotations for Contracts £15,000 to £99,999

In the case of contracts with an estimated value of greater than £15,000 but not exceeding £99,999, the Chief Officer must seek at least 3 written quotations.

You may invite competition from a framework agreement or DPS established where such arrangements have been put in place or approved for use by the Council. Written, faxed or emailed quotations are acceptable but normally the e-tendering system will be used. Where a select list exists for a specific requirement, the quotations should be obtained from

approved suppliers on the select list. Where reasonably practicable, at least one locally-based supplier should be included in those invited to quote.

Quotation procedures must be undertaken using a single stage (open) procedure, incorporating the standard suitability assessment criteria required under the Public Contract Regulations 2015 relating to lower value contracts. In seeking quotations, due regard must be given to any guidance or standard quotations templates issued by the Head of Procurement.

If 3 quotations cannot be obtained, even when the market has been tested, then this should be reported with full details to Procurement, who will maintain a full record for audit trail.

All purchases must be delivered under a form of contract approved by the Assistant Chief Executive in consultation with the Head of Procurement. Where a standard contract cannot be used, Procurement will inform the Assistant Chief Executive as early as possible in order for the appropriate legal resources to be made available. Documents such as specifications may also be sent to the Assistant Chief Executive to assist with the contract drafting.

Note: for consultancy engagements, see para 3.11.

4.3.1 Advertising for Quotations

If a contract over £25,000 is advertised in **any way**, this **must** be done via Contracts Finder and involve a one stage procedure. This should include appropriate selection criteria to assess the experience and capability of the supplier and the nature of the contract required. Insurance requirements in section 6.1 must be included. All such opportunities should also be advertised to local suppliers via the Supply2Surrey and or Supply2EastSussex website as appropriate. Before advertisement, you must confirm budget availability with the appropriate Finance Manager.

4.3.2 Contract Award Notices for Quotations

For contracts awarded over a value of £25,000, a Contract Award Notice also has to be published on Contracts Finder. See section 7.1 for details.

4.4 Tenders for £100,000 or over

4.4.1 Procurement Strategic Sourcing Gateway Process

If the aggregate value is £100,000 or over Procurement must lead the sourcing exercise. This exercise and the subsequent contract award follows the Procurement Strategic Sourcing Gateway Process. This ensures we:

- follow proper legal procedure/s
- manage the progress of our projects,
- maintain a record of the sourcing decisions made on behalf of the council.

The process has five gateways that must be completed for each project as it progresses from stage to stage:

Gateway Zero: Used internally in Procurement to identify pipeline projects agreed at a strategic level with senior Service managers as part of the business planning process.

Gateway One: Initiate, where the requirement is confirmed and work begins on the Strategic Procurement Plan (Project Brief section).

Gateway Two: Formal Approval, where the Head of Procurement reviews the Strategic Procurement Plan and approves those that are acceptable.

Gateway Three: Implement, where the resulting contract is awarded.

Gateway Four: Handover & close, where the contract is mobilised and ongoing responsibilities are identified and implemented, including contract and supplier management. Lessons learnt are also captured.

Note that the acceptance, opening and evaluation of formal tenders must be carefully controlled to ensure fairness to all bidders. This process is managed within Procurement and is controlled via the electronic tendering system.

Because we must comply with EU and UK law on procurement, we must observe certain minimum timescales for delivery that are designed to ensure that fair competition is maintained at each stage. When planning for procurement projects, you need to allow several months for this, depending on the exact process that is to be used. Procurement can advise you about the detailed timescales relevant to your particular project.

4.4.2 Sourcing Governance

The Head of Procurement is responsible for establishing appropriate governance and reporting mechanisms to ensure that for all procurement activity with an aggregate value of £100,000 or more, expenditure is controlled, best value is ensured and compliance effectively monitored. The Head of Procurement reviews the procurement strategy and contract awards as set out in a Strategic Procurement Plan document and in accordance with the Procurement Gateway process and recommends them to the relevant Chief Officer prior to additional approvals as set out in table 2.2.1.

Procurement keeps a record of all procurement submissions, for sourcing and contract award decisions which will be cross-referenced to contract documents in the Contract Management System.

For a route to market or a contract award to be recommended to Chief Officers, you must obtain consent of the Head of Procurement (or delegated substitute).

Whilst awaiting formal approval you may take no further action regarding your purchase.

4.4.3 Sustainability and Social Value

The Public Services (Social Value) Act 2012 places an obligation on us to consider the economic, social and environmental well-being of our area when we award services contracts over the EU threshold. We apply this to all procurement over £100,000 as well. The requirements of the partnership's Employment and Skills through Procurement Policy also need to be taken into account and included in all applicable contracts.

Our procurement approach covers these areas:

- (i) Economic Sustainability – we aim to purchase goods, works and services which enhance the local economy. We recognise the importance of Small & Medium Enterprises to the local community and ensure every effort is made to make our contract opportunities and tender processes accessible to them.
- (ii) Social Sustainability - we aim to purchase goods, works and services which promote community well-being, and that supply chain partners operate fair and ethical working practices.

- (iii) Environmental Sustainability – we aim to purchase goods, works and services which minimise our carbon footprint, encourage a positive impact on the local environment, and have the best value costs and benefits taking into account their whole life cycle from origination to disposal.
- (iv) Equalities & Diversity - we only purchase goods, works and services from suppliers who meet our standards of equality of employment and service delivery, and we ensure that the tender process is free from discrimination or perceived discrimination in accordance with the council's Equality Scheme
- (v) Compact – where we are purchasing from the voluntary and community sector you must comply with the Compact Code of Practice on Funding and Procurement

Procurement must consider Social Value when planning tenders for all contracts over £100,000. A Social Value Assessment must be carried out and the results recorded in the Strategic Procurement Plan. Procurement ensures that our practice is aligned with the council's policies in this area, for example in driving apprenticeship and training opportunities and increasing local spend.

4.4.3.1 Sourcing of Sustainable Timber

Note that the EU Timber Regulation 2013 prohibits anyone from placing illegally sourced timber on the EU market.

4.4.4 Evaluation

Tenders over £100,000 are evaluated by Procurement and appropriate service lead based on the identification of the 'Most Economically Advantageous Tender (MEAT)'. This takes price into account, alongside quality and social value considerations, but does not require the tender to be awarded to the lowest priced bidder

4.5 Tenders over EU Procurement Thresholds

4.5.1 EU Thresholds

Contracts with a value over the EU thresholds are subject to the requirements of the Public Contract Regulations 2015 (or the Public Concessions Directive 2013). EU Thresholds are updated every two years. Procurement can advise on the latest values.

4.5.2 Procurement Procedures

Within the EU regulations there is a choice of five separate tendering procedures, these are:

<ul style="list-style-type: none"> • Open procedure – also known as a one stage process, this just uses a full tender process with no pre-qualification;
<ul style="list-style-type: none"> • Restricted procedure – also known as two stage process, which has a pre-qualification section and then moves to a full tender process;
<ul style="list-style-type: none"> • Competitive Procedure with Negotiation – is a method where the market is engaged directly in dialogue (usually with more than one supplier) in order to successfully engage a supplier. Timescales are variable because of the nature of the procedure;
<ul style="list-style-type: none"> • Competitive Dialogue procedure – this method is used usually where the requirement is very complex and cannot be clearly defined up front by the Council. The timescales are very variable but allows for several rounds of dialogue with potential suppliers.

- **Innovation Partnership** – this process is reserved for use where the Council identifies the need for an innovative product, service or works not currently available that it requires a partner/s to develop or research. It follows the same process as the Competitive Procedure with Negotiation

For all contracts, except those covered by the Light Touch Regime, one of these procedures must be selected and approved in the Strategic Sourcing Plan by the Head of Procurement and as set out by the Public Contract Regulations.

The Light Touch Regime (LTR) covers Health, Education and Social Care contracts. As with all procurements, the process undertaken to award the contract must be fair, open and transparent. Approval for LTR tenders must follow all approval processes as set out in table 2.2.1

4.5.3 Tender Records

For all contracts over EU threshold values, a full record of all key decisions and process in relation to the procurement procedure will be kept and maintained by Procurement as required by the Public Contract Regulations 2015.

5 Waivers and Emergencies

5.1 Waivers

These Orders are mandatory and must be adhered to at all times, so **waivers** are only granted in exceptional circumstances and cannot be given if they would contravene the Public Contracts Regulations 2015 or any other applicable legislation. **No** waiver is granted retrospectively; this is viewed as non-compliance with these Orders and is reported to the Head of Procurement.

In any remaining exceptional circumstances you must obtain approval for a waiver in writing prior to progressing with your purchase.

Value of Waiver	Approval
Up to £99,999	Chief Officer or Assistant Director in consultation with the Head of Procurement and the Assistant Chief Executive
£100,000 or more	Chief Officer in consultation with the Head of Procurement, after consultation with the relevant Lead Member, Chief Operating Officer and the Assistant Chief Executive

Procurement maintains a log of all waivers they have approved.

5.2 Emergency Purchases

An **emergency** purchase is only allowed in the case of business critical (including life-critical) requirements for purchasing outside the hours 9am to 5pm. They also apply in situations outside these hours where there is a need to arrange for emergency care where an adult or child is at risk of physical harm, or to secure Council property or assets e.g. when there has been a break in or failure, such as flood. You can use a Purchase Card, within your allocated limits, to pay. If the supplier does not accept Purchase Cards then you may give a verbal order and raise a formal purchase order the following working day. You must also inform Procurement of any emergency purchases on the following working day.

6 Liability and Security

6.1 Insurance Liability

To protect the Council, insurance is often required where we use different types of goods, works or services provided by a supplier (including consultancy).

We normally look for relevant levels of cover for Public Liability Insurance and Employers' Liability Insurance (where appropriate), and for advice and design services we also ask for Professional Indemnity Insurance.

To obtain advice on what level of insurance is appropriate, contact the relevant officer within the Insurance Team. The agreed level of insurance should be recorded in the contract management system.

6.2 Financial Security

For contracts over £100,000, The Head of Procurement, with support from the Chief Finance Officer, must confirm that suppliers are financially robust prior to contract award.

If either the total aggregate value of the contract exceeds £2m within twelve months, or there is doubt as to the financial credibility of a supplier but the council has decided to accept the level of risk, then additional forms of security to a level determined between the Assistant Chief Executive and the Chief Finance Officer are required, for example:

- a Parent Company, Ultimate Company or Holding Company guarantee where their finances prove acceptable;
- a Director's Guarantee or Personal Guarantee where finances prove acceptable;
- a Performance Bond, retained funds or cash deposit;
- any other security (such as escrow arrangements) as determined by the Section 151 Officer and/or the Monitoring Officer.

All documents inviting tenders must contain a statement that the supplier needs to provide security of performance and the level of security needed.

Additional documentation, where required, should be stored on the electronic tendering system.

The Chief Officer has responsibility for agreeing the level of risk after appraisal, as part of the contract award process (para 4.2.2)

6.3 Document Retention periods

The retention of tenders and contractual documentation is prescribed in the Limitation Act 1980 and the Public Contracts Regulations 2015

- All received Tenders & PQQs must be retained for a minimum of eighteen months following the issue of the Contract Award Notice.
- All signed contracts under £499,999 (including all tender documentation) must be retained for a minimum of six years following contract expiry.
- All signed contracts signed over £500,000 (including all tender documentation) must be retained for a minimum of twelve years following contract expiry.

Procurement must maintain an online record confirming location of contract/tender and scheduled date of destruction.

7 Managing Contracts

All purchases must be delivered under a form of contract approved by the Assistant Chief Executive and Head of Procurement, in consultation with the relevant Chief Officer. The council manages the process of awarding contracts via its e-tendering and contract management systems, to ensure that contracts are properly filed and documented.

Where contract funding is received by the council from a third party (for example, an incoming grant), the contract terms must include a provision for the termination of the contract should that funding cease to be available.

7.1 Contract Award Notices

As soon as is practicable after the conclusion of the contract, a Contract Award notice must be published on the Contracts Finder website for all contracts:

- Over a value of £25,000
- For **all** call-off contracts from Framework Agreements

All staff undertaking procurements competitions from Framework Agreements are responsible for the providing the required appropriate information to enable publication of the Contract Award Notice by Procurement.

A Contract Award Notice must be published on both Contracts Finder and the Official Journal of the European Union, within the timescales set out in the Public Contract Regulations 2015 for all contracts:

- Over EU Threshold values
- For **all** contracts called-off from a Dynamic Purchasing Systems

For contracts below EU threshold and where commercial sensitivity or personal information is associated with the publication of this information, please contact Procurement for advice.

7.2 Contracts Register

All contracts, including any variations or amendments, must be registered and maintained by Procurement. The Council's contract management system must be used to store both scanned copies and summary data relating to all contracts over £15,000.

All original signed contracts must have a completed summary contract certificate and be stored in a secure fireproof location. Contract certificates are supplied by Procurement, who ensure the signed contract is submitted for scanning and safe storage.

All contracts over £100,000 must have a designated Contract Manager, recorded on the contract certificate and on the contract management system. This role is agreed as part of Gateway Four Handover and Close.

In the case of suppliers where spend is via Purchase Order rather than a specific signed contract, the council's standard terms and conditions apply.

7.3 The management of critical and strategic contracts

The Procurement Service identifies the strategic and critical contracts (based upon value, business and reputational risk) required to deliver key council services in consultation with the relevant Service. The Head of Procurement takes responsibility for the commercial relationships with these suppliers, working with the designated contract managers who lead on the operational performance of the contract.

For all contracts, the Contract Manager is responsible for operational delivery of contract management. Training for contract managers is available via the intranet. Procurement will provide second line support where performance failure is demonstrated and ensure best practice guidance and frameworks are communicated.

All identified strategic and critical contracts must have a written business continuity plan, to be held on the contract management system. Commercial discussions about the development of products/services provided via these contracts must be led by Procurement.

7.4 Contract Amendments and Extensions

A contract may only be amended (or varied or novated) where it is permissible under the Public Contract Regulations. Further guidance is available on the intranet.

You must discuss requests to extend or amend contracts with the Head of Procurement. Such variations must be planned in a timely way, and not be used as a way to avoid the proper tender procedures. Variations must also take into account any requirement in the specification and consider if this needs updating to meet current needs.

You require the agreement of the Assistant Chief Executive and the Head of Procurement before any amendments are made, to confirm that they fall within the allowed scope and whether publication of a "Notice of modification of a contract during its term" is required.

All amendments must then be recorded in writing, signed appropriately and retained with the original contract.

Contract extensions that are allowable under these Orders and Public Contract Regulations must also be approved in line with the table below are shown in table below. These arrangements include amendments and extensions and the aggregate value of the contract determines the approval.

Contracts amendments or extensions must be approved and signed (or sealed) according to the table below and executed as per the original contract, via the Monitoring Officer.

7.4.1 Approval of Contract Amendments and Extensions

Value of Extension	Approval
Up to £99,999	Chief Officer or Assistant Director in consultation with the Head of Procurement and the Assistant Chief Executive
£100,000 or more	Chief Officer in consultation with the Head of Procurement, after consultation with the relevant Lead Member, Chief Operating Officer and Assistant Chief Executive

8 Paying our suppliers

8.1 Invoice Payments

Suppliers must issue all invoices direct to the address provided by Orbis Business Operations. No invoice may be received or processed directly by your Service unless it is agreed as a payment exception by the Head of Procurement, who may agree general exceptions where Service-specific systems are in use. Orbis Business Operations are responsible for maintaining a register of all agreed payment exceptions.

All invoices received in Orbis Business Operations must include a purchase order number. Invoices without a PO number will be returned to the supplier.

Suppliers cannot be paid until you have confirmed that the requirement has been satisfactorily delivered. It is the purchaser's responsibility to ensure all purchases are receipted to the appropriate value and in a timely fashion.

8.2 Payment Terms

Payments to suppliers are normally made 30 days in arrears, from the invoice date, via BACS (electronic bank transfer). The council discourages paper invoices and suppliers are expected to provide electronic invoices

You must obtain the agreement of the Head of Procurement and the Section 151 Officer for any deviation from the standard payment terms. This must be in writing as a Payment Exception. Where payments are agreed in advance, appropriate review of a supplier's

financial stability and standing and due regard for risk in the event of supplier failure must be undertaken and agreed by the Head of Procurement and the Section 151 Officer.

The Late Payment of Commercial Debts Regulations 2013 requires us to pay interest and fixed charges if we pay suppliers late. The council is a signatory of the Government/ICM Prompt Payment Code, and aims to pay all invoices within the agreed terms. The Public Contract Regulations 2015 require that all council contracts will contain clauses confirming that all sub-contractors will have invoices paid no later than the end of a period of 30 days from the date on which the relevant invoice is regarded as valid and undisputed. The same payment terms will also apply to all sub-contractors involved in providing the contract (the supply chain).

8.3 Purchasing Cards

Purchasing Cards can only be used for spend in line with the 'Purchase Card Rules and Guidance' maintained on the intranet, except in the case of a declared emergency as defined in section 5.2.

8.4 Electronic Invoicing

The Council aims to move all invoicing to electronic format to make it easier for our suppliers to trade with us and to track the progress of orders and payments.

Where you are using a supplier registered for electronic invoicing you must follow the rules and guidance issued by Procurement. The Council's main supplier portal supports early payment to suppliers in return for a small discount. Such discounts are recovered centrally by Finance.

9 Remedies Directive

Should a successful challenge be made after a contract has been awarded the Court could order the contract to be ineffective. This means that the contract would be cancelled and an alternative method of delivering the service would have to be found, as well as the risk of a financial penalty. This could result in significant costs to the Council. If the appropriate standstill periods are correctly applied, the Council will be able to minimise the risk of any challenge. The Head of Procurement is responsible for ensuring the correct contract award processes are followed, including observing a standstill period and publishing a Contract Award Notice for all contracts as required.

9.1 Voluntary Ex-Ante Transparency Notice (VEAT)

Should a VEAT Notice be assessed by the Head of Procurement and Legal Services as being required to manage potential risk to the Council, this will be approved by the Head of Procurement and Monitoring Officer, and a log of all published VEAT notices maintained by Procurement,

10 Disposing of surplus goods

A competitive process must be used for the disposal of surplus goods, though separate procedures apply to the sale of land and / or property. In principle, for assets being sold with a value of:

£0 - £14,999	A minimum of 1 bid is required
£15,000 - £99,999	A minimum of three bids must be invited;
£100,000 and over	A minimum of three sealed bids must be invited

You must seek advice from Procurement when making valuations and the book value of the asset will be primarily used to calculate value. In most cases, it is anticipated that the highest bid received will be accepted.

Care must be taken to ensure that environmental sustainability as well as security and other associated issues and obligations (including those from the Data Protection Act and WEEE Regs and) must be considered and/or complied with when arranging for the disposals of goods.

11 Legal status of these Procurement Standing Orders

The council is required by section 135 of the Local Government Act 1972 to maintain these Orders as part of our Constitution.

The Head of Procurement is the custodian of these Orders and is responsible for keeping them under review. If the EU Directives or any other law is changed in a way that affects these Orders then the Head of Procurement will issue a bulletin and the change must be observed until the Orders can be revised.

12 Glossary of terms

Term	Description
Aggregate value	The total spend with a supplier over the period of a contract, or the proposed period for new contracts. Individual or annual costs are irrelevant where goods, services or works are of the same type or have similar characteristics. The total cost of the contract (including any extensions available) must be used when deciding which process to use to find a new supplier
Collaborative agreement	An agreement entered into by a group of authorities acting together in partnership in relation to a particular procurement or series of procurements governing the manner in which the procurement will be dealt with, and a governance regime around how decisions will be made, liability and payments will be dealt with.
Compact	The Compact is an agreement between statutory and voluntary organisations in East Sussex which aims to improve joint working, communication and collaboration. It provides a framework for how the two sectors should work together
Concession Contracts	A concession contract for works or services as defined by the Public Concession Directive 2013. Contracts are defined where all or part of the payment for the contract consists of the right to exploit the works or services or right together with payment, as well as transferring the operating risk to the supplier. e.g. toll bridges, canteen services, outsourced leisure centres

Contract Award Notice	<p>All contract opportunities advertised on Contracts Finder, as well as for all contracts called-off from a Framework Agreement, a Contract Award Notice detailing the successful supplier and contract details must be published on the Contracts Finder website.</p> <p>Contracts over EU thresholds or all call-off from Dynamic Purchasing Systems must have a CAN published in the Official Journal of the European Union within 30 days of conclusion of the contract (these can be grouped and published quarterly for DPS call-off contracts)</p>
Contracts Finder	<p>Government website where all contract opportunities over £25k, where advertised, must be published. Contract Award Notices for relevant contracts must also be published on the site in a timely manner: www.contractsfinder.gov.uk. Contracts awarded via the Council's electronic tendering system are automatically notified to Contracts Finder.</p>
Consortium	<p>A grouping of two or more organisations who agree to work together in order to deliver goods, works or services to the council.</p>
Consultant	<p>Definition in section 3.11.1</p>
Contract	<p>An agreement having a lawful objective entered into voluntarily by two or more parties, each of whom intends to create one or more legal obligations between them. The elements of a contract are "offer" and "acceptance" by "competent persons" having legal capacity, who exchange "consideration" to create "mutuality of obligation."</p>
Contract Management	<p>The process which ensures that both parties to a contract fully meet their obligations as efficiently and effectively as possible in order to meet the business and operational objectives of the contract and in particular to provide value for money.</p>
Dynamic Purchasing System	<p>An entirely electronic system established that admits all suppliers able to meet the defined selection criteria. New applicants meeting the requirements must be evaluated and admitted to set timescales at any point during the duration of the DPS. Call-off contracts from a DPS invite all suppliers on the DPS or relevant section of it to submit a tender and must have a Contract Award Notice published in the OJEU.</p>
Framework Agreement	<p>An agreement or other arrangement between one (or more) contracting authorities and one or three or more suppliers which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the supplier will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies. Generally framework agreements do not have any guaranteed minimum volumes of spend. Call-off contracts awarded via a framework can be via a direct award to a supplier on the framework or by holding a secondary (mini-competition) process that specifies the specifics of the actual contract being procured. The framework will determine how the call-off should be handled.</p>
Gateway (in project)	<p>A milestone in a project where formal approval is given to move</p>

	to the next stage
Grant	A non-repayable sum of money given to an individual or organisation for a specific project or service, usually covering only part of the total costs.
Purchase Card	A credit card which can be used by authorised people to buy low-value goods or services for the council. The bill for the card is settled centrally in Orbis Business Operations, once the cardholder has assigned all transactions to the appropriate cost codes
Purchase Order	A formal order to a supplier for goods or services. This can refer to an order generated by a service-specific system such as PAMS or Swift, as well as from SAP.
Request for Quotation (RFQ)	A formal request to a supplier to provide a price for specified goods, works or services. The RFQ will also indicate how the quote will be evaluated in comparison with others to decide best value. RFQs are undertaken for requirements under £100,000 in value.
Select List	Definition in section 3.4
Social Value	Those aspects of a contract which support a) community well-being, fair and ethical working practices by the supply chain, b) the local economy and local businesses, and c) improvements to the environment.
Supplier Management	The process of driving improvements from contracts by developing robust performance plans with the supplier.
Supply chain	The chain of suppliers and customers of all the component goods and services that go into delivering a given finished good or service.
Tender	The procurement process of inviting and evaluating sealed bids from people and organisations to provide goods, works or services over £100,000 in value.
OJEU	Official Journal of the European Union where all notices relating to contracts over European threshold values are placed.

Appendix 2 Key differences between existing and proposed PSOs

	EXISTING	NEW	Reason for change
CONTRACTS BETWEEN £15,000 AND £99,999	Chief Officer must OBTAIN three quotes. Waiver needed if three quotes not obtained (i.e. even if sought)	<p>PSO 4.3 – QUOTATIONS FOR CONTRACTS £15,000 - £99,999</p> <p>Chief Officer must SEEK three quotes. No need for waiver if three not obtained, but procurement must keep a record.</p> <p>Quotation procedures must be undertaken using a single stage (open) procedure, incorporating the standard suitability assessment criteria required under the Public Contract Regulations 2015 relating to lower value contracts. In seeking quotations, due regard must be given to any guidance or standard quotations templates issued by the Head of Procurement.</p> <p>All purchases must be delivered under a form of contract approved by the Assistant Chief Executive in consultation with the Head of Procurement. PSO 4.3.1 ADVERTISING FOR QUOTATIONS</p> <p>When a contract over £25,000 is advertised in any way, this must be done via Contracts Finder and involve a one stage process. This should include appropriate selection criteria to assess the experience and capability of the supplier and the nature of the contract required. Insurance requirements in section 6.1 must be included.</p>	<p>Obtaining three quotes is not always possible in a limited market, and if, following a competition, quotes cannot be obtained, a record should be kept of this to ensure that full competition is still taking place. Seeking a waiver in these circumstances adds little value, though by maintaining a record Procurement can still identify trends, and look for areas where markets should be stimulated to develop further competition.</p> <p>The remainder of the changes are to strengthen assurances around the right form of contract and documentation being used, to make use of Contracts Finder (to comply with the new regulations) and Supply2EastSussex (to strengthen our engagement with local suppliers)</p>

		<p>All such opportunities should also be advertised to local suppliers via the Supply2EastSussex website as appropriate. Before advertisement, you must confirm budget availability with the appropriate Finance Manager.</p> <p>PSO 4.3.2 CONTRACT AWARD NOTICES FOR QUOTATIONS</p> <p>For contracts awarded over a value of £25,000, a Contract Award Notice also has to be published on Contracts Finder.</p>	
<p>CONTRACT AWARD OVER £100,000</p>	<p>Chief Officer being satisfied that the tender is within the department's capital programme budget.</p> <p>When contracts have duration of more than one financial year, Chief Officers must ensure that the costs stemming from such arrangements can be accommodated within the estimates for the current and future years.</p> <p>Tenders are normally invited from all suitable persons who have indicated a wish to tender. The relevant Chief Officer makes the</p>	<p>The Head of Procurement is responsible for establishing appropriate governance and reporting mechanisms to ensure that for all procurement activity with an aggregate value of £100,000 or more, expenditure is controlled, best value is ensured and compliance effectively monitored. The Head of Procurement reviews the procurement strategy and contract awards as set out in a Strategic Sourcing Plan document and in accordance with the Procurement Gateway process, and recommends them to the relevant Chief Officer for final decision prior to additional approvals as set out in table 2.2.1.</p> <p>For a route to market or a contract award to be recommended to Chief Officers, you must obtain consent of the Head of Procurement (or</p>	<p>The changes ensure appropriate and improved governance to enable chief officers to make decisions around contract awards with the benefit of more consistent information and with full engagement from procurement, finance and legal colleagues.</p> <p>A more common approach here also helps make more efficient use of shared resources across Orbis and Orbis Public Law.</p>

	final decision on who is and isn't invited to tender from the list of suitable persons who have indicated that they would like to tender.	delegated substitute).	
AMENDMENTS / EXTENSIONS	All contracts above £15,000 - the responsible Chief Officer , in consultation with the relevant Lead Cabinet Member , the Chief Operating Officer and the Assistant Chief Executive .	Up to £99,000 = Assistant Director in consultation with the Head of Procurement and the Assistant Chief Executive £100,000 or more = Chief Officer in consultation with the Head of Procurement, after consultation with the relevant Lead Member, Chief Operating Officer and Assistant Chief Executive	This amendment brings contract amendments and extension into line with the existing framework for decision making and ensures a more robust oversight for more significant contract changes.
WAIVERS	Waiver can be approved by: Cabinet , or the relevant Lead Cabinet Member , or a Chief Officer after consultation with the relevant Lead Cabinet Member , following consultation with: - the Head of Procurement and - the Assistant Chief Executive ; PROVIDED THAT legal and finance have commented on the waiver.	Up to £99,000 = Assistant Director in consultation with the Head of Procurement and the Assistant Chief Executive £100,000 or more = Chief Officer in consultation with the Head of Procurement, after consultation with the relevant Lead Member, Chief Operating Officer and the Assistant Chief Executive	This amendment brings waivers into line with the existing framework for decision making and ensures a more robust oversight for more significant waivers to Procurement Standing Orders.
COMPLIANCE		The following additional provisions are	This is a new amendment to the standing orders, and is intended to

		<p>included:</p> <p><i>Where these Orders appear to conflict with other council-determined rules the Assistant Chief Executive determines which takes precedence.</i></p> <p><i>The Head of Procurement will report any breaches periodically to the Statutory Officers Group.</i></p>	ensure clarity around compliance, and clear actions for non-compliance.
FRAMEWORK AGREEMENTS	<p>Silent on who can authorise access agreements</p> <p>Use of framework must be approved by Head of Procurement as well as being checked by Legal Services.</p>	<p>When using a Framework Agreement not established by the Council, the Assistant Chief Executive must be instructed to satisfy themselves that to the best of their knowledge the original agreement.</p> <p>Access Agreements to join Framework Agreements for frameworks set up by other public bodies, once confirmed to have met these criteria, should be signed by the Head of Procurement. Specific rules governing an individual framework take precedence over the Procurement Standing Orders when these differ, e.g. to allow for the use of different number of suppliers and standards etc. Other obligations of the Procurement Standing Orders still apply and must be followed when utilising a framework agreement.</p>	This amendment provides greater clarity on signing Access Agreements, and retains the important role of Legal Services.
SELECT LISTS	Use of a select list approved by Chief Officer and Lead Cabinet Member	Use of Select list approved by the Head of Procurement	This is intended to provide the professional oversight of the selection and use of select lists

	<p>List must be re-advertised every five years</p> <p>Exemption for the Director of Adult Social Care in specified circumstances relating to select list of residential care homes or nursing homes registered under the Care Standards Act 2000.</p>	<p>List must not normally operate for more than four years</p>	<p>(and builds upon the consistency of Strategic Sourcing Plans). It also brings into line the length of time a select list operates to be comparable with the maximum length of framework agreements.</p> <p>New Light Touch regime for social care requirements now in force under the new UK and EU Procurement Legislation.</p>
EMERGENCIES	<p>There are some pre defined emergency situations where a retrospective order is unavoidable and these include:</p> <ul style="list-style-type: none"> • The need to secure East Sussex County Council property when there has been a break in or failure (such as flood); • The need to arrange for emergency care, such as for a child and parent where they are at risk of physical harm. 	<p>An emergency purchase is only allowed in the case of business critical (including life-critical) requirements for purchasing outside the hours 9am to 5pm. They also apply in situations outside these hours where there is a need to arrange for emergency care where an adult or child is at risk of physical harm, or to secure Council property or assets e.g. when there has been a break in or failure, such as flood</p>	<p>Minor amends to wording with no major changes in practice.</p>
GRANTS	<p>The award of grants must follow the PSO procedure (PSO 12.1)</p>	<p>Under the new PSOs, grants should follow the corporate funding protocol and do not need to comply with PSOs</p>	<p>This change is to make clear the distinction of a grant versus contract to remove the current ambiguity.</p>

SOCIAL VALUE	Applies to all contracts over OJEU threshold	Applies to all contracts over £100,000	This change is to strengthen the Councils use of Employability and Skills Plans, and other mechanisms to deliver wider Social Value, in a broader range and value of contracts.
EVALUATION	Evaluated based on MEAT, unless Chief Officer approves that it is evaluated on LOWEST PRICE only	Evaluated based on MEAT only.	This change is to ensure best practise and that consideration other than price is always made. In circumstances where price is the only evaluation consideration, a waiver will be required.
PROCEDURES FOR AWARD	Open Restricted Negotiated Competitive Dialogue	Open Restricted Competitive Procedure with Negotiation Competitive Dialogue Innovation Partnership	This amendment is to recognise the procedures allowable under new EU and UK Public Procurement legislation.
CONTRACT STORAGE / REGISTER	All original signed contracts OVER £100,000 must have a completed summary contract certificate and be stored in a secure fireproof location. Contract certificates are supplied by the Category Specialist , who ensures the signed contract is submitted for scanning and safe storage.	All original signed contracts must have a completed summary contract certificate and be stored in a secure fireproof location. Contract certificates are supplied by Procurement, who ensure the signed contract is submitted for scanning and safe storage.	Minor amendment to capture all contracts and to give responsibility to Procurement, rather than a designate role.

OPENING TENDERS	Allows for paper and electronic. Paper – officer authorised by Assistant Chief Executive + 1 other officer Electronic – managed by procurement	Electronic opening of tenders only with the process managed by procurement	This is to reflect the now fully operational eProcurement system and to ensure that tenders are all submitted electronically. Should an exception be required a waiver would be necessary.
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New Provisions not in the existing PSOs

CONTRACT AWARD NOTICES	N/A	<p>PSO 7.1 CONTRACT AWARD NOTICES</p> <p>As soon as is practicable after the conclusion of the contract, a Contract Award notice must be published on the Contracts Finder website for all contracts:</p> <ul style="list-style-type: none"> • Over a value of £25,000 • For all call-off contracts from Framework Agreements <p>All staff undertaking procurements competitions from Framework Agreements are responsible for the providing the required appropriate information to enable publication of the Contract Award Notice by Procurement.</p>	This is an addition to the PSO's and ensures compliance with best practise, UK and EU regulations.
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		<p>A Contract Award Notice must be published on both Contracts Finder and the Official Journal of the European Union, within the timescales set out in the Public Contract Regulations 2015 for all contracts:</p> <ul style="list-style-type: none"> • Over EU Threshold values • For all contracts called-off from a Dynamic Purchasing Systems <p>For contracts below EU threshold and where commercial sensitivity or personal information is associated with the publication of this information, please contact Procurement for advice.</p>	
VEAT	N/A	<p>Should a VEAT Notice be assessed by Head of Procurement and Legal Contracts as being required or an appropriate to manage potential risk to the Council, this will be approved by the Head of Procurement and Monitoring Officer. A log of all published VEAT notices will be maintained by Procurement.</p>	<p>This is an addition to the PSO's and ensures compliance with best practise, UK and EU regulations.</p>
PROVISIONS	N/A	<p>Head of Procurement and Section 151</p>	<p>This is an addition to the PSO's</p>

AS TO PAYMENT TERMS		<p>Officer must approve any deviation from the standard payment terms.</p> <p>Terms relating to late payment of debts and payment of suppliers must be incorporated into all contracts.</p>	<p>and ensures compliance with best practise and ensures organisational consistency.</p>
RECORDS	N/A	<p>New requirement for procurement to complete the Procurement Report introduced in the PCR 2015;</p>	<p>This is an addition to the PSO's and ensures compliance with best practise.</p>
ELECTRONIC INVOICING	N/A	<p>Use of paper invoices strongly discouraged.</p>	<p>This is an addition to the PSO's and ensures compliance with best practise and in support of eInvoicing recently introduced.</p>

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Report to: **Governance Committee**

Date: **26 April 2016**

By: **Assistant Chief Executive**

Title of report: **New electoral arrangements for East Sussex County Council**

Purpose of report: **To decide the means of formulating the County Council's final submission to the Local Government Boundary Commission for England in respect of the review of East Sussex County Council electoral boundaries.**

RECOMMENDATION: The Governance Committee recommends the County Council to delegate authority to the Governance Committee to agree the Council's response to the Local Government Boundary Commission for England's (LGBCE) review of East Sussex County Council boundaries.

1. Supporting Information

1.1 Further to the County Council's submission agreed at Council on 1 December 2015, the Local Government Boundary Commission for England (LGBCE) has now published a set of draft proposals for consultation. The thirteen-week consultation period ends on 16 June 2016.

1.2 The draft proposals are for new county electoral division (CED) boundaries as well as new ward boundaries for each of East Sussex's five district and borough councils. The Commission is proposing that East Sussex County Council has 50 councillors in the future, one more than the current arrangements.

1.3 The Commission's draft proposals are, broadly speaking, consistent with the County Council's earlier submission. The full recommendations and interactive maps are available on the Commission's website at www.consultation.lgbce.org.uk and www.lgbce.org.uk. Hard copies of the Commission's report and maps have been provided and distributed to Council buildings and libraries, and can be found in the Member and Cabinet rooms. Anyone can submit comments on the proposals directly to the LGBCE via their website or in writing.

1.4 The LGBCE has re-emphasised that the proposals aim to:

- deliver *electoral equality* for local voters so that each councillor represents a similar number of electors;
- ensure that our proposals reflect the *interests and identities of local communities* across East Sussex; and
- ensure that the pattern of wards or divisions helps the Council to deliver *effective local government* to local people.

1.5 The Commission aims to publish its final recommendations in September 2016. Assuming that Parliament is satisfied with the recommendations, the new boundaries will come into effect at the next local elections: 2017 for East Sussex County Council, 2018 for Hastings Borough Council and 2019 for Eastbourne Borough Council, Lewes District Council, Rother District Council and Wealden District Council.

2. Conclusion and decision

2.1 The timescale of the current consultation does not align with the County Council's scheduled meetings of full Council which is due to meet on 10 May and then not again until 12 July. Therefore, in order to ensure an efficient process, it is proposed that:

- Any County Councillor who wishes to make specific comments for inclusion in the County Council's submission is requested to liaise with Member Services officers as soon as practicable, and at the latest by 26 May 2016 to enable responses to be considered and a report to Governance Committee prepared;
- County Council at its meeting on 10 May 2016 delegates authority to the Governance Committee to consider all proposed amendments from County Councillors and agree the Council's final submission to the LGBCE.

PHILIP BAKER
Assistant Chief Executive

Contact Officer: Paul Dean, Member Services Manager. Tel: 01273 481751

Local Member: All

Background Documents: None

Report to: Governance Committee

Date of meeting: 26 April 2016

By: Director of Children's Services

Title: Annual leave entitlement for staff on the Soulbury pay scales

Purpose: To consider proposals to increase the annual leave entitlement for Senior staff paid on Soulbury pay scales

RECOMMENDATIONS

The Governance Committee is recommended to agree:

- (i) to an increase of two days annual leave per annum from the current annual leave entitlement for Senior Soulbury staff paid at spinal column points EIP 15 and EPB 4 or above.
- (ii) that this change is backdated, effective from 1 April 2016.

1 Background

1.1 Soulbury pay and condition arrangements are used for employees who provide central strategic support to local authorities in their educational functions. These staff work with schools, other local authority employees, parents and local communities to deliver the Government's core objectives of raising educational standards in schools, improving the involvement of young people in their community and promote child development and learning.

1.2 The framework for terms and conditions in the employment of Soulbury Officers are determined by the Soulbury Committee and set out in the Soulbury Report (the 'Blue Book'). These terms and conditions are implemented at national level through the National Joint Council for Local Government Services NJC and/or at local level between the County Council and its recognised trade unions.

1.3 There are three types of Soulbury Officers and pay scales attributed to each one:

- Educational Improvement Professionals – paid on the EIP pay scales
- Educational Psychologists – paid on the EPA and EPB pay scales
- Young Peoples/Community Service Managers – paid on the YPCSM pay scales

1.4 It has recently been highlighted that Senior Soulbury staff have less annual leave entitlement when compared to managers paid at an equivalent level, but on the Local Management Grades i.e. (LMG) 4 and above.

1.5 The Blue Book is silent on the specific amount of holiday entitlement but does state that Soulbury staff should *not have less favourable terms than other Local Authority employees (not including teachers)*.

1.5 The County Council currently employs 74 staff on Soulbury terms and conditions.

2 Supporting information

Current Situation

2.1 Appendix 1 details the current annual leave entitlements for all County Council staff and shows that all Soulbury staff currently have the same entitlement as Managers graded LMG 1 – 3.

2.2 Five staff benefit from this entitlement (ie if based on comparable salary amounts, they would be matched to the single status grade entitlements) and 43 staff receive comparable annual leave entitlements to LMG 1 – 3 Managers.

2.4 There are 26 staff on equivalent salaries of LMG4 and above and as such, these individuals are receiving a less favourable annual leave entitlement

Proposed changes

2.5 Appendix 2 shows the proposed changes to the annual leave entitlements for Soulbury Educational Improvement Professionals (EIP) and the Educational Psychologists (EPB).

2.6 It is the 26 staff on equivalent salaries of LMG4 and above that the proposals would affect. By increasing annual leave entitlement by 2 days, this would ensure comparable entitlements for all staff across the County Council.

2.7 The cost of increasing the entitlement for these 26 staff is 52 working days over the year. In terms of productivity efficiency, this is estimated at £10,400 annually (using an average Senior Soulbury day rate of £200).

2.8 In deciding where the increase in entitlements will occur, consideration has been given to where the East Sussex County Council Soulbury grading bands are situated. Many of the more senior Soulbury staff start on EIP 15 and similarly, the Senior Educational Psychologists are on the EPB scale. In light of this, it is proposed that the entitlements are increased for these staff and the bottom salary points for the increase are therefore:

- LMG4 - £51,947
- EIP 15 - £50,066
- EPB 4 - £48,829

2.9 By applying the increase at these points, it ensures that, in principle, staff do not change entitlements 'mid grade'.

2.10 There are no proposed changes to the annual leave entitlements of any other Soulbury staff.

3. Conclusion and reasons for recommendations

3.1 In order to ensure that Senior Soulbury staff are not receiving less favourable terms and conditions compared to colleagues who are paid on the LMG grades, the Governance Committee is recommended to:

- (i) agree an increase of two days per annum from the current annual leave entitlement for Senior Soulbury staff paid at spinal column points EIP 15 and EPB 4 or above.
- (ii) agree that this change is backdated, effective from 1 April 2016 in line with the annual leave year.

STUART GALLIMORE Director of Children's Services

Contact Officers: Sarah Mainwaring, Head of HR/OD, Tel no 01273 482060,

Email: sarah.mainwaring@eastsussex.gov.uk

Kathryn Ellison, HR Adviser, Tel No: 01273 336525

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LOCAL MEMBERS

N/A

BACKGROUND DOCUMENTS

- The Soulbury Report 'the Blue Book'
- Annual Leave Policy

Appendix 1 – Current Annual Leave Entitlements (including statutory days)

Grade	SCP	current salary amounts	Up to 5 years	After 5 years	After 10 years
SS 1 - 8	2 - 22	£13,660 - £23,372	23	27	27
SS 9 - 10	23 - 28	£24,234 - £29,315	24	27	27
SS 11 - 13	29 - 36	£30,394 - £39,540	25	27	28
LMG 1 - 3	5 - 16	£36,417 - £50,427	25	27	28
Soulbury Trainee (year 2 only) & Assistant EP's	All	£22,503 - £31,045	25	27	28
Soulbury EIP	All	£33,396 - £88,391	25	27	28
Soulbury EPA/B	All	£35,027 - £64,970	25	27	28
LMG 4 - 7	17 - 32	£51,947 - £80,960	27	29	30
Chief Officer	All	£97,268 - £186,936	30	30	32
JNC Youth Worker	All	£34,637 - £60,969	30	35	35

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Appendix 2 – Proposed annual leave entitlements for Soulbury staff

Grade	SCP	current salary amounts	Up to 5 years	After 5 years	After 10 years	Comments	Number of staff at ESCC in this category
Soulbury EIP	1 - 14	£33,396 - 48,792	25	27	28	No change	34
Soulbury EIP	15 - 50	£50,066 - £87,262	27	29	30	Plus 2 days on each category - in line with LMG 4 - 7	22
Soulbury EPA	1 - 11	£35,027 - £50,398	25	27	28	No change	12
Soulbury EPB	1 - 18	£43,914 - £64,970	27	29	30	Plus 2 days on each category - in line with LMG 4 - 7. Senior EP's are graded EPB 4 - 7 therefore there is no overlap between salary for maingrade and Seniors at ESCC	4
Soulbury Trainee (year 2 only) & Assistant EP's	All	£22,503 - £31,045	25	27	28	No change	2

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Report to: Governance Committee

Date: 26 April 2016

Title: Ordinary Commuting – employees with more than one permanent workplace

By: Chief Operating Officer

Purpose of report: To agree amendments to the travel process to enable ordinary commuting costs to be met by the Council where employees are required to have more than one permanent workplace

RECOMMENDATIONS

The Governance Committee is recommended to:

- 1) agree that the relevant staff travel policies are amended as set out in Section 3 of the report to allow the payment to existing employees of a ‘workplace travel allowance’ for the reimbursement of additional ordinary commuting costs, including tax and National Insurance (NI), associated with attendance at a secondary workplace, where an employee would otherwise suffer a significant financial detriment; and
 - 2) agree that such reimbursement only applies to existing employees; staff appointed from outside of the County Council will not have an entitlement.
-

1. Background

1.1 A tax compliance issue has recently been identified in relation to employees who are required, by reason of their employment, to have two or more permanent workplaces concurrently. In these circumstances, the employees are currently being reimbursed the cost of mileage or being provided with rail warrants for travel to the secondary workplace on the basis (incorrectly) that the journeys are for business travel.

1.2 It is important to understand the difference between business travel (where full tax relief for the cost of travel is allowable) and ordinary commuting (where tax relief is not allowable)

1.2.1 The term “**ordinary commuting**” means any travel an employee makes between a permanent workplace and home (home to work travel) or any place that is not a workplace. Costs incurred travelling between home and a workplace would not normally be reimbursable.

1.2.2 The term “**business travel**” means a journey that is “on the job” as opposed to a journey that is “to the job”. Business travel is allowable only where the journey is in the actual performance of the employee’s duty or where it is necessary – in a real sense – for the employee to attend the particular place on that occasion to perform the duties of employment.

1.3 Any travel to a permanent workplace, satisfying the ordinary commuting definition, is not allowable for tax relief. It makes no difference regarding the number of permanent workplaces applicable to an individual, the same rule applies.

1.4 Where the ordinary commuting travel costs are met directly by the Council, or reimbursed to the employee, the payments need to be considered for income tax and National Insurance purposes. This is not what is happening at present.

2. Supporting Information

2.1 The information noted in this report refers to the HM Revenues and Customs guidance and how they determine if travel undertaken in relation to business is allowable or not for tax relief. An employee's terms and conditions or custom and practice have no relevance to the determination of taxable status.

2.2 It is important to differentiate between employees who genuinely have more than one permanent workplace and are affected by the ordinary commuting issue and those that attend secondary work locations for a **temporary purpose or for a limited duration** – for the latter, the journeys satisfy business travel rules (and full tax relief is allowable). Attached at Appendix 1 is a table setting out the indicators that determine the difference between a permanent workplace and a temporary workplace.

2.3 The term "limited duration" refers to circumstances where an employee may be seconded or re-deployed to an alternative workplace for a temporary period but where the duration is not expected to or does not (in actuality) exceed 24 months.

2.4 Any period of secondment or redeployment that exceeds 24 months or at any point when it is known that the period will exceed 24 months (eg an end date that was originally intended to not exceed 24 months but is changed at any point to exceed 24 months) immediately initiates a change of status from a limited duration to a permanent workplace and tax relief is no longer allowable.

2.5 The HMRC apply strict rules to safeguard against abuse of the limited duration rule to prevent the continuous extension of periods of redeployment or secondment, this applies even where a limited duration ceases but is then re-instated a short time later.

2.6 Safeguarding is also applied to prevent what is an ordinary commuting journey (no tax relief) being turned into a business journey (with tax relief) simply by a journey passing near to the primary permanent workplace on route to a secondary permanent workplace eg – Home (Eastbourne) to permanent primary workplace (Lewes, County Hall) when the purpose of the ordinary commuting journey was to the secondary permanent workplace (Kingston, County Hall). For the status of the journey to change, attendance at the primary location on that day must have been a genuine business purpose and actually occurred. Where attendance was required at the primary permanent workplace and did occur for a reasonable period of time – any subsequent journey workplace to workplace would be an allowable business journey (with tax relief).

2.7 Employees whom are determined as attending secondary workplaces for a temporary purpose can be ignored from any further consideration. This is because they can continue to claim business travel for these journeys.

3. Conclusion and Recommendations

3.1 In considering the position in East Sussex, this issue is most immediately apparent for staff within Orbis. A small number (approximately 30) of posts have been identified as 'true partnership' roles i.e. roles requiring a regular physical presence in both Council's HQ locations of Lewes and Kingston. For staff employed by East Sussex County Council in these roles, travel to Kingston – the secondary workplace – cannot be deemed as business travel and is not, therefore, eligible for tax relief. The position is equally true for the reverse i.e. staff employed by Surrey County Council who travel to Lewes as the secondary workplace.

3.2 In view of the significance of this issue, an Opinion from a tax expert has been sought. Based on this advice, it is clear that going forward, these staff will have to pay tax on any reimbursement of travel costs (either mileage payments or train fares), which will effectively be a 'cut in pay'.

3.3 In light of the (unanticipated) costs of this for individuals, it is proposed that the relevant travel policies are amended to allow the reimbursement of additional ordinary commuting costs, including tax and national insurance, associated with attendance at a secondary workplace,

where an employee would otherwise suffer a significant financial detriment. Such reimbursement will only apply to existing employees; staff appointed from outside of the Council will not be entitled to this on the basis that attendance at the two HQ locations will be part of their terms and conditions of employment.

3.4 It is proposed that this reimbursement is paid in the form of 'workplace travel allowance' which is 'grossed up' in order to account for the additional tax and national insurance due. This approach is consistent with how benefits in kind are treated with the employee meeting their personal tax liability.

3.5 The 'workplace travel allowance' will be calculated based on the expected number of days each week that an individual will travel to the secondary permanent workplace. It will be subject to annual review or, amended immediately when an exceptional or significant change to working arrangements occurs. The value will be calculated by reference to the current approved mileage rate (presently 45p per mile) and will be reduced to account for non-working days such as annual leave, public holidays etc. Payment will be made as a supplement to an employee's monthly salary and will be taxable and nic'able, but not pensionable.

3.6 Attached at Appendix 2 is a worked example of the travel allowance, together with the financial implications for the Council.

3.7 Attached at Appendix 3 is a copy of the 'Travelling on County Council Business Policy' which has been amended to allow for the payment of the proposed travel allowance. A new section at paragraph 15 has been written which, for ease of reference, is highlighted in yellow (pages 9 and 10 of the Policy).

Kevin Foster
Chief Operating Officer

Contact Officers: Steve Wickham, Payroll Manager, 01273 482019 and Sarah Mainwaring, Head of HR/OD, 01273 482060

Permanent Workplace	Temporary Workplace
The employee performs a significant part of their duties there	An employee goes there only to perform a task of limited duration or for a temporary purpose
People would expect to be able to contact the employee at the workplace	The primary purpose of attendance is to undertake non routine work tasks such as meetings, workshops or project work
The employee has a workspace and support services at the workplace which he or she regularly uses	Attendance at the workplace is not an objective requirement of employment
The employee performs similar tasks at each workplace	If it is a temporary arrangement, the duration is not expected to exceed or does not exceed 24 months
Attendance at the workplace is regular or follows a pattern and accounts for 40% of their working time	Even if attendance is regular (eg the same day each week) the workplace is a temporary workplace if the primary reason for attendance was for a temporary purpose
The employee does not attend the workplace solely to undertake specific tasks such as attendance at a specially arranged meeting	An employee may, whilst at a temporary workplace, undertake some routine work activities under "agile" working arrangements if it is convenient for business efficiency purposes to do so (eg have a lap top, mobile phone and remote access to the Council's IT network)
Is for all or almost all of the period for which they hold or are likely to hold the employment	
If it is a temporary arrangement, the duration is expected to or does exceed 24 months	

Worked Example – Workplace Travel Supplement

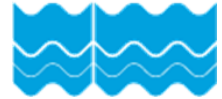
David lives in Lewes and used to work only in Lewes. He will now be working in Kingston 2 days per week. The travel supplement is calculated as follows:

1	Original commute	= 0 miles
2	New commute	= 55 miles
3	Reimbursable element of new commute	= 55 miles
4	To allow for a return journey	55 x 2 = 110 miles
5	Adjust for annual leave and public holidays	52 weeks – 5 weeks = 47 weeks worked
6	Number of journeys per year (journeys per week x weeks worked)	= 2 x 47 = 94
7	Total reimbursable distance per year	= 94 x 110 = 10,340 miles
8	Annual supplement = £0.45 x miles per year	= 0.45 x 10,340 = £4,653 = £4,600
9	Monthly supplement	£4,600 / 12 = £383.33

Financial Impact

Current Arrangement – reimbursed with full tax relief (not permitted)		Proposed ‘Grossed up’ Allowance	
Annual cost of travel reimbursement	£4600	Workplace travel allowance	£4600
Primary NI (employee)	£0	Primary NI (employee)	£159
Income tax	£0	Income tax (assumes 40% tax payer)	£3174
		Grossed up travel allowance	£7931
Secondary NI (employer)	£0	Secondary NI (employer)	£1094
		Cost to the Council	£9025
Amount actually received by employee	£4600	Amount actually received by employee	£4600

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Travelling on County Council Business

Date: January 2016

Document summary

Guidance on claiming reimbursement for business travel.

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About this document:

<p>Enquiries: Payroll Governance Team Author: Payroll Governance Team Email address for enquiries; Payroll.service@eastsussex.gov.uk</p> <p>Download this document From: http://intranet.escc.gov.uk/personnel/service/Pages/claimforms.aspx</p>	<p>Version number: V2 February 2016</p> <p>Related information:</p> <p>Guidance about reimbursable journeys Guidance on completing TRAV forms Guidance for travel management authorisation Guidance on safe use of motor vehicles on county council business</p>
<p>Accessibility help</p> <p>Zoom in or out by holding down the CTRL key and turning the mouse wheel. CTRL and click on the table of contents to navigate. Press CTRL and Home key to return to the top of the document Press Alt-left arrow to return to your previous location. References shown in blue text are available on the Intranet and/or Czone. References shown in underlined blue text are hyperlinks to other parts of this document.</p>	

Travelling on County Council Business

Key points

- Employees authorised by their manager to travel on County Council business, including training, are entitled to claim reimbursement of the costs associated with their business journeys.
- Employees may be reimbursed for business mileage, public transport and taxi fares, and associated tolls, fees or other business expenses. In limited circumstances, this may include subsistence costs.
- In all cases, travel must be for legitimate business purposes, and must be approved by the employee's line manager. Separate guidance exists, for managers approving travel claims.
- The following guidance describes what is allowable and what is not allowable when considering a business travel claim.

1. Key phrase definitions

1.1. *Ordinary commuting:*

- Ordinary commuting means any travel between a permanent workplace and home or any other place that is not a workplace.
- Ordinary commuting is NOT a business journey and cannot, under any circumstances, be included in a business travel claim.
- Ordinary commuting is also commonly known as “normal commuting” or “home to work travel” in this document, this type of travel is collectively referred to as ordinary commuting
- The definition of ordinary commuting applies equally to an employee with two or more permanent workplaces as it does to an employee with one workplace.

1.2. *Permanent workplace:*

A permanent workplace is a place that an employee attends regularly for the performance of their duties of employment. Even if an employee attends a workplace on only one or two days per week, if it is on a regular basis, then the workplace is a permanent workplace. It is possible for an employee to have two or more permanent workplaces concurrently. Indicators that would point to a workplace being a permanent workplace include:

- The employee regularly performs a significant part of their duties there;
- Colleagues or clients would expect to be able to contact the employee at the workplace;
- The employee has a workspace and support services at the workplace which they regularly use;
- Attendance at the workplace is regular or follows a pattern;

- The employee does not attend the workplace solely to undertake specific tasks such as attendance at a specially arranged meeting;
- Is for all or almost all of the period for which they hold or are likely to hold that employment
- If it is a temporary re-location, the duration is expected to or does exceed 24 months.

1.3. *Temporary workplace:*

- A workplace is a temporary workplace if an employee goes there only to perform a task of limited duration or for a temporary purpose even when the employee attends it regularly. An example is attendance at meetings or workshops or to undertake projects that do not form part of the employees routine work activity normally undertaken at the permanent workplace.
- An employee could, whilst at a temporary workplace, undertake some routine work activities under “agile” working arrangements. This applies if it is convenient for business efficiency purposes but where attendance at the workplace is not an objective requirement of employment.

2. Journeys allowable for business claims

2.1. Journeys that qualify for business travel are journeys that are “on the job” as opposed to journeys that are “to the job”. Business travel is allowable only where the journey is in the actual performance of the employee’s duty or where it is necessary in a real sense for the employee to attend the particular place on that occasion to perform the duties of their employment. The following points will help clarify what is allowable business travel:

- Any journey from a permanent workplace going to a temporary workplace or any other location that the employee has to attend for work purposes;
- Any journey from a temporary workplace or any place the employee has to attend for work purposes to any other temporary workplace or place the employee has to attend for work purposes;
- Any journey commencing at home or any place that an employee does not have to attend for work purposes to a temporary workplace or other location that the employee has to attend for work purposes – **but not** to a permanent workplace;
- Any journey between permanent workplaces (where an employee has two or more permanent workplaces) where attendance at both permanent workplaces was a requirement of employment on that day.

3. Journeys not allowable for business claims

3.1. Business travel cannot be claimed against the following types of journey:

- Any journey undertaken that is ordinary commuting;
- Any journey undertaken that is a private journey;
- The part of a journey undertaken within an allowable business journey that is for a private purpose (eg travel from one temporary workplace to another that included a detour for a private purpose).
- Any travel between unrelated employments.

- 3.2. Any journey that is really an ordinary commuting journey cannot be changed into a business journey simply by arranging a business appointment somewhere on the way. To qualify for a business journey, attendance at the particular place must be necessary for the performance of the duties of employment and not just a matter of personal convenience.
- 3.3. Where a journey is between home and a permanent workplace, the miles equivalent to the ordinary commuting mileage must be deducted from any mileage claimed for reimbursement. This is a policy requirement of the Council and is common with most local authorities.
- 3.4. Similarly to the point above, an employee with more than one permanent workplace undertaking an ordinary commuting journey cannot arrange to stop at one permanent workplace whilst commuting to another for the purposes of changing the status of the journey to a business journey (permanent workplace to permanent workplace). The only exception being where attendance at both permanent workplaces on the same day was a necessary requirement of employment and not a matter of personal convenience.
- 3.5. An employee whom, by reason of their employment, is required to attend their permanent workplace out of normal work hours or for an emergency cannot claim the journey as business travel. The journey is ordinary commuting regardless of the frequency or circumstances of the occurrence.

4. Before you travel

- 4.1. All employees approved for business travel must familiarise themselves with the content of the [Policy on the Safe Use of Motor Vehicles on County Council Business](#), available on the Intranet.
- 4.2. Before undertaking a business journey employees should seek authorisation from their line manager who must be satisfied that the journey is necessary and for an appropriate business purpose.
- 4.3. In discussion with their manager, employees should consider whether there is another means of carrying out the work without travelling. For example, the employee might attend a meeting remotely, via video conferencing, rather than in person.
- 4.4. If the employee is travelling using a car or motorcycle, they must hold a valid driving licence for the vehicle used and have appropriate insurance cover that includes business use. It is the responsibility of the employee's line manager to confirm the validity of the licence and insurance information provided by the employee and these should be checked regularly and at least annually.
- 4.5. The employee's line manager is responsible for ensuring that the employee is allocated to the correct rate of business mileage reimbursement, by completion of a [TRAV10 travel authorisation form](#), available on the intranet.
- 4.6. Employees are allocated to East Sussex County Council local travel schemes and are designated as either Optional or Contracted users. An employee's terms and Conditions determine which scheme is appropriate. If in doubt, further information can be sought from the departmental personnel team. A definition of Contracted User and Optional User is included at [Appendix 1](#) for further clarity.

- 4.7. An exception to the above exists for staff employed on Soulbury Terms and Conditions whom are still eligible for mileage reimbursement at the NJC Car Allowance Scheme. If this applies further information can be obtained from the Payroll Governance Team.

5. Impact of agile and flexible working arrangements

- 5.1. Employees required by the nature of their employment to be agile or flexible workers must still have a primary work location identified as their permanent workplace. This location will be the place they would be expected to undertake the bulk of their duties had they not been designated as agile or flexible.
- 5.2. In respect of these workers their home is not a permanent workplace and must not be considered as such when determining business travel. The requirement to work from home, even if it is regular, is for either personal or business convenience and is not an actual requirement of employment.

6. Home workers

- 6.1. An employee's home can only be considered as a permanent workplace if it is an actual requirement of employment to work from home. In such circumstances the home must be adapted as an appropriate workspace and this must be confirmed by the eligibility to receive the Home Workers allowance.

7. How to claim reimbursement of travel and business expenses

- 7.1. For all types of travel expense, employees claim reimbursement by completing a claim form, which is then verified and authorised by their line manager. The claim forms, as well as the accompanying guidance notes, are available on the intranet, along with the guidance notes for managers authorising claim forms.
- 7.2. The payment of business expenses due to employees is made via the corporate payroll system only.
- 7.3. It is essential that claims are completed fully and accurately. Claims that fail minimum validation requirements will be rejected and returned to the claimant/authoriser for correction and re-authorisation. Payment may be delayed as a result.
- 7.4. All claims must be submitted for payment within **3 months** of undertaking the business journey or expense occurrence. However, March claims, which are to be paid in the next month (April), must be submitted at the end of March, or as soon as possible afterwards, to enable accurate budget monitoring each financial year.
- 7.5. The council has a principle of reimbursing business and travel expenses at the lowest possible cost and by reference to business efficiency. Please consider this when deciding an appropriate travel option.

8. Claiming mileage reimbursement for travel by car or motorcycle

- 8.1. Employees using their own vehicle or a leased vehicle can claim reimbursement of the business mileage recorded for each allowable journey.
- 8.2. Employees must ensure that business mileage claimed for reimbursement excludes any ordinary commuting or private miles that may have formed part of the overall business journey.

- 8.3. Business miles claimed for reimbursement should be determined by reference to the AA route planner over the shortest route. Each journey start and end points should be specified by reference to post codes. The mileage determined by the AA route planner should be reduced to account for any ordinary commuting or private journeys. The AA route planner is available on the internet.
- 8.4. An employee may choose to travel over an alternative route for personal reasons, but that does not change the requirement to determine the mileage by the AA route planner.
- 8.5. In exceptional circumstances only the AA route planner mileage can be overwritten where a road incident has caused a significant increase in anticipated mileage. Any change must be supported by evidence to satisfy the authorising line manager.
- 8.6. Due to an HMRC requirement, all claims for business mileage reimbursement should be supported by VAT receipts as proof that the claimant has purchased the fuel used for business travel purposes. Business mileage claims not supported by a VAT receipt will not be processed for payment. Please refer to [Appendix 2](#) for more detailed information relating to this requirement.

9. Claiming mileage reimbursement for travel by bicycle

- 9.1. Business journeys can be undertaken by bicycle and claimed in exactly the same manner as cars or motorcycles. This includes use of the AA route planner.
- 9.2. The reimbursement rate for bicycle mileage can be found at [Appendix 1](#)
- 9.3. Employees considering the use of a bicycle for business purposes should familiarise themselves with the “Cycling for Work” policy document located on the intranet.

10. Claiming for travel by public transport and taxis

- 10.1. Claimants should, whenever possible, obtain a warrant for travel on public transport. Travel warrants are for rail travel between two stated stations, on a specific date. They should be exchanged for a rail ticket at a ticket office, before starting the journey. Each department has one or more people who can issue employees with rail warrants - your line manager can let you know who to contact.
- 10.2. Consideration of the time of travel should be made before requesting a rail warrant to determine if an off peak travel ticket is appropriate for the journey.
- 10.3. Where it is not possible to obtain a rail warrant, employees can purchase a standard class travel ticket and claim reimbursement as a business expense.
- 10.4. In circumstances when a travel warrant has not been utilised receipts should be obtained and attached to the claim form to support the expense claimed for reimbursement.
- 10.5. In respect of travel by bus, warrants are not available and employees should buy tickets from available outlets or on the bus. The ticket should be retained and used as a receipt to support the claim for reimbursement of the expense.
- 10.6. Taxi fares are allowable for reimbursement in circumstances when public transport alternatives are not available or reasonable due to the circumstances of the business journey. As with any other journey, employees should seek authorisation from their line manager in advance, and should obtain a receipt for submission along with their claim form.

11. Claiming for emergency out of hours travel

- 11.1. Out of hours travel to your normal workplace can be reimbursed by the Council provided that it is an emergency and the journey has been approved by your manager.
- 11.2. Regardless of the emergency circumstances of the journey, the HMRC do not allow tax relief for the journey – it is regarded as ordinary commuting despite the circumstances, timing or frequency.
- 11.3. If these circumstances apply, a separate claim form should be submitted for authorisation and payment and the claim should be clearly appended “emergency home to work travel”.
- 11.4. If the emergency business journey was not ordinary commuting – because it was to a business location that was not the permanent workplace – reimbursement with full tax relief applies and without the normal home to work reduction to determine the reimbursable miles due. In these circumstances a separate claim form is not required.

12. Claiming for other business expenses

- 12.1. Employees claiming reimbursement of allowable expenses, for example, parking fees, tolls or other associated expenses should, where possible and practicable, obtain receipts to support the expense claimed.
- 12.2. Expenses related to subsistence are generally not allowable. However, where an employee is required to be away from their permanent workplace outside working hours, such as an overnight stay as part of a training course, they may be entitled to claim for a meal. Such costs must be agreed in advance by their line manager, with a view to minimising the expense to the Council. Allowable subsistence payments must exclude the reimbursement of alcohol.
- 12.3. It is acknowledged that in some circumstances it is not possible to obtain receipts (for example some river crossing tolls) but this does not prevent the expense from being claimed or paid.
- 12.4. Claimants should make every effort to obtain receipts and to attach them to claim forms prior to authorisation and submission.
- 12.5. The following expense types are **NOT** allowable business expenses and must not be claimed for reimbursement:
 - Fines associated with parking fees for not having a valid ticket;
 - Fines or excess charges for travelling on public transport without a valid ticket;
 - Fixed cost penalty notices associated with motoring offences – eg speeding;
 - Excess leased car charges;
 - Any additional cost incurred to upgrade motor insurance to cover business use;
 - The cost of any fuel used for private purposes;
 - Any expense incurred that is not wholly, necessarily and exclusively incurred in performance of an employee’s duties.

13. Leased vehicle users

- 13.1. Employees whom lease vehicles through the Council's leased car schemes are treated in exactly the same way as employees using their own vehicles for business mileage and expenses reimbursement and the same rules apply.
- 13.2. All leased vehicles are subject to annual assessment in accordance with the HMRC company car legislation which may result in a benefit in kind being determined for the user. If this applies the benefit will be reported to the employee via a statutory document, P11D issued annually in July in respect of the previous financial year.
- 13.3. Leased vehicle users may check their benefit in kind status at any time by utilising the calculator tool located at the HMRC website.

14. Declaration by claimant when submitting a travel claim

- 14.1. An employee who undertakes a business journey must be able to confirm the following statements are true before they are able to submit a claim for reimbursement – so these points need to be considered before they actually travel:
 - Mileage over the shortest possible route, fares and other expenses have been necessarily incurred whilst on official County Council business.
 - The additional expenditure incurred is supported by receipts
 - The claimant holds a current and valid driving licence applicable to the vehicle being used
 - The vehicle insurance is current and indemnifies the County Council against any third party liability whilst on official duties
 - The vehicle is roadworthy and well maintained and where necessary the claimant possesses a current MOT certificate
 - The claimant has notified my line manager of any driving offences I have incurred.
- 14.2. By signing the **Declaration by Claimant** field on a travel claim form, the employee is confirming that they satisfy all the bullet points noted at 12.1 above and that they have considered the other relevant points noted in the document Policy on the Safe Use of Motor Vehicles on County Council Business.

15. Exceptional arrangements for employees with two or more permanent workplaces

- 15.1. Existing employees whose contractual work arrangements require them to have two or more permanent workplaces concurrently may be entitled to receive a workplace travel allowance for reimbursement of additional ordinary commuting costs associated with attendance at a secondary workplace, where an employee would otherwise suffer a significant financial detriment..
- 15.2. The additional ordinary commuting journey must be significant to enable the travel allowance to apply. For example, employees who are required to attend County Halls at both Lewes and Kingston as permanent workplaces may satisfy the criteria.
- 15.3. The amount paid is not business mileage and the workplace travel allowance will be subject to income tax and national Insurance.

- 15.4. Employees who are contractually obliged to work at two more permanent workplaces and are approved by their manager to receive the travel allowance will receive the payment monthly via the payroll.
- 15.5. The reimbursement rate applied will be that determined by the HMRC as the approved mileage rate. The additional ordinary commuting mileage will be determined as the difference between the ordinary commute to the employees secondary permanent workplace less the ordinary commute to the primary workplace. The journey distances will be determined by reference to the AA route planner.
- 15.6. The value of the workplace travel allowance will be determined as an annual value, calculated by the number of anticipated attendances at the secondary permanent workplace reduced by expected periods of absence from work to account for annual leave or public holidays. The value will be "grossed up" to account for the tax and National Insurance due and divided by 12 to determine a flat rate allowance payable monthly.
- 15.7. Employees entitled to the workplace travel allowance who choose to travel by public transport can do so but are required to purchase travel tickets themselves. Rail warrants cannot be utilised for the journeys.
- 15.8. Employees in receipt of the workplace travel allowance are not entitled to submit claims for mileage reimbursement in respect of these additional commuting journeys or claim for reimbursement of the expense of travelling by public transport
- 15.9. Entitlement to the workplace travel allowance will be reviewed annually or from the date of any significant change to working arrangements applies.

Appendix 1 – Mileage reimbursement rates

Travel Management – Mileage reimbursement rates for Business Travel, Training Travel and Excess Mileage

ESCC Local Travel Schemes – rates effective at 1 April 2016

Optional Users	Reimbursement Rate
Optional – Car or Motorcycle	25p per mile
Leased Vehicle	12p per mile
Training	20p per mile
Cycle	15p per mile
Sessional Workers – Adult Social care only	33p per mile

Contracted Users	Reimbursement Rate
Contracted – Car or Motorcycle	45p per mile
Leased	12p per mile
Training	20p per mile
Cycle	15p per mile

Definitions of Users

The definition of an **Optional User** is:

An employee who may need to use their car from time to time on County Council business (for example during a short period at a set time in the year e.g. assisting with the main exercise undertaken each year for education admission appeals) but for whom it is *not* contractually required that they do so in order to carry out their duties and responsibilities and for whom other forms of transport are usually available.

The definition of a **Contracted User** is someone who:

Could not realistically do the job without having a car because (i) the work requires them to travel frequently, on average at least 3 times a week every week whilst at work; and (ii) either they often have to travel to parts of the County which are inaccessible by public transport or where their work requires them to travel to, and within, predominantly urban areas where, for reasons of business efficiency, management consider that using a car is the most effective method of travelling between appointments.

Appendix 2 – VAT receipts for fuel travelling on County Council Business

- All business mileage reimbursement claims relating to business journeys must be supported by a VAT receipt obtained when fuel for the vehicle was purchased.
- The VAT receipt held in support of the claim for reimbursement should evidence, as a minimum, sufficient fuel purchased to cover the business journeys being reimbursed (please see examples overleaf).
- VAT receipts should pre date business journeys.
- VAT receipts must be attached to claim forms prior to submission for authorisation and payment. It is only necessary to attach VAT receipts to the claim form – you should not write any detail of the VAT receipt onto the claim form.
- Claims for business mileage submitted for authorisation should be rejected if the required VAT receipts are not attached.

Examples

The examples assume that the vehicle averages approximately 400 miles on a full tank of petrol.

1. Business mileage claim covering 10 separate journeys of 12 reimbursable miles
Total claim mileage = 120 miles. A VAT receipt covering purchase of sufficient fuel to cover 120 miles must be attached to the claim form.
2. Business mileage claim covering several journeys totalling 1000 reimbursable business miles
Total claim mileage = 1000. VAT receipts covering the purchase of fuel must be sufficient to cover the total of 1000 business miles claimed. Several receipts will be necessary in these circumstances.

Notes

This is only an administrative process designed to achieve the minimum statutory VAT requirements.

- The number of private journeys undertaken between business journeys are irrelevant for this purpose and do not need to be taken into account when considering the VAT receipts.
- The VAT receipts must, as a minimum, be sufficient to cover the number of reimbursable business miles claimed. If fuel is purchased in small value amounts this may require several receipts to be attached to a single claim.
- The equation between fuel purchased and miles will differ significantly between vehicles. The calculation does not have to be exact but does need to be a reasonable estimate to satisfy scrutiny by HM Revenues & Customs.
- VAT receipts must be attached to claim forms prior to submission for authorisation and payment.

Report to: **Governance Committee**

Date: **26 April 2016**

By: **Assistant Chief Executive**

Title of report: **Appointment to committees, sub-committees, panels and other bodies**

Purpose of report: **To consider the allocation of places on committees, sub-committees, panels and other bodies to the six political and independent groups**

RECOMMENDATION: The Governance Committee is recommended to:

- 1) delegate authority to the Chair of the Committee, in consultation with members of the Committee, to update the tables in Appendix 1 to reflect the outcome of the St Helens and Silverhill by-election on 5 May; and**
 - 2) recommend the County Council to allocate to political and independent groups the places on, and membership of, the main committees as set out in Appendix 1 subject to an amendment to reflect the outcome of the by-election.**
-

1. Supporting Information

1.1 The County Council, at its annual meeting in May, appoints members to committees etc. In appointing members to committees the Council must comply with section 15 of the Local Government Act 1989 and subsequent Regulations. These provide that places on committees must be allocated to political groups in proportion to the number of seats on the Council held by each group, unless there is agreement, without dissent, that the provisions of the Act should not be applied.

1.2 The allocation of places to party groups must, so far as is reasonably practicable, give effect to the following principles:

- (a) not all of the seats on the body can be allocated to the same political group;
- (b) where more than half the members of the Council belong to one political group, that group shall have a majority on all committees, sub-committees, etc;
- (c) subject to (a) and (b) above, the total number of seats on the ordinary committees (including sub-committees) allocated to a political group reflects that group's proportion of the members of the Council;
- (d) subject to (a), (b) and (c) above, the number of seats on each body allocated to a political group reflects the proportion of the seats on the Council held by the group.

1.3 The rules require seats to be allocated on a proportional basis "so far as practicable" and inevitably there must be some rounding up and rounding down. It is open to the Council to review the size and number of committees and sub-committees at any time.

1.4 Members of the Cabinet may not serve on the Scrutiny Committees or the Regulatory Committee and the Leader and Deputy Leader of the Council may not serve on the Standards Committee.

1.5 The Leader of the Council appoints the Cabinet and allocates portfolios to those Cabinet Members. Political balance provisions do not apply to the Cabinet

1.6 The principle in paragraph 1.2 (c) above applies to appointments to ordinary committees (including sub-committees). Accordingly, before considering the allocation of places to political groups the Committee will need to consider whether it wishes to recommend any changes in committees, including their size.

1.7 Following the Committee's meeting, the group leaders will be asked to let the Assistant Chief Executive have nominations to fill the places on committees previously allocated to their group. The nominations received will be circulated to members of the County Council on the day of the annual council meeting, for approval by the Council.

2. Allocation of seats

2.1 The tables in Appendix 1 show the proposed allocation of seats for 2016/17. The only changes from the allocation agreed by the County Council in July 2015 are the vacancies on the Standards Committee and Regulatory Committee reflecting the current vacancy on the Council. The vacancy will be filled following the by-election on 5 May. In order that the outcome of the by-election can be reflected in the appointment to committees to be considered by the County Council on 10 May, it is proposed that authority be delegated to the Chair of the Committee, in consultation with members of the Committee, to update the tables in Appendix 1 to reflect the outcome of the by-election. The proposals in relation to the committees, their total membership and the number of seats on each to which the groups will be entitled follows the principles set out in paragraph 1.2 above.

3. Conclusion

3.1 The Committee is asked to recommend the County Council to agree the allocation of places on each committee to each group as set out in Appendix 1, as amended following the by-election being held on 5 May 2016.

PHILIP BAKER
Assistant Chief Executive

Contact Officer: Andy Cottell Tel: 01273 481955

Local Member: All

Background Documents: None

Appendix 1

Group	Number of Councillors	%	Number of seats
Conservative	20	41	32
Liberal Democrat	10	21	16
Labour	6	12	10
UKIP	7	14	12
Independent Democrat Group	2	4	3
Independent	3	6	4
Vacancy	1	2	2
Total	49	100%	79

COMMITTEE	Conservative	Liberal Democrat	Labour	UKIP	Independent Democrat Group	Independent Group	Vacancy
Number of councillors	20	10	6	7	2	3	1
Regulatory (18)	7.35 (7)	3.67 (3)	2.20 (2)	2.57 (3)	0.73 (1)	1.10 (1)	0.37 (1)
Planning (7)	2.86 (3)	1.43 (2)	0.86 (1)	1.00 (1)	0.29 (0)	0.43 (0)	0.15 (0)
Governance (5)	2.04 (2)	1.02 (1)	0.61 (1)	0.71 (1)	0.20 (0)	0.31 (0)	0.10 (0)
Standards Committee (7)	2.86 (2)	1.43 (1)	0.86 (0)	1.00 (1)	0.29 (1)	0.43 (1)	0.15 (1)
Pension Committee (5)	2.04 (2)	1.02 (1)	0.61 (1)	0.71 (1)	0.29 (0)	0.43 (0)	0.15 (0)
Scrutiny Committees:							
Audit, Best Value and Community Services(7)	2.86 (3)	1.43 (2)	0.86 (1)	1.00 (1)	0.29 (0)	0.43 (0)	0.15 (0)
Children's Services (9)	3.67 (4)	1.84 (2)	1.10 (1)	1.29 (1)	0.37 (1)	0.55 (0)	0.18 (0)
Health Overview & Scrutiny (7)	2.86 (3)	1.43 (1)	0.86 (1)	1.00 (1)	0.29 (0)	0.43 (1)	0.15 (0)
Adult Social Care & Community Safety (7)	2.86 (3)	1.43 (1)	0.86 (1)	1.00 (1)	0.29 (0)	0.43 (1)	0.15 (0)
Economy, Transport and Environment (7)	2.86 (3)	1.43 (2)	0.86 (1)	1.00 (1)	0.29 (0)	0.43 (0)	0.15 (0)
TOTALS (79)	32	16	10	12	3	4	2

