

**PROPOSED AMENDMENTS TO THE CONSTITUTION
OF LEICESTERSHIRE COUNTY COUNCIL
NOVEMBER 2016**

<u>ITEM</u>	<u>PROPOSED AMENDMENT</u>	<u>EXPLANATION</u>
<p><u>PART 4F – FINANCIAL PROCEDURE RULES</u></p> <p><u>Financial Procedure Rules</u></p> <p>Rule 7 – Capital Programmes</p>	<p>Amend section (d) to read as follows:-</p> <p>Commencement before the planned programme year can be approved by the Chief Financial Officer provided he/she is satisfied that resources are available within the overall four year programme.</p>	<p>Change ‘three’ year to ‘four’ year programme to align with the four year capital programme included in the Medium Term Financial Strategy (MTFS).</p>
<p>Rule 14 - Reviews</p>	<p>Amend section (c) to read as follows:-</p> <p>The Executive may require chief officers to report on the performance of any aspect of the services within their area of responsibility. In addition it may require them to provide explanations on performance indicators and other related information published by the Government or the National Audit Office.</p>	<p>Update the wording to National Audit Office, previously the Audit Commission. This follows the closure of the Audit Commission in 2015.</p>

<p>Rule 29 – Treasury Management</p>	<p>Amend section (f) to read as follows:- The Chief Financial Officer shall be consulted prior to entering into any leases.</p> <p>Amend section (h) to read as follows:- The leasing of an asset may relate to the award of a specific contract. Where this is the case the Chief Financial Officer shall be consulted prior to the award of the contract.</p>	<p>Delete reference to Government’s capital controls which have been replaced by the Prudential Code of Practice. The limits are approved by the County Council as part of the MTFS.</p> <p>Wording updated to require consultation with the Chief Financial Officer.</p>
<p><u>Standard Financial Instructions</u></p> <p>Instruction 1 – Capital – Expenditure in Excess of Approved Amount</p>	<p>Amend section (a) to read as follows:- Where a specific approval given in the capital programme is likely to be exceeded the appropriate chief officer will consult with the Chief Financial Officer.</p> <p>Amend section (b) to read as follows:- The Chief Financial Officer may approve increases in expenditure where compensating savings are made or funding is available and there is no change in policy. In any particular instance, the Chief Financial Officer may decline to give approval and instead refer the proposal to the Executive. No additional expenditure should be committed prior to the appropriate approval.</p>	<p>Amended to allow the Chief Financial Officer to approve increases in capital expenditure where these are funded and involve no change in policy.</p>
<p>Instruction 2 – Changes to the Capital Programme</p>	<p>Amend to read as follows:- The Chief Financial Officer may approve requests to add or amend schemes within the capital programme, providing that they are totally funded, there is no overall increase in future revenue costs, there is no change in overall policy and subject to reporting any changes to the Executive and Scrutiny as part of the next MTFS monitoring report. In any particular instance, the Chief Financial Officer may decline to give approval and instead</p>	<p>Update to wording to add ‘future’ to revenue costs.</p>

<u>ITEM</u>	<u>PROPOSED AMENDMENT</u>	<u>EXPLANATION</u>
	refer the proposal to the Executive.	
Instruction 4 – Revenue – Virement	<p>Amend section (b) iv. to read as follows:-</p> <p>funding which has been included in that year’s budget for service improvements above the limit of £20,000 or 5%, whichever is the greater.</p>	Replace the word ‘expenditure’ with ‘funding’ to improve the wording.
Instruction 9 – Payments of Invoices and Claims	<p>Amend section (b) to read as follows:-</p> <p>Invoices should be on suppliers’ official forms, printed or electronic. These and internal claims for payment shall be checked and certified in the appropriate departments and establishments in accordance with arrangements agreed with the Chief Financial Officer before payment is made.</p> <p>Amend section (f) to read as follows:-</p> <p>For purchases made through procurement the duties of ordering and receiving goods and services, and certifying invoices and claims for payments, may by exception be performed by one and the same officer under the scheme approved by the Chief Financial Officer.</p>	<p>Updated wording to allow electronic invoicing methods and electronic authorisation of payments.</p> <p>Clarification of the wording to confirm this is by exception only. It is used in cases of low level spending.</p>
Instruction 15 – Review of Charges	<p>Amend section (b) to read as follows:-</p> <p>Chief Officers will be free to decide on detailed pricing for outside work, though they must seek to cover all costs, including overheads, on all such activity. Where services are supplied to an internal user, any charges should not, as a matter of principle, seek to make a profit.</p>	Clarification that pricing should seek to cover all costs and cannot be at a profit.

<u>ITEM</u>	<u>PROPOSED AMENDMENT</u>	<u>EXPLANATION</u>
	<p>Amend section (c) to read as follows:-</p> <p>Where it is proposed to introduce, revise, or discontinue a scale of charges, the Chief Financial Officer should be consulted before the proposal is progressed. Changes may be approved by the chief officer concerned following consultation with the Chief Financial Officer and appropriate Executive Lead Members.</p>	<p>Updated wording. Replace 'Increases may be approved...' with 'Changes may be approved...'</p>
<p>Instruction 17 – Salaries, Wages and Pensions</p>	<p>Amend section (d) to read as follows:-</p> <p>All time records or other documents relating to salaries and wages will be in a form prescribed or approved by the Chief Financial Officer and shall be checked and authorised in appropriate establishments or departments. They should be signed by or on behalf of the chief officer. The Chief Financial Officer will make information available regarding employees' pay details to establishments / departments to provide a means of verifying the accuracy of the pay records.</p>	<p>Removed information will be provided in 'print-outs' to reflect information is now mainly available electronically.</p>
<p>Instruction 18A – Litigation and Disputes Resolution</p>	<p>Amend to read as follows:-</p> <p>Chief Officers will ensure, following consultation with the Chief Financial Officer and Director of Law and Governance, that the Executive is advised at key stages in the process of any litigation or disputes resolution where the County Council is at risk of paying significant damages or costs.</p>	<p>Financial limit removed to enable Cabinet to be aware of significant claims.</p>
<p>Instruction 19 – Security of Assets</p>	<p>Amend section (a) to read as follows:</p> <p>Each chief officer is responsible for ensuring that arrangements are made for maintaining proper security at all times for buildings, stocks and stores, vehicles, furniture, equipment, cash, etc. under his or her control. He or she will consult the Chief</p>	<p>Removed requirement to consult with the Chief Constable in addition to the Chief Financial Officer. Where appropriate the Chief Financial Officer will advise if it is necessary to consult with the Chief Constable.</p>

<u>ITEM</u>	<u>PROPOSED AMENDMENT</u>	<u>EXPLANATION</u>
	Financial Officer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.	

This page is intentionally left blank