

London Councils Leaders' Committee Governing Agreement

13 December 2001

DATED 13 December, 2001

[LONDON COUNCILS]¹

(LEADERS' COMMITTEE)²:

AGREEMENT

Standing Orders revised 7 June 2016

This joint committee approved the change of name from ALG to London Councils on 12 September 2006. In this agreement, references to 'Association of London Government' and 'ALG' have been replaced with 'London Councils'.

In addition, the joint committee established in accordance with the LCTEC Agreement referred to in Recital 1.10 below changed its name from the Association of London Government Transport and Environment Committee ("ALGTEC") to London Councils Transport and Environment Committee ("LCTEC") on 17 October 2006. In this agreement, references to "ALGTEC" have been replaced with "LCTEC".

Ref: PR 6602/21/LJ

¹ This joint committee approved the change of name from ALG to London Councils on 12 September 2006

² This joint committee is also referred to as Leaders' Committee because all of the London local authorities' leaders are represented

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³ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.
[Deleted: London Housing Unit Committee: Member Authorities]

⁴ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.
[Deleted: Functions of London Housing Unit Committee]

THIS AGREEMENT is made this 13th. day of December, 2001

BETWEEN THE Councils listed in Part 1 of Schedule 1 hereto in pursuance of arrangements made under section 101 (5), 101 (5B), 102, 111, 112, 113, 141 and 142 Local Government Act 1972; section 1 Local Authorities (Goods and Services) Act 1970; section 20 Local Government Act 2000; the Local Authorities (Arrangements for the Discharge of Functions) Regulations 2000⁵ and all other enabling powers

1. PRELIMINARY

1.1 By an Agreement dated 1 April, 2000 (the "First Agreement"), the local authorities named in Part 1 of Schedule 1, in the interests of co-ordinating more effectively the formulation of policy in relation to the functions referred to in the First Agreement and achieving greater efficiency in the use of their resources agreed to establish a joint committee under Sections 101 and 102 Local Government Act 1972 and agreed to delegate (subject to the exceptions and reservations set out in the Agreement) the functions listed in Schedule 2 to the joint committee and to name the joint committee the Association of London Government ("ALG")⁶

1.2 [...] ⁷

⁵ Reference to section 20 of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) Regulations 2000 should now be read as section 9EB of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012; those provisions having been substituted in England.

⁶ This joint committee approved the change of name from ALG to London Councils on 12 September 2006

⁷ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.

[Deleted: By the First Agreement, the local authorities named in Part 2 of Schedule 1 agreed to delegate the functions set out in Schedule 3 under section 8 Housing Act 1985; sections 101(12), 111 and 141 Local Government Act 1972; section 1 Local Authorities (Goods and Services) Act 1970 and any other express or implied enabling power, to a Sectoral joint committee named the London Housing Unit Committee which operates, in relation to the ALG, in accordance with the provisions of this Second Agreement which govern Sectoral joint committees. Any of the London Local Authorities listed in Part 1 of Schedule 1 may elect at any time to delegate the functions set out in Schedule 3 to the London Housing Unit Committee. Such delegation is hereby deemed a minor variation for the purposes of Clause

- 1.3 The local authorities listed in Part 1 of Schedule 1 are herein collectively named “the London Local Authorities”.
- 1.4 [London Councils] has acted from the date of the First Agreement as the Association of the London Local Authorities for the purposes set out in Part 1 of Schedule 2 and receiving subscriptions from the London Local Authorities under section 143 Local Government Act 1972
- 1.5 [The London Local Authorities are the constituent council for the purposes of section 48(1)(a) Local Government Act 1985 and by an agreement dated 1st February 2004 (“the Third Agreement) have agreed to establish a new Scheme for the making of grants to voluntary organisations in Greater London in accordance with the provisions of the Third Agreement.]⁸
- 1.6 The committee established to discharge various functions in accordance with section 48 Local Government Act 1985 is now known as the [London Councils] Grants Committee [and the Grants Scheme is set out in Schedule 2 of the Third Agreement]⁹
- 1.7 The London Local Authorities were the Participating Councils in the Transport Committee for London Agreement dated 15th January, 1998, (“TCfL Agreement”) and by the Agreement dated 1 April, 2000, varied the Transport Committee for London Agreement in accordance with Schedule 5 of the First Agreement
- 1.8 The Transport Committee for London is now known as the [London

15.4 and this Agreement shall thereafter be construed as if each of those London Local Authorities were listed in Part 2 of Schedule 1. Any of the London Local Authorities listed in Part 2 of Schedule 2 may at any time elect to revoke the delegation of the functions set out in Schedule 3 to the London Housing Unit Committee. Such revocation is hereby deemed a minor variation for the purposes of Clause 15.4 and this Second Agreement shall thereafter be construed as if that London Local Authority’s name were removed from Part 2 of Schedule 1.]

⁸ Substituted by the Third Agreement. Note the scheme has subsequently been amended further to minor variations agreed by London Councils (Leaders’ Committee) on 15 July 2014

⁹ Substituted by the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders’ Committee) on 15 July 2014

Councils] Transport and Environment Committee (“[LCTEC]¹⁰”)

- 1.9 By the First Agreement, [London Councils] was appointed under section 1 Local Authorities (Goods and Services) Act 1970 to employ the staff of [LCTEC], carry out all administrative and appropriate financial functions on its behalf, recover the costs thereof and the costs payable to [LCTEC] by the London Local Authorities listed in Part 1 of Schedule 1.
- 1.10 The London Local Authorities are the Participating Councils in the [LCTEC] Agreement of even date herewith (“[LCTEC] Agreement”) which amends the TCfL Agreement
- 1.11 The functions of some of the London Local Authorities set out in Schedule 2 [...] ¹¹ are the responsibility of the executive of those authorities under executive arrangements adopted for the purposes of section 10 Local Government Act 2000 while the functions of other authorities remain the responsibility of the authorities themselves
- 1.12 It is expedient that any London Local Authority which should adopt executive arrangements after the date of this Agreement should be able through arrangements made by their mayors, executives, members of executives, committees of executives, executive leaders or council managers (as appropriate) to continue as parties to this Second Agreement

IT IS HEREBY AGREED AS FOLLOWS:

¹⁰ The Association of London Government Transport and Environment Committee (“ALGTEC”) approved the change of name to London Councils Transport and Environment Committee (“LCTEC”) on 17 October 2006

¹¹ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders’ Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders’ Committee) decision on 11 December 2007 to reduce the notice period for termination.
[Deleted: and 3]

2. COMMENCEMENT AND DURATION

2.1 This Agreement shall commence on 13 December, 2001 (“the Commencement Date”) and shall continue until terminated in whole or in part in accordance with the provisions of Clause 13.

3. DEFINITIONS AND INTERPRETATION

3.1 In this Agreement:

[...] ¹²

“associated committees of [London Councils]” means the [London Councils] Grants Committee and the [LCTEC] which shall operate, in relation to [London Councils], in accordance with the [London Boroughs] ¹³ Grants Scheme ([as set out in full at Schedule 2 of the Third Agreement] ¹⁴) and the [LCTEC] Agreement.

“constituent councils” means the London borough councils and the Common Council, which have made the [London Boroughs] ¹⁵ Grants Scheme, as permitted by section 48 Local Government Act 1985.

“Leader” means the person vested from time to time (in accordance with law and the applicable constitutional arrangements) with the political leadership, for the purposes of this Agreement, of each of the London Local Authorities listed in Part 1 of Schedule 1

[“London Councils” means the joint committee appointed in accordance

¹² This joint committee approved the change of name from ALG to London Councils on 12 September 2006. [Deleted: “ALG” means the Association of London Government, the joint committee appointed in accordance with Clause 1.1.]

¹³ The London Boroughs Grants Scheme has been superseded by the Grants Scheme which was established by the Third Agreement. Note further amendments to the Grants Scheme were approved by London Councils (Leaders’ Committee) on 15 July 2014

¹⁴ Substituted by the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders’ Committee) on 15 July 2014

¹⁵ The London Boroughs Grants Scheme has been superseded by the Grants Scheme which was established by the Third Agreement. Note further amendments to the Grants Scheme were approved by London Councils (Leaders’ Committee) on 15 July 2014 as permitted under clause 9.1 of the Grants Scheme.

with Clause 1.1]¹⁶

“Panels of [London Councils]” means the sub-committees appointed by [London Councils] to discharge any of functions delegated to [London Councils] under Clause 1.1 above.

“Parties” means the parties to this Agreement, that is the London Local Authorities listed in Part 1 of Schedule 1

“Sectoral joint committee” means a joint committee appointed under section 102 Local Government Act 1972 to discharge functions which a minimum of three and a maximum of 32 of the London Local Authorities have agreed to delegate to it, whose terms of reference have been approved by [London Councils] and which shall operate, in relation to [London Councils], in accordance with this Agreement.

- 3.2 The Schedules to this Agreement are intended to form part of this Agreement.
- 3.3 Words importing the singular shall include the plural and *vice versa*. Words importing any gender shall include both genders. Words importing persons shall include bodies corporate, unincorporated associations and partnerships.
- 3.4 Clause headings are inserted for ease of reference only and shall not affect the interpretation of this Agreement.
- 3.5 A reference to any statute or statutory provision includes a reference to all statutory instruments or orders made pursuant to it and includes a reference to that statute, statutory provision, instrument or order as amended, extended, re-enacted or consolidated from time to time.

¹⁶This joint committee approved the change of name from ALG to London Councils on 12 September 2006

3.5 In the event of any conflict between Clauses 1-15 and the Schedules to this Agreement, the provisions of Clauses 1-15 shall prevail.

4. MEMBERSHIP AND STANDING ORDERS OF [LONDON COUNCILS] AND SECTORAL JOINT COMMITTEES

4.1 Each London Local Authority shall appoint its Leader as its representative to [London Councils] and shall be entitled to appoint deputy representatives in accordance with Schedule 6.

4.2 [London Councils] may admit to membership such representatives of such other bodies as it considers appropriate from time to time in accordance with Schedule 6.

4.3 The functions set out in Schedule 2 shall whenever appropriate be discharged by Panels of [London Councils] constituted in accordance with Schedule 6.

4.4 [...] ¹⁷

4.5 [Each London Local Authority shall appoint an appropriate elected representative to any sectoral joint committee and shall be entitled to appoint deputy representatives in accordance with Schedule 6.] ¹⁸

4.6 [...] ¹⁹

¹⁷ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.

[Deleted: The members of the London Housing Unit Committee established to discharge the functions set out in Schedule 3 shall be the Leaders from time to time of each of the London Local Authorities set out in Part 2 of Schedule 1.]

¹⁸ Substituted further to minor variations approved by London Councils (Leaders' Committee) on 15 July 2014

¹⁹ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.

4.7 Each Sectoral joint committee may admit to membership such representatives of such other bodies as it considers appropriate from time to time in accordance with Schedule 6.

4.8 The members of [London Councils] Grants Committee shall be appointed by the constituent councils in accordance with [the Grants Scheme as set out in Schedule 2 of the Third Agreement]²⁰.

4.8 The Standing Orders of [London Councils] are set out in Schedule 6

5. MEETINGS AND PROCEEDINGS OF [LONDON COUNCILS]

5.1 [London Councils shall hold a minimum of 2 meetings each year, one of which shall be an annual general meeting.]²¹

5.2 Subject to Clause 5.1, meetings of [London Councils] shall be called in accordance with the Standing Orders set out in Schedule 6 and the procedure to be adopted at such meetings shall be determined in accordance with Schedule 6.

5.3 [Each sectoral joint committee established hereunder from time to time shall hold a minimum of 2 meetings a year, at times to be determined by the Committee.]²²

6. LEAD AUTHORITY FUNCTIONS

6.1 Subject to the provisions of this Clause 6, [London Councils] may appoint

[Deleted: The discharge of the functions set out in Schedule 3 (with the exceptions of the functions of approval of cross-cutting and strategic policy in relation thereto, as determined by the London Housing Unit Committee from time to time, and approval of the budget thereof, which are hereby reserved to the London Housing Unit Committee) shall be delegated by the London Housing Unit joint committee to a sub-committee which shall be constituted in accordance with Schedule 6.]

²⁰ Substituted by the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders' Committee) on 15 July 2014

²¹ Substituted further to minor variations approved by London Councils (Leaders' Committee) on 15 July 2014

²² Substituted further to minor variations approved by London Councils (Leaders' Committee) on 15 July 2014

one or more of the London Local Authorities to discharge all or any of the Lead Authority functions as set out in Schedule 4 on behalf of [London Councils], any Sectoral joint committee or (subject to the provisions of Schedule 5 and the [LCTEC] Agreement) either associated committee.

- 6.2 In the event that a London Local Authority acting or appointed hereunder withdraws its consent to discharge a Lead Authority function, it shall give (unless otherwise agreed in writing), not less than six calendar months' notice in writing (to expire on 31st March) of its intention to do so to [London Councils].
- 6.3 The decision to terminate the appointment of a London Local Authority in respect of any Lead Authority function shall be by a majority vote of [London Councils].
- 6.4 Subject to Clause 6.5 below and notwithstanding any service level agreement in force at the date of this Agreement, any termination pursuant to Clause 6.3 may be made by [London Councils] giving (unless otherwise agreed in writing) not less than six calendar months' notice in writing (to expire on 31st March) to the Lead Authority of its intention to terminate the appointment and may be given at any time.
- 6.5 Notwithstanding Clause 6.4, if the London Local Authority is in material breach of any of its obligations in respect of a Lead Authority function (whether the obligation is contained in this Agreement or in any service level agreement for the time being), any such termination pursuant to Clause 6.3 may be made at any time thereafter by [London Councils] giving not less than one calendar month's notice in writing to the London Local Authority of its intention to terminate the appointment.
- 6.6 Notwithstanding Clause 6.2, if [London Councils] is in material breach of

any of its obligations to the London Local Authority (whether the obligation is contained in this Agreement or in any service level agreement) the London Local Authority may withdraw its consent to act in respect of a Lead Authority function by giving not less than three calendar months' notice in writing to [London Councils] of its intention to withdraw its consent.

- 6.7 [London Councils] shall reimburse each London Local Authority appointed under this Clause 6 all costs, charges and expenses (inclusive of VAT correctly levied) incurred in the provision of any services in connection with a Lead Authority function by that London Local Authority (or arising /outstanding in respect of any Lead borough function performed by any London Local Authority prior to the Commencement Date of this Second Agreement) within 30 days of receipt of invoices submitted by it to [London Councils]
- 6.8 The reimbursement payable by [London Councils] to each London Local Authority appointed or acting under this Clause 6 shall be subject to audit by [London Councils] and its authorised representatives and the London Local Authority shall on request make available all accounts, records and other documents reasonably required for such purpose.
- 6.9 Upon the termination of any appointment of a London Local Authority under this Clause 6, howsoever occasioned, the London Local Authority shall be entitled to payment from [London Councils] of any outstanding costs reasonably incurred in the performance of its duties in respect of a designated council and/or Lead Authority function.
- 6.10 [The Common Council of the City of London shall discharge the designated council function in accordance with section 42(2)(a) Local Government Act 1985 and the Grants Scheme as set out in Schedule 2 of

the Third Agreement]²³

7. OBLIGATIONS OF [LONDON COUNCILS] AND SECTORAL JOINT COMMITTEES

- 7.1 [London Councils] shall discharge the functions set out in Schedule 2 and the functions delegated to it under the [Grants Scheme]²⁴, together with such further functions as all of the London Local Authorities shall resolve to delegate to it, and, in so doing, shall act in the collective interests of the London Local Authorities which subscribe to each of those functions. [London Councils] shall also act as the Association of the London Local Authorities.
- 7.2 Each Sectoral joint committee established hereunder from time to time shall discharge the functions which have been delegated to it by the London Local Authorities which have agreed to subscribe to such Sectoral joint committee and, in doing so, shall act in the collective interests of those London Local Authorities.
- 7.3 [London Councils] and ([subject to Schedule 2 of the Third Agreement]²⁵ and the [LCTEC] Agreement) each associated and Sectoral joint committee established hereunder from time to time shall comply with the Standing Orders set out in Schedule 6, the Financial Regulations set out in Schedule 7 and the financial arrangements set out in Clauses 11 and 12 and Schedule 8.
- 7.4 [London Councils] shall appoint a Chief Executive, and a Finance Officer on terms to be agreed by [London Councils]. The Finance Officer appointed hereunder shall be responsible for the proper administration of [London Councils] financial affairs and (subject to Schedule 5 and the

²³ Substituted by the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders' Committee) on 15 July 2014

²⁴ Substituted by the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders' Committee) on 15 July 2014

²⁵ Substituted by the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders' Committee) on 15 July 2014

[LCTEC] Agreement) those of the associated and any Sectoral joint committees established hereunder from time to time.

7.5 [The Finance Officer shall make appropriate arrangements to procure the audit of the annual accounts of London Councils and (subject to Schedule 5 and the LCTEC Agreement) the associated committees and any Sectoral joint committee at the end of each financial year by an Auditor approved by London Councils Copies of audited accounts shall be provided to London Councils the associated committees and any Sectoral joint committee and sent to each of the London Local Authorities.]²⁶

8 OBLIGATIONS OF LONDON LOCAL AUTHORITIES

8.1 Each London Local Authority shall:

8.1.1 contribute to the costs and expenses of [London Councils] and any Sectoral joint or associated committee established hereunder from time to time of which that London Local Authority is a member in accordance with the provisions of Clause 12 and Schedule 8.

8.1.2 provide [London Councils] and any Sectoral joint or associated committee with such information as is required by [London Councils] to carry out the functions referred to in Clauses 7.1 and 7.2 and to recover costs in accordance with Schedule 8.

9 STAFF

9.1 [London Councils] shall appoint such staff as they think necessary for the discharge by [London Councils] of the functions set out herein

9.2 [...] ²⁷

²⁶ Substituted further to minor variations agreed by London Councils (Leaders' Committee) on 2nd June 2015

²⁷ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to

10 ASSETS AND LIABILITIES

10.1 The assets and liabilities which vested in [London Councils] prior to the Commencement Date shall continue to so vest following the Commencement Date

11. FINANCIAL ARRANGEMENTS

11.1 In October of each year (or such other date as shall be agreed by [London Councils]). [London Councils] shall send the draft budgets for the following financial year for each of the groups of functions set out in Schedules 2 and 4 (to include the designated council function in respect of the [Grants Scheme]²⁸) for comment by the London Local Authorities listed in Part 1 of Schedule 1 as London Local Authorities subscribing to each of those groups of functions. The budget for each group of functions shall be finalised and approved in December of each year (or such other date as shall be agreed by [London Councils]) in accordance with paragraph 21.1 of Schedule 6.

11.2 [London Councils] shall send the budgets for the London Boroughs [Grants Scheme]²⁹ and [LCTEC] in accordance with the [LCTEC] Agreement and the [Grants Scheme]³⁰

11.3 [The budget for each sectoral joint committee established hereunder from time to time shall send the draft budget for the following financial

integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination. [Deleted: The London Local Authorities listed in Part 2 of Schedule 1 shall indemnify and keep indemnified the London Local Authorities which do not subscribe to the functions set out in Schedule 3 against any and all costs, liabilities and expenses arising after the Commencement Date in respect of the staff employed to discharge the Schedule 3 functions.]

²⁸ Substituted by the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders' Committee) on 15 July 2014

²⁹ Substituted by the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders' Committee) on 15 July 2014

³⁰ Substituted by the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders' Committee) on 15 July 2014 and also note that the London Borough Grants Scheme has been succeeded by the Grants Scheme

year for the functions delegated to such sectoral joint committee for comment. The budget shall be approved by a simple majority of members of the sectoral joint committee who are present at the meeting. The budget shall be finalised and approved in sufficient time to be reported to London Councils in December each year. The annual budget (including any contingency sum) in respect of any function shall not be exceeded without the prior approval of a simple majority of the representatives of those London Local Authorities who are present at the meeting at which the proposal to exceed the budget is under consideration.]³¹

- 11.4 [London Councils] and any Sectoral joint committee shall cause proper accounts to be kept in respect of the functions discharged by [London Councils], either associated joint committee (in respect of any accounting responsibilities of [London Councils] in relation thereto) and any Sectoral joint committee established hereunder from time to time and shall make all accounts records and other documentation available for inspection by any London Local Authority on request.
- 11.5 Whenever any sum of money is recoverable by [London Councils] from, or payable by a London Local Authority to [London Councils] in respect of any of the groups of functions set out in Schedules 2 - 5, it may be deducted from any sum then due to that London Local Authority from [London Councils] in respect of that group of functions and *vice versa*.
- 11.6 [London Councils] shall cause to be maintained a separate balance sheet in the name of [London Councils] in respect of all payments received from the London Local Authorities in respect of each of the groups of functions set out in Schedules 2 [...] ³² and 5, such payments to be held as

³¹ Substituted further to minor variations approved by London Councils (Leaders' Committee) on 15 July 2014

³² Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with

nominee for the London Local Authorities from which they have been received.

12 COSTS AND EXPENSES

12.1 The costs and expenses of [London Councils], either associated committee and any Sectoral joint committee appointed hereunder from time to time in discharging the functions delegated to them hereunder shall be reimbursed by the London Local Authorities in accordance with the provisions of Schedule 8. For the avoidance of doubt, the consent of all the London Local Authorities subscribing to each of the functions set out in Schedule 2 shall be required to change the basis on which costs are apportioned between them in respect of each of those functions.

12.2 [London Councils] shall notify each of the London Local Authorities by not later[...]³³ than 31st. January each year in respect of any other function, of the amount due from that London Local Authority under Clause 12.1, such notification to include a breakdown of the sums payable in respect of each of the groups of functions set out in Schedule 2 [...] ³⁴ and the date on which payment is due.

12.3 Interest shall accrue at the rate of 2 per cent above the base rate for the

effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.

[Deleted: - 3]

³³ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.

[Deleted: than 31st. December in each year, unless otherwise agreed, in respect of the Schedule 3 functions and not later]

³⁴ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.

[Deleted: and 3]

time being of National Westminster Bank PLC on all amounts due to [London Councils] under Clause 12.1 from the due date until the date of payment in full inclusive.

12.4 In the event of any disagreement as to the amount of costs and expenses to be borne by any London Local Authority under Clause 12.1 and Schedule 8, the London Local Authority in dispute shall, not later than 14th. February, or a date agreed with the Finance Officer, notify the Finance Officer of the nature of the dispute and shall provide full supporting reasoning and documentation as appropriate to the Finance Officer. The Finance Officer and the London Local Authority shall thereafter use all reasonable endeavours to resolve the dispute. In the event that the dispute remains unresolved on 14th. March or a date to be agreed with the Finance Officer, the matter may be referred by either party to such independent CIPFA Accountant of not less than ten years' standing as the parties to the dispute shall agree. Any such independent CIPFA Accountant shall be deemed to act as expert and not as arbitrator and his/her determination shall, in the absence of manifest error, be binding on [London Councils] and the London Local Authority. In the event that the dispute is resolved at first instance by the Finance Officer, or by the CIPFA Accountant in favour of the London Local Authority, interest shall not be payable on any outstanding sums. In the event that the dispute is resolved in favour of [London Councils] by the CIPFA Accountant, interest shall accrue on all outstanding payments in accordance with Clause 12.3 The costs of dispute resolution hereunder shall be met by the unsuccessful party PROVIDED THAT in the event that any dispute under this Clause 12.4 is in respect of the amounts payable by the London Local Authorities as subscriptions to [...] ³⁵any Sectoral

³⁵ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous

joint committee, or is in respect of the allocation of costs by [London Councils] between [London Councils] functions and those of any Sectoral joint committee, references in this Clause to “the London Local Authority” shall be construed as references to the person nominated for the purpose of dispute resolution by the Chair of [...]³⁶ any Sectoral joint committee.

13 TERMINATION AND BREACH

13.1 The termination of this Agreement or any part thereof, however caused, and the serving of notice to terminate shall be without prejudice to any obligations or rights of any of the parties which have accrued prior to such termination and shall not affect any provision of this Agreement which is expressly or by implication provided to come into effect after such termination.

13.2 Without prejudice to any other rights or remedies, this Agreement or the relevant part thereof shall terminate on the earlier of:

13.2.1 the unanimous agreement of all the London Local Authorities which are subscribers to any of the groups of functions listed in Schedule 2 [...]³⁷ or any Sectoral joint committee;

agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.

[Deleted: any functions listed in Schedule 3]

³⁶ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.

[Deleted: the London Housing Unit Committee or]

³⁷ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.

[Deleted: -3]

13.2.2 where by reason of any change in law, or other reason not attributable to the fault of the London Local Authorities, they shall be prohibited from giving effect to their obligations hereunder.

13.3 This Agreement may be terminated by [London Councils] by a two-thirds majority of those members present and voting in relation to any London Local Authority in respect of any of the groups of functions set out in Schedule 2 or any future functions which are delegated to [London Councils], and shall be terminated in relation to any London Local Authority at the request of the Chair of a Sectoral joint committee following a decision to terminate by that Sectoral joint committee in respect of the functions discharged by such Sectoral joint committee, by written notice to that London Local Authority effective on receipt on the occurrence of any of the following events:

13.3.1 that London Local Authority materially breaches any of the provisions of this Agreement and, in the case of a breach capable of remedy, fails to remedy the same within 28 days of being notified of the breach by [London Councils] and being required to remedy the same; or

13.3.2 where by reason of any change of law or other reason not attributable to the fault of the London Local Authority, that Authority shall be unable to give effect to its obligations hereunder.

13.4 This Agreement may be terminated by any London Local Authority in respect of any of the groups of functions set out in Schedule 2 [...] ³⁸ by that London Local Authority giving one year's notice in writing to [London Councils] to expire on 31st. March.

³⁸ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination. [Deleted: and 3]

PROVIDED THAT if at any time the number of members of [London Councils] is less than 33, the functions and consultations which are hereby discharged by [London Councils] in relation to the [...] ³⁹ Grants Committee and [LCTEC] shall continue to be discharged by a joint committee of all the London Local Authorities listed in Part 1 of Schedule 1 which shall meet immediately prior to each of the meetings of [London Councils] referred to in Clause 5.1.

13.5 In the event of termination under Clause 13.3 or 13.4, in addition to any outstanding subscriptions, the London Local Authority shall pay to [London Councils] such sum as represents the contribution to the capitalised value of that proportion of the continuing and outstanding liabilities of [London Councils] and/or any Sectoral joint committee which extend beyond such termination which is properly attributable to that London Local Authority's membership.

14. **DISSOLUTION**

14.1 In the event of dissolution of [London Councils] and/or any Sectoral joint committee, the assets thereof, after settlement of all outstanding debts, liabilities and costs or, if none, the liabilities thereof, shall be distributed amongst the London Local Authorities by [London Councils] and/or such Sectoral joint committee in proportion to the contributions of each of the London Local Authorities hereunder.

15. **GENERAL**

15.1 **Notices**

All notices which are required to be given or received hereunder shall be in writing addressed to the Chief Executive of [London Councils] or the

³⁹ [Deleted: "ALG"] as this joint committee approved the change of name from ALG to London Councils on 12 September 2006

London Local Authority, as the case may be. Any such notice may be delivered personally or by first class pre-paid letter or by facsimile transmission and shall be deemed to have served if by personal delivery, when delivered, if by first class post, 48 hours after posting and if by facsimile transmission, on successful transmission.

15.2 **Continuing Agreement**

All provisions of this Agreement shall, so far as they are capable of being performed and observed, continue in full force and effect notwithstanding termination, except in respect of those matters then already performed.

15.3 **Good Faith**

Each of the Parties undertakes with each of the others to act in good faith and to do all things reasonably within its powers which are necessary or desirable to give effect to the spirit and intent of this Agreement.

15.4 **Variations**

No variation to this Agreement, other than variations which [[London Councils] (or any Sectoral joint committee in respect of any matters which fall to be discharged solely by any such Sectoral joint committee) reasonably considers to be minor, shall be valid or effective unless made by one or more instruments in writing signed by all the Parties.

15.5 **Waiver**

No failure to exercise and no delay in exercising on the part of any of the Parties hereto any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise

of any other right, power or privilege. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies unless otherwise provided by law.

15.6 Severability

Notwithstanding that any provision of this Agreement may prove to be illegal or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect.

16 EXECUTION

16.1 This Agreement is executed by each Party by signing the annexed Memorandum of Participation on behalf of that Party and such Memorandum of Participation shall be evidence of execution by that Party when Memoranda executed by all the Parties are incorporated into this Agreement.

SCHEDULE 1

PART 1

THE LONDON LOCAL AUTHORITIES

The City of Westminster

The London Borough of Barking and Dagenham

The London Borough of Barnet

The London Borough of Bexley

The London Borough of Brent

The London Borough of Bromley

The London Borough of Camden

The London Borough of Croydon

The London Borough of Ealing

The London Borough of Enfield

The London Borough of Greenwich

The London Borough of Hackney

The London Borough of Hammersmith and

Fulham The London Borough of Haringey

The London Borough of Harrow

The London Borough of Havering

The London Borough of Hillingdon

The London Borough of Hounslow

The London Borough of Islington

The Royal Borough of Kensington & Chelsea

The Royal Borough of Kingston-upon-Thames

The London Borough of Lambeth

The London Borough of Lewisham

The London Borough of Merton

The London Borough of Newham

The London Borough of Redbridge

The London Borough of Richmond upon Thames

The London Borough of Southwark

The London Borough of Sutton

The London Borough of Tower Hamlets

The London Borough of Waltham Forest

The London Borough of Wandsworth

The Mayor and Commonalty and Citizens of the City of London

SCHEDULE 1

PART 2

[...] ⁴⁰

⁴⁰Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.
[Deleted: LONDON HOUSING UNIT COMMITTEE Member Authorities

The London Borough of Barnet The London Borough of Brent The London Borough of Camden The London Borough of Croydon The London Borough of Ealing The London Borough of Enfield
The London Borough of Greenwich The London Borough of Hackney
The London Borough of Hammersmith and Fulham The London Borough of Haringey
The London Borough of Havering The London Borough of Hillingdon The London Borough of Hounslow
The London Borough of Islington The London Borough of Lambeth The London Borough of Lewisham The London Borough of Merton The London Borough of Newham The London Borough of Redbridge The London Borough of Southwark
The London Borough of Tower Hamlets
The London Borough of Waltham Forest]

SCHEDULE 2

PART 1 FUNCTIONS

1. To consult on the common interests of the London Local Authorities and to discuss matters relating to local government.
2. To represent the interests of the London Local Authorities to national and local government, to Parliament, to the European Union and other international organisations and to other bodies and individuals, and to negotiate as appropriate on behalf of member authorities.
3. To formulate policies for the development of democratic and effectively managed local government.
4. To provide forums for the discussion of matters of common concern to the London Local Authorities and a means by which their views may be formulated and expressed.
5. To appoint representatives or staff to serve on any other body.
6. To represent the interests of the London Local Authorities as employers.
7. To provide services to the London Local Authorities including the dissemination of information on local government and on other relevant issues.
8. To provide information to the public, individuals and other organisations on the policies of the [London Councils] and local government issues relevant to London.
9. To act as the regional body of the Local Government Association.

SCHEDULE 2

PART 2: FUNCTIONS

Generally

1. To act for, and on behalf of, London Local Authorities in their role as employers, through the provision and development of a range of services including in particular:
 - i. Advice on the application and interpretation of national and provincial agreements covering administrative, professional, technical and clerical employees; manual employees, craft employees; and other local government employees;
 - ii. Advice on best practice in the conduct of employment relations and personnel procedures;
 - iii. Policy advice on development and training matters;
 - iv. Advice and information across the range of development and training activities;
 - v. The organisation and delivery of regional and individual local authority training courses/seminars and similar activities;
 - vi. Research and information on human resources, development and funding;
 - vii. Advice on health, safety and welfare matters;
 - viii. To represent the view of London local authorities on pay and conditions of service to the national negotiating bodies; and to advise London representatives on the same bodies.

- ix. To co-operate with The Improvement & Development Agency, The Employers' Organisation, local authority regional and provincial employer organisations, and other relevant local authority bodies;
- x. To provide professional advice to the employer's side of the Greater London Provincial Council and the Greater London Joint Negotiating Committee;
- xi. To provide a conciliation and arbitration role in the resolution of industrial relations disputes;
- xii. To exchange information and opinion with other organisations and to provide a human resource service to Associate and Subscriber Members and other contracted bodies.

Specifically:

1. To appoint members to represent [London Councils] on the Greater London Provincial Council in such numbers as are provided for in the constitutions of those joint bodies.
2. To secure, as far as it is possible, the largest possible measure of joint action, as between member authorities, for the consideration of pay and terms and conditions of service for those employees of member authorities falling within purview of the Greater London Provincial Council.
3. To represent the views of the Boroughs on pay and terms and conditions of service for employees to the national negotiating body.
4. To consider any other appropriate matters referred to it by constituent bodies relating to the terms and conditions of employment of employees

in its scope.

5. To co-operate as appropriate with other Provincial Employers or other appropriate bodies in matters of common interest.

SCHEDULE 2

PART 3: GENERAL FUNCTIONS

1. To do anything which is calculated to facilitate, or is conducive or incidental to, any of its functions under this Agreement and to discharge such other functions as can be lawfully discharged in accordance with [Clause 7.1]⁴¹ of this Agreement.
2. To employ such staff on such terms and conditions of employment as [London Councils] considers appropriate to discharge the functions set out in Schedules 2 and 3, the functions discharged by the associated committees of [London Councils] and any further functions which are delegated to [London Councils] or a Sectoral joint committee by all or any of the London Local Authorities; to accept such staff on secondment from any of the London Local Authorities for any of these purposes as [London Councils] considers appropriate and to procure accommodation for the purposes of this Agreement.
3. To enter into contracts for goods, works and services in relation to any aspect of the functions hereunder or such other functions as [London Councils] can lawfully discharge and to enter into service level agreements with any of the London Local Authorities or any other body in relation thereto.
4. To implement, in respect of the functions delegated to [London Councils]⁴² by the London Local Authorities hereunder, any duties or

⁴¹ This paragraph incorrectly refers to Clause 1.1.4 which does not exist in this Agreement and is amended to correctly refer to Clause 7.1 which relates to the delegation of the exercise of further functions. It appears that when this schedule was copied over from the First Agreement, the reference to clause 1.1.4 wasn't updated to reference the equivalent clause in this Agreement.

⁴² This joint committee approved the change of name from ALG to London Councils on 12 September

powers arising under the Best Value regime under the Local Government Act 1999.

PROVIDED THAT in discharging the Functions, [London Councils] shall ensure that in all its activities, [London Councils] and all its committees, representatives, staff and advisers pay full regard to the promotion of equal opportunities for all regardless of colour, creed, disability, gender, race or sexual orientation.

SCHEDULE 3

[...] ⁴³

SCHEDULE 4

LEAD AUTHORITY FUNCTIONS

1. To procure or provide such professional advice including but not limited to financial, IT, legal, surveying and personnel as [London Councils] may require for the due and proper execution of its duties
2. To provide or procure accommodation for the purposes of [London

⁴³ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.

[Deleted: **LONDON HOUSING UNIT COMMITTEE FUNCTIONS**

1. The Committee shall be concerned with the statutory powers and duties (hereinafter referred to as "functions") of Constituent Councils and the housing activities of other agencies, primarily to assist Constituent Councils to discharge their statutory housing functions.
2. The Committee shall also be concerned with the housing functions of councils generally and the housing activities of other housing agencies where it is to the benefit of the Constituent Councils in undertaking their statutory housing functions.
3. The activities of the Committee shall include:
 - (a) provision, organisation and co-ordination of housing publicity and information on issues relevant to member authorities;
 - (b) research and analysis on housing matters;
 - (c) evaluation and analysis on housing policy and service issues;
 - (d) other appropriate activities consistent with or contributing to the housing duties and functions of the Constituent Councils.
4. To carry out for and on behalf of Constituent Councils or other appropriate bodies or to assist Constituent Councils or other appropriate bodies to carry out investigations into and the collection of information relating to the housing functions of the Constituent Councils and the housing activities of other appropriate bodies.
5. To make for and on behalf of Constituent Councils or to assist in making arrangements for such information and the results of such investigations to be made available to Constituent Councils, other local authorities, any government department, other appropriate bodies or the public.
6. To assist the Constituent Councils in giving publicity to their functions and the amenities and/or advantages of and entitlements affecting their area individually and/or collectively.

To provide professional administrative and technical assistance to the Constituent Councils or other appropriate bodies in the preparation and implementation of specific projects proposed to be undertaken by one or more such Councils or other appropriate bodies.]

Councils]

3. To employ staff to undertake any [London Councils] function and/or to provide payroll facilities and access to pension arrangements for staff employed by [London Councils]
4. To negotiate and execute contracts in respect of goods, works, services and property transactions on behalf of the [London Councils] on request
5. To institute and defend in its own name any court proceedings on behalf of [London Councils] on request
6. Such other functions as may be agreed by [London Councils]

Schedule 5

[...] ⁴⁴

SCHEDULE 6

STANDING ORDERS

<http://www.londoncouncils.gov.uk/who-we-are/about-us/governance/constitutional-information>

] ⁴⁵

⁴⁴ The Grants Scheme is set out in Schedule 2 of the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders' Committee) on 15 July 2014 [Previous schedule wording deleted]

⁴⁵ The Standing Orders have been amended a number of times since 2001. The current version was approved by London Councils (Leaders' Committee) on 15 July 2014 and includes amendments approved by London Councils (Leaders' Committee) on 2 June 2015.

SCHEDULE 7

[FINANCIAL REGULATIONS]⁴⁶

<http://www.londoncouncils.gov.uk/who-we-are/about-us/governance/constitutional-information>

⁴⁶ The Financial Regulations have been reviewed a number of times. This schedule includes the latest revisions approved by the London Councils (Leaders' Committee) on 2 June 2015

SCHEDULE 8

COSTS AND EXPENSES

1. General:

- 1.1 [London Councils] shall establish and maintain separate accounts for each of the groups of functions set out in Parts 1 – 3 of Schedule 2 [...] ⁴⁷ and Schedule 5 [the Common Council of the City of London] ⁴⁸) and any other functions delegated to [London Councils] or any Sectoral joint committee. [London Councils] and the Finance Officer shall have regard at all times to the principle underlying this Agreement of separation and ring-fencing of funding streams and costs of functions.
- 1.2 Subject to paragraph 2 below, the costs and expenses of the groups of functions set out in Parts 1 and 2 of Schedule 2 and Schedule 3 shall be borne by the London Local Authorities which subscribe to each of those groups of functions on the same basis as that on which they were allocated prior to the Commencement Date i.e. in equal shares, and any change in such allocation shall require the consent of all the London Local Authorities which subscribe to each of those groups of functions.
- 1.3 Subject to paragraph 2 below, the costs and expenses of the functions set out in Part 3 of Schedule 2 shall be borne by the London Local Authorities in such proportions as [London Councils] shall reasonably determine relates directly to the discharge of those functions, having

⁴⁷ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.
[Deleted: , Schedule 3]

⁴⁸ Note, with reference to the Third Agreement, the Common Council of the City of London agreed to act as designated council with effect from 1st April 2004

regard to paragraph 1.1 above.

- 1.4 The allocation of costs and expenses in respect of any further functions which may be delegated to [London Councils] by all or any of the London Local Authorities shall be as agreed between [London Councils] and such Authorities
- 1.5 Subject to paragraph 2 below, the contributions of the constituent councils to the designated council in respect of grants made to eligible voluntary organisations under the [Grants Scheme]⁴⁹, the designated council function and any Lead Borough functions carried out by the designated council shall be in accordance with Section 48(3) Local Government Act 1985, i.e. in proportion to the populations of their respective areas
- 1.6 Subject to paragraph 2 below, the contributions of the Participating Councils in the [LCTEC] Agreement shall be in accordance with Parts 1 - 4 of Schedule 6 of that Agreement

2. Increases or Decreases in staffing , administration and accommodation costs

- 2.1 Any net increases in overheads including staffing, administration, accommodation costs (including fitting-out) and all reasonably related costs which result from the formation of [London Councils] and the delegation of the functions set out herein to [London Councils] which in [London Councils'] reasonable opinion and that of the Finance Officer are not directly attributable to the discharge of the functions or an improvement in the service received by a particular function as a result of the formation of [London Councils] shall be borne by an increase in

⁴⁹ Substituted by the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders' Committee) on 15 July 2014

the subscription payable by each London Local Authority in respect of the Schedule 2 Part 1 functions, such increase to be allocated to the London Local Authorities in equal shares.

- 2.2 Any savings which, in the reasonable opinion of [London Councils], accrue from the creation of [London Councils] and the delegation to it of the functions set out herein shall accrue to the budget for the particular function(s) in which such savings are found

Standing orders

October 2020

London Councils STANDING ORDERS¹

INTRODUCTION

These are the Standing Orders and rules of debate and procedure for the conduct of meetings of the London Councils joint committees. The Standing Orders apply to the London Councils' Leaders' Committee and, wherever appropriate, to the associated joint committees (the Grants Committee and London Councils Transport and Environment Committee), any sectoral joint committees, and any sub-committees (sometimes referred to as 'Panels') and forums of London Councils; and any reference to 'London Councils' is a collective reference to all of them. The Standing Orders have been drawn up having regard to Government best practice, guidance and statutory requirements.

In the event of any conflict between the provisions of the Standing Orders and the provisions of the Leaders' Committee Governing Agreement (which includes the London Grants Scheme) or the London Councils Transport and Environment Committee (LCTEC) Governing Agreement, the relevant provision of the Leaders' Committee Governing Agreement or the LCTEC Governing Agreement shall prevail.

Revised 13 October 2020

¹ Also known as Schedule 6 of London Councils Agreement, 2001

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1. MEETINGS

Generally

- 1.1 Leaders' Committee, its associated joint committees (the Grants Committee and the Transport and Environment Committee (TEC)) and any sectoral joint committees shall each hold a minimum of 2 meetings² each year, one of which shall be an annual general meeting.
- 1.2 Subject to 1.1 above, meetings of London Councils shall be called, and the procedure to be adopted at such meetings shall be determined in accordance with the provisions of these Standing Orders.
- 1.3 Any member London Local Authority may give written notice of an item to be placed on the Agenda for any meeting. All notices of items for agendas and reports for circulation with agenda must be received by the Chief Executive not less than ten working days prior to the meeting to which the agenda relates.
- 1.4 Each London Local Authority subscribing to Leaders' Committee, its associated joint committees, and any sectoral joint committee, shall be entitled to receive from the Chief Executive sufficient copies of the Agenda, papers and minutes of the proceedings of the meetings of the joint committees and any Forums and sub-committees thereof.
- 1.5 Deputations shall be entitled, upon prior notification being given to the Chief Executive and at the discretion of the Chair, to attend and address the meeting for not more than ten minutes and to answer questions from members for a further ten minutes.

Calling Meetings

- 1.6 Meetings may be called by:
 - (i) Leaders' Committee, or the associated joint committee or sectoral joint committee by resolution;
 - (ii) the Chair of the relevant joint committee;
 - (iii) a requisition signed by not less than one third of the representatives, delivered to the Chief Executive at least ten working days before the date mentioned in the requisition.

² Any reference to meetings relates to formal, decision making meetings rather than 'for information' meetings

Business

- 1.7 The Summons to any such meeting shall set out the business to be transacted thereat, and no business other than that set out in the summons shall be considered at the meeting unless by reason of special circumstances, which shall be specified in the minutes, the Chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency.

Annual Meetings of Leaders' Committee and associated joint committees and sectoral joint committees

Timing and Business

- 1.8 Leaders' Committee, each associated joint committee and each sectoral joint committee shall hold an Annual General Meeting (AGM) before the end of July of each year.

The relevant joint committee will at its AGM:

- (i) appoint a Chair and up to three Vice Chairs;
- (ii) approve the minutes of the last meeting of that joint committee;
- (iii) receive the minutes of the last Annual General Meeting;
- (iv) receive any announcements from the Chair and/or Head of Paid Service;
- (v) appoint such sub committees and forums as considered appropriate to deal with matters which are not otherwise reserved to London Councils, LCTEC, Grants Committee or any sectoral joint committee;
- (vi) decide the size and terms of reference for those sub committees and forums;
- (vii) decide the allocation of seats [and substitutes] to political groups² in accordance with the political balance rules, unless the terms of reference (or constitution) of a sub-committee or forum makes specific provision for the make up of its membership;

² Whilst not specifically bound by the legislation that governs this issue in borough councils, London Councils has operated on a similar basis to boroughs in recognising a party group as being one with two or more members which declare themselves as a group with a Leader. In the context of London Councils, members are the members of Leaders' Committee. No other metric - for example the overall proportion of London councillors – is used in determining proportionality among the groups. Current practice is that party groups are able to offer seats to other elected representatives but are under no obligation to do so.

- (viii) approve a programme of ordinary meetings for the joint committee, sub committee or forum for the year;
- (ix) consider any business set out in the notice convening the meeting.

1.9 London Councils Leaders' Committee will also:

- (i) appoint a Deputy Chair;
- (ii) agree the scheme of delegation to officers;
- (iii) receive nominations of Councillors appointed to Committees by the participating London Local Authorities.

1.10 Transport and Environment Committee will also:

- (i) receive a report recommending nominations to outside bodies.

1.11 Grants Committee will also:

- (i) approve any delegations to sub-committees or Officers in relation to the management of the London Grants Scheme.

Ordinary meetings

1.12 Ordinary meetings of Leaders' Committee, the associated joint committees, and any sectoral joint committee, will take place in accordance with a programme decided at the relevant AGM. Ordinary meetings will:

- (i) elect a person to preside if the Chair, Deputy Chair, or Vice Chairs are not present;
- (ii) approve as a correct record and sign the minutes of the last meeting;
- (iii) receive any declarations of interest from members;
- (iv) receive any announcements from the Chair or the Chief Executive;
- (v) receive questions from, and provide answers to, the public in relation to matters which in the opinion of the person presiding at the meeting are relevant to the business of the meeting and the submission of which have complied with Standing Order 8;

- (vi) deal with any business from the last meeting;
- (vii) receive and consider reports/presentations from the London Councils sub-committees, forums and associated joint committees and receive questions and answers on any of those reports;
- (viii) receive nominations and make appointments to fill vacancies arising in respect of any sub-committee, forum or outside body for which the joint committee is responsible;
- (ix) receive and consider minutes of meetings, any sub committees and forums which have taken place since the joint committee last met.
- (x) consider motions; and
- (xi) consider any other business specified in the summons to the meeting.

1.13 The order of business of any associated committee shall be as shall be determined by the joint committee.

1.14 The Chair may at his/her discretion alter the order in which business is taken.

1.15 Leaders' Committee will also receive and consider minutes of meetings, of associated joint committees, any sectoral joint committee, and their sub committees as necessary and relevant to the operation and governance of London Councils.

2. MEMBERSHIP

2.1 Each London Local Authority, that is the 32 London boroughs and the Common Council of the City of London, shall appoint its Leader as its representative to London Councils Leaders' Committee.

2.2 Each London Local Authority, that is the 32 London boroughs and the Common Council of the City of London, shall make an appropriate appointment to London Councils Transport and Environment Committee.

2.3 Each London Local Authority, that is the 32 London boroughs and the Common Council of the City of London, shall make an appropriate nomination to London Councils Grants Committee. Any nominations to Grants Committee must be a Cabinet Member or have appropriate delegated authority from their council.

- 2.4 Each London Local Authority that subscribes to a sectoral joint committee shall make an appropriate nomination to that sectoral joint committee, ensuring that nominees have the appropriate delegated authority.
- 2.5 The Chairs of each of the associated joint committees, any sectoral joint committee, any Forums or any sub-committees of Leaders' Committee shall also be entitled to sit ex officio (but not to vote in such capacity) on Leaders' Committee.
- 2.6 Any Lead Member appointed in respect of any issue by any of the London Councils joint committees shall be entitled to sit ex officio (but not to vote in such capacity) on Leaders' Committee.
- 2.7 London Councils may admit to membership such representatives of such other bodies as it considers appropriate or is required as the result of any legislation to admit from time to time on such terms as shall be agreed with such other bodies. Such representatives shall be entitled to sit ex officio but not to vote in such capacity.
- 2.8 The Chief Executive of each of the London Local Authorities or his/her nominated representative shall be entitled to attend as an observer but not to speak or vote at any meeting.

Deputy Representatives

- 2.9 If the appointed representative of a London Local Authority is unable to be present at a meeting of Leaders' Committee, an associated joint committee or sectoral joint committees, that member authority may be represented by a deputy who shall be duly appointed for the purpose. A deputy attending a meeting shall declare him/herself as such but shall otherwise be entitled to speak and vote as if he/she were a member of that London Councils committee.

Elected Officers

- 2.10 The following shall be the Elected Officers of Leaders' Committee:
- (i) Chair
 - (ii) Deputy Chair
 - (iii) Vice Chairs
- 2.11 The following shall be the Elected Officers of the Transport and Environment Committee:

- (i) Chair
- (ii) Vice Chairs

2.12 The following shall be the Elected Officers of the Grants Committee:

- (i) Chair
- (ii) Vice Chairs

2.13 The following shall be the Elected Officers of any sectoral joint committee:

- (i) Chair
- (ii) Vice Chairs

2.14 The following shall be the Elected Officers of any sub-committee appointed by Leaders' Committee, associated joint committees or sectoral joint committees:

- (i) Chair
- (ii) Vice Chair/Deputy/s

2.15 The overall balance of which shall be such as to ensure proportional representation of party political groupings on London Councils.

2.16 In a year in which there are council elections, the elected officers of London Councils and all its member bodies shall cease to hold office on the day of the council elections and shall cease to be remunerated save that Leaders' Committee may, by agreement, decide to remunerate members for activity in pursuance of the discharge of the business of London Councils under SO 19.2. Notwithstanding, the outgoing Chair shall be able to preside at the subsequent AGM until a new Chair is elected.

3 TIME AND PLACE OF MEETINGS

3.1 The date, time and place of meetings will be determined by the Chief Executive and notified in the summons.

4 NOTICE OF AND SUMMONS TO MEETINGS

4.1 The Chief Executive will give notice to the public of the time and place of any meeting in accordance with the Access to Information Rules

4.2 The Chief Executive shall, not less than five clear working days before the intended meetings of Leaders' Committee and any associated joint committee or sectoral joint committee,

circulate a notice thereof to each representative and deputy representative and the Town Clerk/Chief Executive or the nominated officer of every London Local Authority subscribing to Leaders' Committee, the associated committees or sectoral joint committee. The notice will give the date, time and place of each meeting and specify the business to be transacted, and will be accompanied by such reports as are available. Where the recipient has given consent for the summons to attend the meeting to be transmitted in electronic form to a particular electronic address (and consent has not been withdrawn), the summons may be sent in electronic form to that address.

- 4.3 Provided that the failure of any such notice to be delivered shall not affect the validity of the meeting or of the business transacted thereat. Provided also that at times it may be necessary to circulate reports in a second despatch or to circulate them at the meeting.

5 CHAIR OF MEETING

- 5.1 At every meeting the Chair if present shall preside. If the Chair is absent the Deputy Chair if present, shall preside. If both the Chair and the Deputy Chair are absent a Vice Chair if present, shall preside. If neither the Chair, Deputy Chair or a Vice Chair is present the meeting shall elect a chair from one of its members.
- 5.2 For the purposes of these Standing Orders references to the Chair, in the context of the conduct of business at meetings, shall mean the person presiding under this Standing Order.
- 5.3 The person presiding at the meeting may exercise any power or duty of the Chair. Where these rules apply to sub-committee or forum meetings, references to the Chair also include the chair of sub-committees or forums.

6 QUORUM

- 6.1 The quorum shall be one third of, or the number nearest to one third, but not less than three Members (except for the quorum for Audit Committee, which because of both its size and the nature of its business is a special case and therefore is only two) entitled to be present at Leaders' Committee, and any associated joint committees, sectoral joint committees or sub committees of London Councils.
- 6.2 If within half an hour of the time appointed for the meeting to commence, a quorum is not present, the meeting shall be dissolved.

- 6.3 Remaining business will be considered at a time and date fixed by the Chair. If he/she does not fix a date, the remaining business will be considered at the next ordinary meeting.
- 6.4 If, during the meeting, the person presiding, after causing the number of members present to be counted, declares that there is not a quorum present, the meeting shall stand adjourned for fifteen minutes. If, after fifteen minutes there is still no quorum present, the meeting shall be brought to an end and all business not completed before the meeting has been brought to an end shall be postponed to the next meeting, whether ordinary or extraordinary.
- 6.5 If during the meeting any member absents themselves permanently making the meeting inquorate, the meeting will stand adjourned.

7 DURATION OF MEETING

- 7.1 Subject to Standing Order 27 (suspension of Standing Orders) if, after two and a half hours after the time appointed for the start of the meeting, the business on the agenda has not been completed, the meeting of London Councils or any associated committee or sectoral joint committee shall automatically adjourn and any debate then proceeding shall be suspended and all business unfinished shall stand adjourned to the next meeting, unless otherwise directed by the meeting Chair

8 DEPUTATIONS

- 8.1 Deputations shall be entitled, upon prior notification being given to the Chief Executive and at the discretion of the Chair, to attend and address meetings of London Councils for not more than ten minutes and to answer questions from members of London Councils for a further ten minutes.

9 MOTIONS ON NOTICE

Notice

- 9.1 Except for motions which can be moved without notice under Standing Order 10 or consideration of any matters of urgency brought forward by leave of the Chair, written notice of every motion, signed by at least 5 members, must be delivered to the Chief Executive not later than 10 clear days before the date of the meeting and clear days are deemed to exclude the day of delivery, the day of the meeting and any Sunday. These will be open to public inspection.

Motions set out in agenda

9.2 Motions for which notice has been given will be listed on the agenda in the order in which notice was received, unless the member giving notice states, in writing, that they propose to move it to a later meeting or withdraw it.

Scope

9.3 Motions must be about matters for which London Councils has a responsibility.

10 MOTIONS WITHOUT NOTICE

10.1 The following motions may be moved without notice:

- (i) to appoint a chair of the meeting at which the motion is moved;
- (ii) in relation to the accuracy of the minutes;
- (iii) to change the order of business in the agenda;
- (iv) to refer something to an appropriate body or individual;
- (v) to appoint a sub committee or member arising from an item on the summons for the meeting;
- (vi) to receive reports or adoption of recommendations of committees or sub committees or officers and any resolutions following from them;
- (vii) to withdraw a motion;
- (viii) to amend a motion;
- (ix) to proceed to the next business;
- (x) that the question be now put;
- (xi) to adjourn a debate;

- (xii) to adjourn a meeting;
- (xiii) that the meeting continue beyond two and a half hours in duration;
- (xiv) to suspend a particular Standing Order;
- (xv) to exclude the public and press in accordance with the Access to Information Rules;
- (xvi) to not hear further a member named under Standing Order 17.1 or to exclude them from the meeting under Standing Order 17.2; and
- (xvii) to give the consent of London Councils where its consent is required by this Agreement.

11 RULES OF DEBATE

Speakers to Address the Chair

11.1 All speakers shall address the Chair. All members shall preserve order whilst the speaker is speaking. A speaker shall give way if the Chair rises.

No discussion until motion seconded

11.2 A motion or amendment shall not be discussed until it has been proposed and seconded.

Right to require motion in writing

11.3 Unless notice of the motion has already been given, the Chair may require it to be written down and handed to him/her before it is discussed.

Mover and seconder's speech

11.4 The mover and seconder of a motion shall be deemed to have spoken thereon. When seconding a motion or amendment, a member may reserve their speech until later in the debate.

Content and length of speeches

11.5 Speeches must be directed to the question under discussion or to a personal explanation or point of order. The mover of a motion shall be allowed 5 minutes and the seconder and succeeding speakers 3 minutes each. The time limit for speakers may be extended by an affirmative vote of the members.

When a member may speak again

11.6 A member who has spoken on a motion may not speak again whilst it is the subject of debate, except:

- (i) to speak once on an amendment moved by another member;
- (ii) to move a further amendment if the motion has been amended since he/she last spoke;
- (iii) if his/her first speech was on an amendment moved by another member, to speak on the main issue (whether or not the amendment on which he/she spoke was carried);
- (iv) by the mover of an original motion in exercise of a right of reply, and this shall close the discussion.

Amendments to motions

11.7 An amendment to a motion must be relevant to the motion and will either be:

- (i) to refer the matter to an appropriate body or individual for consideration or reconsideration;
- (ii) to leave out words;
- (iii) to leave out words and insert or add others; or
- (iv) to insert or add words;

as long as the effect of (ii) to (iv) is not to negate the motion.

11.8 Only one amendment may be moved and discussed at any one time. No further amendment may be moved until the amendment under discussion has been disposed of.

- 11.9 If an amendment is not carried, other amendments to the original motion may be moved.
- 11.10 If an amendment is carried, the motion as amended takes the place of the original motion. This becomes the substantive motion to which any further amendments are moved.
- 11.11 After an amendment has been carried, the Chair will read out the amended motion before accepting any further amendments, or if there are none, put it to the vote.

Alteration of motion

- 11.12 A member may alter a motion of which he/she has given notice with the consent of the meeting. The meeting's consent will be signified without discussion.
- 11.13 A member may alter a motion which he/she has moved without notice with the consent of both the meeting and the seconder. The meeting's consent will be signified without discussion.
- 11.14 Only alterations which could be made as an amendment may be made.

Withdrawal of motion

- 11.15 A member may withdraw a motion which he/she has moved with the consent of both the meeting and the seconder. The meeting's consent will be signified without discussion. No member may speak on the motion after the mover has asked permission to withdraw it unless permission is refused.

Right of reply

- 11.16 The mover of any original motion, but not of any amendment, may reply to the discussion for a period of not more than 3 minutes without introducing new material and this shall close the discussion.
- 11.17 If an amendment is moved, the mover of the original motion has the right of reply at the close of the debate on the amendment, but may not otherwise speak on it.
- 11.18 The mover of the amendment has no right of reply to the debate on his or her amendment.

Motions which may be moved during debate

11.19 When a motion is under debate, no other motion may be moved except the following procedural motions:

- (i) to withdraw a motion;
- (ii) to amend a motion;
- (iii) to proceed to the next business;
- (iv) that the question be now put;
- (v) to adjourn a debate;
- (vi) to adjourn a meeting;
- (vii) that the meeting continue beyond two and a half hours in duration;
- (viii) to exclude the public and press in accordance with the Access to Information Rules;
and
- (ix) to not hear further a member named under Standing Order 17.1 or to exclude them from the meeting under Standing Order 17.2.

Closure motions

11.20 A member may move, without comment, the following motions at the end of a speech of another member:

- (i) to proceed to the next business;
- (ii) that the question be now put;
- (iii) to adjourn a debate; or
- (iv) to adjourn a meeting.

- 11.21 If a motion to proceed to next business is seconded and the Chair thinks the item has been sufficiently discussed, he or she will give the mover of the original motion a right of reply and then put the procedural motion to the vote.
- 11.22 If a motion that the question be now put is seconded and the Chair thinks the item has been sufficiently discussed, he/she will put the procedural motion to the vote. If it is passed he/she will give the mover of the original motion a right of reply before putting his/her motion to the vote.
- 11.23 If a motion to adjourn the debate or to adjourn the meeting is seconded and the Chair thinks the item has not been sufficiently discussed and cannot reasonably be so discussed on that occasion, he/she will put the procedural motion to the vote without giving the mover of the original motion the right of reply.

Point of order

- 11.24 A member may raise a point of order at any time. The Chair will hear them immediately. A point of order may only relate to an alleged breach of these Standing Orders or the law. The member must indicate the rule or law and the way in which he/she considers it has been broken. The ruling of the Chair on the matter will be final.
- 11.25 A speaker may give way to a point of information, and must give way to a point of order if it is accepted by the Chair.

Personal explanation

- 11.26 A member may make a personal explanation at any time. A personal explanation may only relate to some material part of an earlier speech by the member which may appear to have been misunderstood in the present debate. The ruling of the Chair on the admissibility of a personal explanation will be final.

Ruling of Chair

- 11.27 The Chair shall decide all questions of order and his/her ruling upon such questions or upon matters arising in debate shall be final and shall not be open to discussion.

12 PREVIOUS DECISIONS AND MOTIONS

Motion to rescind a previous decision

- 12.1 A motion or amendment to rescind a decision made at a meeting of London Councils within the past six months cannot be moved unless the notice of motion is signed by at least 5 members.

Motion similar to one previously rejected

- 12.2 A motion or amendment in similar terms to one that has been rejected at a meeting in the past six months cannot be moved unless the notice of motion or amendment is signed by at least 5 members. Once the motion or amendment is dealt with, no one can propose a similar motion or amendment for six months.

13 VOTING

- 13.1 One representative from each London Local Authority subscribing to Leaders' Committee and its associated joint committees or sectoral joint committees shall be entitled to vote on behalf of his/her authority in each meeting of Leaders' Committee, either associated joint committee or sectoral joint committees.
- 13.2 Subject to Clause 11.1, 12.1 of the Leaders' Committee Governing Agreement and Standing Order 21.1, and any provisions of this Agreement or the LCTEC Governing Agreement requiring unanimity, questions arising at any meeting of London Councils shall be determined by a show of hands and shall be decided by a simple majority of votes.
- 13.3 At Transport and Environment Committee representatives from Transport for London or any London local authority, shall only be entitled to speak or vote or receive papers in respect of functions which they have delegated to the Transport and Environment Committee and shall not be counted as part of the quorum except in respect of those functions.

Equality of votes

- 13.4 In the case of an equality of votes at the annual meeting and on motions to suspend or amend the Standing Orders under Standing Order 27 at ordinary meetings, each of the party Group Leaders shall have second or casting votes.
- 13.5 Subject to 13.4 above, in the case of an equality of votes at ordinary meetings of London Councils, the Chair shall have a second or casting vote to be exercised in accordance with

13.6 below.

13.6 Where the Chair exercises a casting vote under Standing Order 13.5 above it will be used only for one or more of the following purposes:

- (i) to permit further discussion of an issue;
- (ii) to maintain the status quo;
- (iii) to ensure that London Councils meets any legal obligations or any requirements of the London Councils Agreement or London Councils' Standing Orders.

13.7 On the requisition of any representative made before any vote is taken on a motion or an amendment, and supported by five representatives, the voting shall be recorded so as to show how each representative present and voting voted. The name of any representative present and not voting shall also be recorded.

13.8 Where any member requests it immediately after the vote is taken, their vote will be so recorded in the minutes to show whether they voted for or against the motion or abstained from voting.

Voting on appointments to London Councils Committees

13.9 If there are more than two people nominated for any position to be filled and there is not a clear majority of votes in favour of one person, then the name of the person with the least number of votes will be taken off the list and a new vote taken. The process will continue until there is a majority of votes for one person.

14 MINUTES

Agreeing the minutes

14.1 The Chair will move that the minutes of the previous meeting be agreed as a correct record.

14.2 Where in relation to any meeting, the next meeting for the purpose of agreeing the minutes is a meeting called under paragraph 3 of schedule 12 to the Local Government Act 1972 (an Extraordinary Meeting), then the next following meeting (being a meeting called otherwise than under that paragraph) will be treated as a suitable meeting for the purposes of paragraph 41(1) and (2) of schedule 12 relating to agreeing of minutes.

Form of minutes

- 14.3 Minutes will contain all motions and amendments in the exact form and order the Chair put them.

15 RECORD OF ATTENDANCE

- 15.1 At every meeting, the Clerk to the Meeting will record the attendance of each representative of a member authority and all other representatives present in accordance with Standing Order 2 (Membership).

16 EXCLUSION OF PUBLIC

- 16.1 Members of the public and press may only be excluded either in accordance with the Access to Information Rules or Standing Order 18.

17 MEMBERS' CONDUCT

Member not to be heard further

- 17.1 If a member persistently disregards the ruling of the Chair by behaving improperly or offensively or deliberately obstructs business, the Chair may move that the member be not heard further. If seconded, the motion will be voted on without discussion.

Member to leave the meeting

- 17.2 If the member continues to behave improperly after such a motion is carried, the Chair may move that either the member leaves the meeting or that the meeting is adjourned for a specified period. If seconded, the motion will be voted on without discussion.

General disturbance

- 17.3 If there is a general disturbance making orderly business impossible, the Chair may adjourn the meeting for as long as he/she thinks necessary.

18 DISTURBANCE BY PUBLIC

Removal of member of the public

- 18.1 If a member of the public interrupts proceedings, the Chair will warn the person concerned. If they continue to interrupt, the Chair will order their removal from the meeting room.

Adjournment

- 18.2 In the event of a general disturbance which, in the opinion of the Chair renders the due and orderly dispatch of business impossible, the Chair, in addition to any other power vested in the Chair, may without question adjourn the meeting for such period as in the Chair's discretion shall be considered expedient.

19 URGENCY

- 19.1 If at any time the Chief Executive of London Councils considers that any matter is urgent and should be decided on prior to the next meeting of London Councils, then he/she shall consult the Elected Officers of London Councils. If at least two of the Elected Officers, of whom one will be the Chair, if available, and the other will be from another political party or no party, agree in writing that the matter is urgent and agree on the Chief Executive's recommendation, then the decision shall be taken by the Chief Executive in accordance with such recommendation..
- 19.2 In the event the provisions of Standing Order 19.1 are inoperable following local government elections and there is a need for urgent action, the Chief Executive is authorised to take executive action having consulted as appropriate, such action to be reported to the next meeting of London Councils.
- 19.3 The Elected Officers of London Councils and the Chief Executive may nominate persons to act in their absence for the purposes of this Standing Order.
- 19.4 A copy of the record of a decision taken under this Standing Order shall be kept at the office of the Chief Executive.
- 19.5 All decisions taken under this Standing Order shall be reported to the next meeting of London Councils.
- 19.6 The urgency procedure to be followed by Transport and Environment Committee is as in 19.1-19.5 above, with the substitution of "Director, Transport & Mobility" for "Chief Executive" and referring to the Elected Officers of the Transport and Environment Committee.

- 19.7 The urgency procedure to be followed by the Grants Committee is as in 19.1-19.5 above, with the substitution of “the Planning and Strategy Director” for “Chief Executive” and referring to the Elected Officers of the Grants Committee.
- 19.8 The urgency procedure to be followed by the Greater London Provincial Council is as in 19.1-19.5 above, with the substitution of “the Head of London Regional Employers Organisation” for “Chief Executive” and referring to the Elected Officers of the Greater London Provincial Council.
- 19.9 The urgency procedure for any sectoral joint committees is as in 19.1-19.5 above, referring to the Elected Officers of the appropriate sectoral joint committee and a senior Officer designated by the committee.
- 19.10 The urgency procedure to be followed by any sub-committee appointed by Leaders’ Committee, associated joint committees or sectoral joint committees is as in 19.1 – 19.5 above, referring to the Elected Officers of that sub-committee and the senior officer, designated by that sub-committee.

20 DECLARATIONS OF INTEREST

- 20.1 If a member is present at a meeting of London Councils Leaders' Committee or any of its associated joint committees or any sub-committees or any sectoral joint committee and has a disclosable pecuniary interest as defined by the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (“the Regulations”) relating to any business that is or will be considered at the meeting, that member must not:
- (i) participate in any discussion of the business at the meeting, or if on becoming aware of the disclosable pecuniary interest during the meeting, participate further in any discussion of the business; or
 - (ii) participate in any vote or further vote taken on the matter at the meeting.
- 20.2 These prohibitions apply to any form of participation, including speaking as a member of the public.
- 20.3 It is a matter for each member to decide whether they should leave the room while an item that they have an interest in is being discussed. In arriving at a decision as to whether to leave the room they may wish to have regard to their home authority’s code of conduct and/or the Seven (Nolan) Principles of Public Life.

20.4 In certain circumstances, London Councils may under s.33 of the Localism Act 2011 grant a dispensation to permit a member to take part in the business notwithstanding that the member has a disclosable pecuniary interest relating to that business. These circumstances are where London Councils considers that:

- (i) without the dispensation so great a proportion of London Councils members would be prohibited from participating in that business as to impede London Councils transaction of that business;
- (ii) without the dispensation the representation of different political groups dealing with that business would be so upset as to alter the likely outcome of any vote;
- (iii) the granting of the dispensation is in the interests of people living in the London Councils' area;³
- (iv) without the dispensation each member of the London Councils Executive would be prohibited from participating in the business; or
- (v) it is otherwise appropriate to grant a dispensation.

20.5 If a member wishes to apply for a dispensation, they must make a written application to be received not less than three working days before the meeting setting out the grounds for the application to the officer responsible for processing such requests.⁴

20.6 A member must declare any private interests, both pecuniary and non-pecuniary, including membership of any Trade Union that relate to any public duties and must take steps to resolve any conflicts arising in a way that protects the public interest, including registering and declaring interests.

21 ANNUAL SUBSCRIPTIONS

21.1 London Councils Leaders' Committee shall by a majority of at least two-thirds of those representatives present at the meeting and entitled to a vote in respect of each of those functions, approve by no later than 31st January in each year the subscriptions or contributions payable by the London Local Authorities for each of the groups of functions set out in Schedule 2. If London Councils fails to agree by such date the subscriptions or contributions for the ensuing financial year, then that subscription or contribution shall be at

³ The London Councils area is that area covered by the London boroughs and the City of London

⁴ That person designated by the scheme of delegation, currently (June 2016) the Chief Executive

the same amount as the subscription for the current financial year. The annual budget (including any contingency sum) in respect of any function shall not be exceeded without the prior approval of a two-thirds majority of the representatives of those London Local Authorities who are present at the meeting to which the proposal to exceed the budget is under consideration and authorised to vote.

- 21.2 Contributions to the London Grants Scheme, at schedule 5 of the Leaders' Committee Governing Agreement (as substituted by the variation to that Agreement dated 1 February 2004).
- 21.3 Contributions to London Councils Transport and Environment Committee are as set out in the LCTEC Governing Agreement dated 13 December 2001 (as amended).
- 21.4 Any sectoral joint committee shall approve the subscriptions payable by each London Local Authority subscribing thereto in such a manner as shall be determined by such sectoral joint committee as set out in the London Councils Governing Agreement.

22 DELEGATIONS OF FUNCTIONS

- 22.1 London Councils, its associated joint committees, sectoral joint committees, or sub-committee thereof ~~and any Forum of London Councils~~ may delegate to officers such of their functions as are permissible under statute and may, in relation to any of those functions, require that the exercise of those functions be subject to such conditions as London Councils deems fit to impose, including, where appropriate, prior consultation with the Leading Member on London Councils of each political party or group before taking such action.

23 SUPPLY OF INFORMATION TO MEMBERS

- 23.1 Members of London Councils, its associated joint committees, sectoral joint committees or sub-committee thereof and any Forums of London Councils, shall be entitled to receive from officers such information as they may require in order to enable them to carry out their duties as members of such committee or sub-committee.
- 23.2 In addition, the leading members on London Councils of each political party or group shall be entitled to receive briefings and briefing papers from officers on the same basis as the Chair.

24 MEETINGS WITH OUTSIDE BODIES

- 24.1 A representative of each political party or group shall be entitled to be notified of and to attend any meeting with an outside body at which a Member of London Councils is present and which has been arranged on behalf of London Councils. (This Standing Order shall not apply to those meetings convened by political advisers.)

25 SUB-COMMITTEES, FORUMS ETC OF LONDON COUNCILS

- 25.1 London Councils shall establish sub-committees to discharge the functions set out in Schedule 2 and such further sub-committees, forums and consultative groups as it considers appropriate.
- 25.2 All or any of the London Local Authorities wishing to delegate a function to London Councils or any sectoral joint committee may request London Councils' consent to the delegation of such function in accordance with the terms of this Agreement, such consent not to be unreasonably withheld or delayed.
- 25.3 The terms of reference of any consultative group of London Councils shall be subject to the approval of London Councils.
- 25.4 The Chair and Deputy Chair of London Councils shall be ex-officio members of every and any sub-committee but shall not be entitled to speak or vote at such meetings in that capacity.

26 ACCESS TO MEETINGS AND DOCUMENTS

- 26.1 Admission of members of the public to meetings of London Councils, any associated committee, sectoral joint committee any sub-committee thereof and any Forum and access to documents thereof shall be in accordance with the Access to Information legislation in force from time to time.
- 26.2 Applications to film or record meetings of London Councils are requested 48 hours before the meeting. Filming will be permitted in accordance with The Openness of Local Government Bodies Regulations 2014 and any relevant guidance issued by the government at the relevant time.

27 SUSPENSION AND AMENDMENT OF STANDING ORDERS

Suspension

27.1 Any of these Standing Orders except Standing Orders 13.7, 14.2 and 27.2 may be suspended at any meeting, in respect of any business on the agenda for such meeting, provided that the majority of the representatives of authorities in membership of London Councils or its associated who are present and entitled to vote so decide PROVIDED THAT any suspension hereunder complies with any legislation in force from time to time.

Variation and Revocation

27.2 Any addition to, or variation or revocation of these Standing Orders shall be by majority vote of those present and entitled to vote at any meeting of London Councils or its associated committees. Any motion to vary or revoke these Standing Orders shall require confirmation at the next ordinary meeting of London Councils or associated committee as the case may be before the proposed variation or revocation shall have effect PROVIDED THAT any addition, variation or revocation hereunder complies with any legislation in force from time to time.

London Councils Leaders' Committee Governing Agreement

13 December 2001

DATED 13 December, 2001

[LONDON COUNCILS]¹

(LEADERS' COMMITTEE)²:

AGREEMENT

Standing Orders revised 7 June 2016

This joint committee approved the change of name from ALG to London Councils on 12 September 2006. In this agreement, references to 'Association of London Government' and 'ALG' have been replaced with 'London Councils'.

In addition, the joint committee established in accordance with the LCTEC Agreement referred to in Recital 1.10 below changed its name from the Association of London Government Transport and Environment Committee ("ALGTEC") to London Councils Transport and Environment Committee ("LCTEC") on 17 October 2006. In this agreement, references to "ALGTEC" have been replaced with "LCTEC".

Ref: PR 6602/21/LJ

¹ This joint committee approved the change of name from ALG to London Councils on 12 September 2006

² This joint committee is also referred to as Leaders' Committee because all of the London local authorities' leaders are represented

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³ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.
[Deleted: London Housing Unit Committee: Member Authorities]

⁴ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.
[Deleted: Functions of London Housing Unit Committee]

THIS AGREEMENT is made this 13th. day of December, 2001

BETWEEN THE Councils listed in Part 1 of Schedule 1 hereto in pursuance of arrangements made under section 101 (5), 101 (5B), 102, 111, 112, 113, 141 and 142 Local Government Act 1972; section 1 Local Authorities (Goods and Services) Act 1970; section 20 Local Government Act 2000; the Local Authorities (Arrangements for the Discharge of Functions) Regulations 2000⁵ and all other enabling powers

1. PRELIMINARY

1.1 By an Agreement dated 1 April, 2000 (the "First Agreement"), the local authorities named in Part 1 of Schedule 1, in the interests of co-ordinating more effectively the formulation of policy in relation to the functions referred to in the First Agreement and achieving greater efficiency in the use of their resources agreed to establish a joint committee under Sections 101 and 102 Local Government Act 1972 and agreed to delegate (subject to the exceptions and reservations set out in the Agreement) the functions listed in Schedule 2 to the joint committee and to name the joint committee the Association of London Government ("ALG")⁶

1.2 [...] ⁷

⁵ Reference to section 20 of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) Regulations 2000 should now be read as section 9EB of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012; those provisions having been substituted in England.

⁶ This joint committee approved the change of name from ALG to London Councils on 12 September 2006

⁷ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.

[Deleted: By the First Agreement, the local authorities named in Part 2 of Schedule 1 agreed to delegate the functions set out in Schedule 3 under section 8 Housing Act 1985; sections 101(12), 111 and 141 Local Government Act 1972; section 1 Local Authorities (Goods and Services) Act 1970 and any other express or implied enabling power, to a Sectoral joint committee named the London Housing Unit Committee which operates, in relation to the ALG, in accordance with the provisions of this Second Agreement which govern Sectoral joint committees. Any of the London Local Authorities listed in Part 1 of Schedule 1 may elect at any time to delegate the functions set out in Schedule 3 to the London Housing Unit Committee. Such delegation is hereby deemed a minor variation for the purposes of Clause

- 1.3 The local authorities listed in Part 1 of Schedule 1 are herein collectively named “the London Local Authorities”.
- 1.4 [London Councils] has acted from the date of the First Agreement as the Association of the London Local Authorities for the purposes set out in Part 1 of Schedule 2 and receiving subscriptions from the London Local Authorities under section 143 Local Government Act 1972
- 1.5 [The London Local Authorities are the constituent council for the purposes of section 48(1)(a) Local Government Act 1985 and by an agreement dated 1st February 2004 (“the Third Agreement) have agreed to establish a new Scheme for the making of grants to voluntary organisations in Greater London in accordance with the provisions of the Third Agreement.]⁸
- 1.6 The committee established to discharge various functions in accordance with section 48 Local Government Act 1985 is now known as the [London Councils] Grants Committee [and the Grants Scheme is set out in Schedule 2 of the Third Agreement]⁹
- 1.7 The London Local Authorities were the Participating Councils in the Transport Committee for London Agreement dated 15th January, 1998, (“TCfL Agreement”) and by the Agreement dated 1 April, 2000, varied the Transport Committee for London Agreement in accordance with Schedule 5 of the First Agreement
- 1.8 The Transport Committee for London is now known as the [London

15.4 and this Agreement shall thereafter be construed as if each of those London Local Authorities were listed in Part 2 of Schedule 1. Any of the London Local Authorities listed in Part 2 of Schedule 2 may at any time elect to revoke the delegation of the functions set out in Schedule 3 to the London Housing Unit Committee. Such revocation is hereby deemed a minor variation for the purposes of Clause 15.4 and this Second Agreement shall thereafter be construed as if that London Local Authority’s name were removed from Part 2 of Schedule 1.]

⁸ Substituted by the Third Agreement. Note the scheme has subsequently been amended further to minor variations agreed by London Councils (Leaders’ Committee) on 15 July 2014

⁹ Substituted by the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders’ Committee) on 15 July 2014

Councils] Transport and Environment Committee (“[LCTEC]¹⁰”)

- 1.9 By the First Agreement, [London Councils] was appointed under section 1 Local Authorities (Goods and Services) Act 1970 to employ the staff of [LCTEC], carry out all administrative and appropriate financial functions on its behalf, recover the costs thereof and the costs payable to [LCTEC] by the London Local Authorities listed in Part 1 of Schedule 1.
- 1.10 The London Local Authorities are the Participating Councils in the [LCTEC] Agreement of even date herewith (“[LCTEC] Agreement”) which amends the TCfL Agreement
- 1.11 The functions of some of the London Local Authorities set out in Schedule 2 [...] ¹¹ are the responsibility of the executive of those authorities under executive arrangements adopted for the purposes of section 10 Local Government Act 2000 while the functions of other authorities remain the responsibility of the authorities themselves
- 1.12 It is expedient that any London Local Authority which should adopt executive arrangements after the date of this Agreement should be able through arrangements made by their mayors, executives, members of executives, committees of executives, executive leaders or council managers (as appropriate) to continue as parties to this Second Agreement

IT IS HEREBY AGREED AS FOLLOWS:

¹⁰ The Association of London Government Transport and Environment Committee (“ALGTEC”) approved the change of name to London Councils Transport and Environment Committee (“LCTEC”) on 17 October 2006

¹¹ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders’ Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders’ Committee) decision on 11 December 2007 to reduce the notice period for termination.
[Deleted: and 3]

2. COMMENCEMENT AND DURATION

2.1 This Agreement shall commence on 13 December, 2001 (“the Commencement Date”) and shall continue until terminated in whole or in part in accordance with the provisions of Clause 13.

3. DEFINITIONS AND INTERPRETATION

3.1 In this Agreement:

[...] ¹²

“associated committees of [London Councils]” means the [London Councils] Grants Committee and the [LCTEC] which shall operate, in relation to [London Councils], in accordance with the [London Boroughs] ¹³ Grants Scheme ([as set out in full at Schedule 2 of the Third Agreement] ¹⁴) and the [LCTEC] Agreement.

“constituent councils” means the London borough councils and the Common Council, which have made the [London Boroughs] ¹⁵ Grants Scheme, as permitted by section 48 Local Government Act 1985.

“Leader” means the person vested from time to time (in accordance with law and the applicable constitutional arrangements) with the political leadership, for the purposes of this Agreement, of each of the London Local Authorities listed in Part 1 of Schedule 1

[“London Councils” means the joint committee appointed in accordance

¹² This joint committee approved the change of name from ALG to London Councils on 12 September 2006. [Deleted: “ALG” means the Association of London Government, the joint committee appointed in accordance with Clause 1.1.]

¹³ The London Boroughs Grants Scheme has been superseded by the Grants Scheme which was established by the Third Agreement. Note further amendments to the Grants Scheme were approved by London Councils (Leaders’ Committee) on 15 July 2014

¹⁴ Substituted by the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders’ Committee) on 15 July 2014

¹⁵ The London Boroughs Grants Scheme has been superseded by the Grants Scheme which was established by the Third Agreement. Note further amendments to the Grants Scheme were approved by London Councils (Leaders’ Committee) on 15 July 2014 as permitted under clause 9.1 of the Grants Scheme.

with Clause 1.1]¹⁶

“Panels of [London Councils]” means the sub-committees appointed by [London Councils] to discharge any of functions delegated to [London Councils] under Clause 1.1 above.

“Parties” means the parties to this Agreement, that is the London Local Authorities listed in Part 1 of Schedule 1

“Sectoral joint committee” means a joint committee appointed under section 102 Local Government Act 1972 to discharge functions which a minimum of three and a maximum of 32 of the London Local Authorities have agreed to delegate to it, whose terms of reference have been approved by [London Councils] and which shall operate, in relation to [London Councils], in accordance with this Agreement.

- 3.2 The Schedules to this Agreement are intended to form part of this Agreement.
- 3.3 Words importing the singular shall include the plural and *vice versa*. Words importing any gender shall include both genders. Words importing persons shall include bodies corporate, unincorporated associations and partnerships.
- 3.4 Clause headings are inserted for ease of reference only and shall not affect the interpretation of this Agreement.
- 3.5 A reference to any statute or statutory provision includes a reference to all statutory instruments or orders made pursuant to it and includes a reference to that statute, statutory provision, instrument or order as amended, extended, re-enacted or consolidated from time to time.

¹⁶This joint committee approved the change of name from ALG to London Councils on 12 September 2006

3.5 In the event of any conflict between Clauses 1-15 and the Schedules to this Agreement, the provisions of Clauses 1-15 shall prevail.

4. MEMBERSHIP AND STANDING ORDERS OF [LONDON COUNCILS] AND SECTORAL JOINT COMMITTEES

4.1 Each London Local Authority shall appoint its Leader as its representative to [London Councils] and shall be entitled to appoint deputy representatives in accordance with Schedule 6.

4.2 [London Councils] may admit to membership such representatives of such other bodies as it considers appropriate from time to time in accordance with Schedule 6.

4.3 The functions set out in Schedule 2 shall whenever appropriate be discharged by Panels of [London Councils] constituted in accordance with Schedule 6.

4.4 [...] ¹⁷

4.5 [Each London Local Authority shall appoint an appropriate elected representative to any sectoral joint committee and shall be entitled to appoint deputy representatives in accordance with Schedule 6.] ¹⁸

4.6 [...] ¹⁹

¹⁷ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.

[Deleted: The members of the London Housing Unit Committee established to discharge the functions set out in Schedule 3 shall be the Leaders from time to time of each of the London Local Authorities set out in Part 2 of Schedule 1.]

¹⁸ Substituted further to minor variations approved by London Councils (Leaders' Committee) on 15 July 2014

¹⁹ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.

4.7 Each Sectoral joint committee may admit to membership such representatives of such other bodies as it considers appropriate from time to time in accordance with Schedule 6.

4.8 The members of [London Councils] Grants Committee shall be appointed by the constituent councils in accordance with [the Grants Scheme as set out in Schedule 2 of the Third Agreement]²⁰.

4.8 The Standing Orders of [London Councils] are set out in Schedule 6

5. MEETINGS AND PROCEEDINGS OF [LONDON COUNCILS]

5.1 [London Councils shall hold a minimum of 2 meetings each year, one of which shall be an annual general meeting.]²¹

5.2 Subject to Clause 5.1, meetings of [London Councils] shall be called in accordance with the Standing Orders set out in Schedule 6 and the procedure to be adopted at such meetings shall be determined in accordance with Schedule 6.

5.3 [Each sectoral joint committee established hereunder from time to time shall hold a minimum of 2 meetings a year, at times to be determined by the Committee.]²²

6. LEAD AUTHORITY FUNCTIONS

6.1 Subject to the provisions of this Clause 6, [London Councils] may appoint

[Deleted: The discharge of the functions set out in Schedule 3 (with the exceptions of the functions of approval of cross-cutting and strategic policy in relation thereto, as determined by the London Housing Unit Committee from time to time, and approval of the budget thereof, which are hereby reserved to the London Housing Unit Committee) shall be delegated by the London Housing Unit joint committee to a sub-committee which shall be constituted in accordance with Schedule 6.]

²⁰ Substituted by the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders' Committee) on 15 July 2014

²¹ Substituted further to minor variations approved by London Councils (Leaders' Committee) on 15 July 2014

²² Substituted further to minor variations approved by London Councils (Leaders' Committee) on 15 July 2014

one or more of the London Local Authorities to discharge all or any of the Lead Authority functions as set out in Schedule 4 on behalf of [London Councils], any Sectoral joint committee or (subject to the provisions of Schedule 5 and the [LCTEC] Agreement) either associated committee.

- 6.2 In the event that a London Local Authority acting or appointed hereunder withdraws its consent to discharge a Lead Authority function, it shall give (unless otherwise agreed in writing), not less than six calendar months' notice in writing (to expire on 31st March) of its intention to do so to [London Councils].
- 6.3 The decision to terminate the appointment of a London Local Authority in respect of any Lead Authority function shall be by a majority vote of [London Councils].
- 6.4 Subject to Clause 6.5 below and notwithstanding any service level agreement in force at the date of this Agreement, any termination pursuant to Clause 6.3 may be made by [London Councils] giving (unless otherwise agreed in writing) not less than six calendar months' notice in writing (to expire on 31st March) to the Lead Authority of its intention to terminate the appointment and may be given at any time.
- 6.5 Notwithstanding Clause 6.4, if the London Local Authority is in material breach of any of its obligations in respect of a Lead Authority function (whether the obligation is contained in this Agreement or in any service level agreement for the time being), any such termination pursuant to Clause 6.3 may be made at any time thereafter by [London Councils] giving not less than one calendar month's notice in writing to the London Local Authority of its intention to terminate the appointment.
- 6.6 Notwithstanding Clause 6.2, if [London Councils] is in material breach of

any of its obligations to the London Local Authority (whether the obligation is contained in this Agreement or in any service level agreement) the London Local Authority may withdraw its consent to act in respect of a Lead Authority function by giving not less than three calendar months' notice in writing to [London Councils] of its intention to withdraw its consent.

- 6.7 [London Councils] shall reimburse each London Local Authority appointed under this Clause 6 all costs, charges and expenses (inclusive of VAT correctly levied) incurred in the provision of any services in connection with a Lead Authority function by that London Local Authority (or arising /outstanding in respect of any Lead borough function performed by any London Local Authority prior to the Commencement Date of this Second Agreement) within 30 days of receipt of invoices submitted by it to [London Councils]
- 6.8 The reimbursement payable by [London Councils] to each London Local Authority appointed or acting under this Clause 6 shall be subject to audit by [London Councils] and its authorised representatives and the London Local Authority shall on request make available all accounts, records and other documents reasonably required for such purpose.
- 6.9 Upon the termination of any appointment of a London Local Authority under this Clause 6, howsoever occasioned, the London Local Authority shall be entitled to payment from [London Councils] of any outstanding costs reasonably incurred in the performance of its duties in respect of a designated council and/or Lead Authority function.
- 6.10 [The Common Council of the City of London shall discharge the designated council function in accordance with section 42(2)(a) Local Government Act 1985 and the Grants Scheme as set out in Schedule 2 of

the Third Agreement]²³

7. OBLIGATIONS OF [LONDON COUNCILS] AND SECTORAL JOINT COMMITTEES

- 7.1 [London Councils] shall discharge the functions set out in Schedule 2 and the functions delegated to it under the [Grants Scheme]²⁴, together with such further functions as all of the London Local Authorities shall resolve to delegate to it, and, in so doing, shall act in the collective interests of the London Local Authorities which subscribe to each of those functions. [London Councils] shall also act as the Association of the London Local Authorities.
- 7.2 Each Sectoral joint committee established hereunder from time to time shall discharge the functions which have been delegated to it by the London Local Authorities which have agreed to subscribe to such Sectoral joint committee and, in doing so, shall act in the collective interests of those London Local Authorities.
- 7.3 [London Councils] and ([subject to Schedule 2 of the Third Agreement]²⁵ and the [LCTEC] Agreement) each associated and Sectoral joint committee established hereunder from time to time shall comply with the Standing Orders set out in Schedule 6, the Financial Regulations set out in Schedule 7 and the financial arrangements set out in Clauses 11 and 12 and Schedule 8.
- 7.4 [London Councils] shall appoint a Chief Executive, and a Finance Officer on terms to be agreed by [London Councils]. The Finance Officer appointed hereunder shall be responsible for the proper administration of [London Councils] financial affairs and (subject to Schedule 5 and the

²³ Substituted by the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders' Committee) on 15 July 2014

²⁴ Substituted by the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders' Committee) on 15 July 2014

²⁵ Substituted by the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders' Committee) on 15 July 2014

[LCTEC] Agreement) those of the associated and any Sectoral joint committees established hereunder from time to time.

7.5 [The Finance Officer shall make appropriate arrangements to procure the audit of the annual accounts of London Councils and (subject to Schedule 5 and the LCTEC Agreement) the associated committees and any Sectoral joint committee at the end of each financial year by an Auditor approved by London Councils Copies of audited accounts shall be provided to London Councils the associated committees and any Sectoral joint committee and sent to each of the London Local Authorities.]²⁶

8 OBLIGATIONS OF LONDON LOCAL AUTHORITIES

8.1 Each London Local Authority shall:

8.1.1 contribute to the costs and expenses of [London Councils] and any Sectoral joint or associated committee established hereunder from time to time of which that London Local Authority is a member in accordance with the provisions of Clause 12 and Schedule 8.

8.1.2 provide [London Councils] and any Sectoral joint or associated committee with such information as is required by [London Councils] to carry out the functions referred to in Clauses 7.1 and 7.2 and to recover costs in accordance with Schedule 8.

9 STAFF

9.1 [London Councils] shall appoint such staff as they think necessary for the discharge by [London Councils] of the functions set out herein

9.2 [...] ²⁷

²⁶ Substituted further to minor variations agreed by London Councils (Leaders' Committee) on 2nd June 2015

²⁷ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to

10 ASSETS AND LIABILITIES

10.1 The assets and liabilities which vested in [London Councils] prior to the Commencement Date shall continue to so vest following the Commencement Date

11. FINANCIAL ARRANGEMENTS

11.1 In October of each year (or such other date as shall be agreed by [London Councils]). [London Councils] shall send the draft budgets for the following financial year for each of the groups of functions set out in Schedules 2 and 4 (to include the designated council function in respect of the [Grants Scheme]²⁸) for comment by the London Local Authorities listed in Part 1 of Schedule 1 as London Local Authorities subscribing to each of those groups of functions. The budget for each group of functions shall be finalised and approved in December of each year (or such other date as shall be agreed by [London Councils]) in accordance with paragraph 21.1 of Schedule 6.

11.2 [London Councils] shall send the budgets for the London Boroughs [Grants Scheme]²⁹ and [LCTEC] in accordance with the [LCTEC] Agreement and the [Grants Scheme]³⁰

11.3 [The budget for each sectoral joint committee established hereunder from time to time shall send the draft budget for the following financial

integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination. [Deleted: The London Local Authorities listed in Part 2 of Schedule 1 shall indemnify and keep indemnified the London Local Authorities which do not subscribe to the functions set out in Schedule 3 against any and all costs, liabilities and expenses arising after the Commencement Date in respect of the staff employed to discharge the Schedule 3 functions.]

²⁸ Substituted by the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders' Committee) on 15 July 2014

²⁹ Substituted by the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders' Committee) on 15 July 2014

³⁰ Substituted by the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders' Committee) on 15 July 2014 and also note that the London Borough Grants Scheme has been succeeded by the Grants Scheme

year for the functions delegated to such sectoral joint committee for comment. The budget shall be approved by a simple majority of members of the sectoral joint committee who are present at the meeting. The budget shall be finalised and approved in sufficient time to be reported to London Councils in December each year. The annual budget (including any contingency sum) in respect of any function shall not be exceeded without the prior approval of a simple majority of the representatives of those London Local Authorities who are present at the meeting at which the proposal to exceed the budget is under consideration.]³¹

- 11.4 [London Councils] and any Sectoral joint committee shall cause proper accounts to be kept in respect of the functions discharged by [London Councils], either associated joint committee (in respect of any accounting responsibilities of [London Councils] in relation thereto) and any Sectoral joint committee established hereunder from time to time and shall make all accounts records and other documentation available for inspection by any London Local Authority on request.
- 11.5 Whenever any sum of money is recoverable by [London Councils] from, or payable by a London Local Authority to [London Councils] in respect of any of the groups of functions set out in Schedules 2 - 5, it may be deducted from any sum then due to that London Local Authority from [London Councils] in respect of that group of functions and *vice versa*.
- 11.6 [London Councils] shall cause to be maintained a separate balance sheet in the name of [London Councils] in respect of all payments received from the London Local Authorities in respect of each of the groups of functions set out in Schedules 2 [...] ³² and 5, such payments to be held as

³¹ Substituted further to minor variations approved by London Councils (Leaders' Committee) on 15 July 2014

³² Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with

nominee for the London Local Authorities from which they have been received.

12 COSTS AND EXPENSES

12.1 The costs and expenses of [London Councils], either associated committee and any Sectoral joint committee appointed hereunder from time to time in discharging the functions delegated to them hereunder shall be reimbursed by the London Local Authorities in accordance with the provisions of Schedule 8. For the avoidance of doubt, the consent of all the London Local Authorities subscribing to each of the functions set out in Schedule 2 shall be required to change the basis on which costs are apportioned between them in respect of each of those functions.

12.2 [London Councils] shall notify each of the London Local Authorities by not later[...]³³ than 31st. January each year in respect of any other function, of the amount due from that London Local Authority under Clause 12.1, such notification to include a breakdown of the sums payable in respect of each of the groups of functions set out in Schedule 2 [...] ³⁴ and the date on which payment is due.

12.3 Interest shall accrue at the rate of 2 per cent above the base rate for the

effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.

[Deleted: - 3]

³³ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.

[Deleted: than 31st. December in each year, unless otherwise agreed, in respect of the Schedule 3 functions and not later]

³⁴ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.

[Deleted: and 3]

time being of National Westminster Bank PLC on all amounts due to [London Councils] under Clause 12.1 from the due date until the date of payment in full inclusive.

12.4 In the event of any disagreement as to the amount of costs and expenses to be borne by any London Local Authority under Clause 12.1 and Schedule 8, the London Local Authority in dispute shall, not later than 14th. February, or a date agreed with the Finance Officer, notify the Finance Officer of the nature of the dispute and shall provide full supporting reasoning and documentation as appropriate to the Finance Officer. The Finance Officer and the London Local Authority shall thereafter use all reasonable endeavours to resolve the dispute. In the event that the dispute remains unresolved on 14th. March or a date to be agreed with the Finance Officer, the matter may be referred by either party to such independent CIPFA Accountant of not less than ten years' standing as the parties to the dispute shall agree. Any such independent CIPFA Accountant shall be deemed to act as expert and not as arbitrator and his/her determination shall, in the absence of manifest error, be binding on [London Councils] and the London Local Authority. In the event that the dispute is resolved at first instance by the Finance Officer, or by the CIPFA Accountant in favour of the London Local Authority, interest shall not be payable on any outstanding sums. In the event that the dispute is resolved in favour of [London Councils] by the CIPFA Accountant, interest shall accrue on all outstanding payments in accordance with Clause 12.3 The costs of dispute resolution hereunder shall be met by the unsuccessful party PROVIDED THAT in the event that any dispute under this Clause 12.4 is in respect of the amounts payable by the London Local Authorities as subscriptions to [...] ³⁵any Sectoral

³⁵ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous

joint committee, or is in respect of the allocation of costs by [London Councils] between [London Councils] functions and those of any Sectoral joint committee, references in this Clause to “the London Local Authority” shall be construed as references to the person nominated for the purpose of dispute resolution by the Chair of [...]³⁶ any Sectoral joint committee.

13 TERMINATION AND BREACH

13.1 The termination of this Agreement or any part thereof, however caused, and the serving of notice to terminate shall be without prejudice to any obligations or rights of any of the parties which have accrued prior to such termination and shall not affect any provision of this Agreement which is expressly or by implication provided to come into effect after such termination.

13.2 Without prejudice to any other rights or remedies, this Agreement or the relevant part thereof shall terminate on the earlier of:

13.2.1 the unanimous agreement of all the London Local Authorities which are subscribers to any of the groups of functions listed in Schedule 2 [...]³⁷ or any Sectoral joint committee;

agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.

[Deleted: any functions listed in Schedule 3]

³⁶ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.

[Deleted: the London Housing Unit Committee or]

³⁷ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.

[Deleted: -3]

13.2.2 where by reason of any change in law, or other reason not attributable to the fault of the London Local Authorities, they shall be prohibited from giving effect to their obligations hereunder.

13.3 This Agreement may be terminated by [London Councils] by a two-thirds majority of those members present and voting in relation to any London Local Authority in respect of any of the groups of functions set out in Schedule 2 or any future functions which are delegated to [London Councils], and shall be terminated in relation to any London Local Authority at the request of the Chair of a Sectoral joint committee following a decision to terminate by that Sectoral joint committee in respect of the functions discharged by such Sectoral joint committee, by written notice to that London Local Authority effective on receipt on the occurrence of any of the following events:

13.3.1 that London Local Authority materially breaches any of the provisions of this Agreement and, in the case of a breach capable of remedy, fails to remedy the same within 28 days of being notified of the breach by [London Councils] and being required to remedy the same; or

13.3.2 where by reason of any change of law or other reason not attributable to the fault of the London Local Authority, that Authority shall be unable to give effect to its obligations hereunder.

13.4 This Agreement may be terminated by any London Local Authority in respect of any of the groups of functions set out in Schedule 2 [...] ³⁸ by that London Local Authority giving one year's notice in writing to [London Councils] to expire on 31st. March.

³⁸ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination. [Deleted: and 3]

PROVIDED THAT if at any time the number of members of [London Councils] is less than 33, the functions and consultations which are hereby discharged by [London Councils] in relation to the [...] ³⁹ Grants Committee and [LCTEC] shall continue to be discharged by a joint committee of all the London Local Authorities listed in Part 1 of Schedule 1 which shall meet immediately prior to each of the meetings of [London Councils] referred to in Clause 5.1.

13.5 In the event of termination under Clause 13.3 or 13.4, in addition to any outstanding subscriptions, the London Local Authority shall pay to [London Councils] such sum as represents the contribution to the capitalised value of that proportion of the continuing and outstanding liabilities of [London Councils] and/or any Sectoral joint committee which extend beyond such termination which is properly attributable to that London Local Authority's membership.

14. **DISSOLUTION**

14.1 In the event of dissolution of [London Councils] and/or any Sectoral joint committee, the assets thereof, after settlement of all outstanding debts, liabilities and costs or, if none, the liabilities thereof, shall be distributed amongst the London Local Authorities by [London Councils] and/or such Sectoral joint committee in proportion to the contributions of each of the London Local Authorities hereunder.

15. **GENERAL**

15.1 **Notices**

All notices which are required to be given or received hereunder shall be in writing addressed to the Chief Executive of [London Councils] or the

³⁹ [Deleted: "ALG"] as this joint committee approved the change of name from ALG to London Councils on 12 September 2006

London Local Authority, as the case may be. Any such notice may be delivered personally or by first class pre-paid letter or by facsimile transmission and shall be deemed to have served if by personal delivery, when delivered, if by first class post, 48 hours after posting and if by facsimile transmission, on successful transmission.

15.2 **Continuing Agreement**

All provisions of this Agreement shall, so far as they are capable of being performed and observed, continue in full force and effect notwithstanding termination, except in respect of those matters then already performed.

15.3 **Good Faith**

Each of the Parties undertakes with each of the others to act in good faith and to do all things reasonably within its powers which are necessary or desirable to give effect to the spirit and intent of this Agreement.

15.4 **Variations**

No variation to this Agreement, other than variations which [[London Councils] (or any Sectoral joint committee in respect of any matters which fall to be discharged solely by any such Sectoral joint committee) reasonably considers to be minor, shall be valid or effective unless made by one or more instruments in writing signed by all the Parties.

15.5 **Waiver**

No failure to exercise and no delay in exercising on the part of any of the Parties hereto any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise

of any other right, power or privilege. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies unless otherwise provided by law.

15.6 Severability

Notwithstanding that any provision of this Agreement may prove to be illegal or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect.

16 EXECUTION

16.1 This Agreement is executed by each Party by signing the annexed Memorandum of Participation on behalf of that Party and such Memorandum of Participation shall be evidence of execution by that Party when Memoranda executed by all the Parties are incorporated into this Agreement.

SCHEDULE 1

PART 1

THE LONDON LOCAL AUTHORITIES

The City of Westminster

The London Borough of Barking and Dagenham

The London Borough of Barnet

The London Borough of Bexley

The London Borough of Brent

The London Borough of Bromley

The London Borough of Camden

The London Borough of Croydon

The London Borough of Ealing

The London Borough of Enfield

The London Borough of Greenwich

The London Borough of Hackney

The London Borough of Hammersmith and

Fulham The London Borough of Haringey

The London Borough of Harrow

The London Borough of Havering

The London Borough of Hillingdon

The London Borough of Hounslow

The London Borough of Islington

The Royal Borough of Kensington & Chelsea

The Royal Borough of Kingston-upon-Thames

The London Borough of Lambeth

The London Borough of Lewisham

The London Borough of Merton

The London Borough of Newham

The London Borough of Redbridge

The London Borough of Richmond upon Thames

The London Borough of Southwark

The London Borough of Sutton

The London Borough of Tower Hamlets

The London Borough of Waltham Forest

The London Borough of Wandsworth

The Mayor and Commonalty and Citizens of the City of London

SCHEDULE 1

PART 2

[...] ⁴⁰

⁴⁰Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.
[Deleted: LONDON HOUSING UNIT COMMITTEE Member Authorities

The London Borough of Barnet The London Borough of Brent The London Borough of Camden The London Borough of Croydon The London Borough of Ealing The London Borough of Enfield
The London Borough of Greenwich The London Borough of Hackney
The London Borough of Hammersmith and Fulham The London Borough of Haringey
The London Borough of Havering The London Borough of Hillingdon The London Borough of Hounslow
The London Borough of Islington The London Borough of Lambeth The London Borough of Lewisham The London Borough of Merton The London Borough of Newham The London Borough of Redbridge The London Borough of Southwark
The London Borough of Tower Hamlets
The London Borough of Waltham Forest]

SCHEDULE 2

PART 1 FUNCTIONS

1. To consult on the common interests of the London Local Authorities and to discuss matters relating to local government.
2. To represent the interests of the London Local Authorities to national and local government, to Parliament, to the European Union and other international organisations and to other bodies and individuals, and to negotiate as appropriate on behalf of member authorities.
3. To formulate policies for the development of democratic and effectively managed local government.
4. To provide forums for the discussion of matters of common concern to the London Local Authorities and a means by which their views may be formulated and expressed.
5. To appoint representatives or staff to serve on any other body.
6. To represent the interests of the London Local Authorities as employers.
7. To provide services to the London Local Authorities including the dissemination of information on local government and on other relevant issues.
8. To provide information to the public, individuals and other organisations on the policies of the [London Councils] and local government issues relevant to London.
9. To act as the regional body of the Local Government Association.

SCHEDULE 2

PART 2: FUNCTIONS

Generally

1. To act for, and on behalf of, London Local Authorities in their role as employers, through the provision and development of a range of services including in particular:
 - i. Advice on the application and interpretation of national and provincial agreements covering administrative, professional, technical and clerical employees; manual employees, craft employees; and other local government employees;
 - ii. Advice on best practice in the conduct of employment relations and personnel procedures;
 - iii. Policy advice on development and training matters;
 - iv. Advice and information across the range of development and training activities;
 - v. The organisation and delivery of regional and individual local authority training courses/seminars and similar activities;
 - vi. Research and information on human resources, development and funding;
 - vii. Advice on health, safety and welfare matters;
 - viii. To represent the view of London local authorities on pay and conditions of service to the national negotiating bodies; and to advise London representatives on the same bodies.

- ix. To co-operate with The Improvement & Development Agency, The Employers' Organisation, local authority regional and provincial employer organisations, and other relevant local authority bodies;
- x. To provide professional advice to the employer's side of the Greater London Provincial Council and the Greater London Joint Negotiating Committee;
- xi. To provide a conciliation and arbitration role in the resolution of industrial relations disputes;
- xii. To exchange information and opinion with other organisations and to provide a human resource service to Associate and Subscriber Members and other contracted bodies.

Specifically:

1. To appoint members to represent [London Councils] on the Greater London Provincial Council in such numbers as are provided for in the constitutions of those joint bodies.
2. To secure, as far as it is possible, the largest possible measure of joint action, as between member authorities, for the consideration of pay and terms and conditions of service for those employees of member authorities falling within purview of the Greater London Provincial Council.
3. To represent the views of the Boroughs on pay and terms and conditions of service for employees to the national negotiating body.
4. To consider any other appropriate matters referred to it by constituent bodies relating to the terms and conditions of employment of employees

in its scope.

5. To co-operate as appropriate with other Provincial Employers or other appropriate bodies in matters of common interest.

SCHEDULE 2

PART 3: GENERAL FUNCTIONS

1. To do anything which is calculated to facilitate, or is conducive or incidental to, any of its functions under this Agreement and to discharge such other functions as can be lawfully discharged in accordance with [Clause 7.1]⁴¹ of this Agreement.
2. To employ such staff on such terms and conditions of employment as [London Councils] considers appropriate to discharge the functions set out in Schedules 2 and 3, the functions discharged by the associated committees of [London Councils] and any further functions which are delegated to [London Councils] or a Sectoral joint committee by all or any of the London Local Authorities; to accept such staff on secondment from any of the London Local Authorities for any of these purposes as [London Councils] considers appropriate and to procure accommodation for the purposes of this Agreement.
3. To enter into contracts for goods, works and services in relation to any aspect of the functions hereunder or such other functions as [London Councils] can lawfully discharge and to enter into service level agreements with any of the London Local Authorities or any other body in relation thereto.
4. To implement, in respect of the functions delegated to [London Councils]⁴² by the London Local Authorities hereunder, any duties or

⁴¹ This paragraph incorrectly refers to Clause 1.1.4 which does not exist in this Agreement and is amended to correctly refer to Clause 7.1 which relates to the delegation of the exercise of further functions. It appears that when this schedule was copied over from the First Agreement, the reference to clause 1.1.4 wasn't updated to reference the equivalent clause in this Agreement.

⁴² This joint committee approved the change of name from ALG to London Councils on 12 September

powers arising under the Best Value regime under the Local Government Act 1999.

PROVIDED THAT in discharging the Functions, [London Councils] shall ensure that in all its activities, [London Councils] and all its committees, representatives, staff and advisers pay full regard to the promotion of equal opportunities for all regardless of colour, creed, disability, gender, race or sexual orientation.

SCHEDULE 3

[...] ⁴³

SCHEDULE 4

LEAD AUTHORITY FUNCTIONS

1. To procure or provide such professional advice including but not limited to financial, IT, legal, surveying and personnel as [London Councils] may require for the due and proper execution of its duties
2. To provide or procure accommodation for the purposes of [London

⁴³ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.

[Deleted: **LONDON HOUSING UNIT COMMITTEE FUNCTIONS**

1. The Committee shall be concerned with the statutory powers and duties (hereinafter referred to as "functions") of Constituent Councils and the housing activities of other agencies, primarily to assist Constituent Councils to discharge their statutory housing functions.
2. The Committee shall also be concerned with the housing functions of councils generally and the housing activities of other housing agencies where it is to the benefit of the Constituent Councils in undertaking their statutory housing functions.
3. The activities of the Committee shall include:
 - (a) provision, organisation and co-ordination of housing publicity and information on issues relevant to member authorities;
 - (b) research and analysis on housing matters;
 - (c) evaluation and analysis on housing policy and service issues;
 - (d) other appropriate activities consistent with or contributing to the housing duties and functions of the Constituent Councils.
4. To carry out for and on behalf of Constituent Councils or other appropriate bodies or to assist Constituent Councils or other appropriate bodies to carry out investigations into and the collection of information relating to the housing functions of the Constituent Councils and the housing activities of other appropriate bodies.
5. To make for and on behalf of Constituent Councils or to assist in making arrangements for such information and the results of such investigations to be made available to Constituent Councils, other local authorities, any government department, other appropriate bodies or the public.
6. To assist the Constituent Councils in giving publicity to their functions and the amenities and/or advantages of and entitlements affecting their area individually and/or collectively.

To provide professional administrative and technical assistance to the Constituent Councils or other appropriate bodies in the preparation and implementation of specific projects proposed to be undertaken by one or more such Councils or other appropriate bodies.]

Councils]

3. To employ staff to undertake any [London Councils] function and/or to provide payroll facilities and access to pension arrangements for staff employed by [London Councils]
4. To negotiate and execute contracts in respect of goods, works, services and property transactions on behalf of the [London Councils] on request
5. To institute and defend in its own name any court proceedings on behalf of [London Councils] on request
6. Such other functions as may be agreed by [London Councils]

Schedule 5

[...] ⁴⁴

SCHEDULE 6

STANDING ORDERS

<http://www.londoncouncils.gov.uk/who-we-are/about-us/governance/constitutional-information>

]⁴⁵

⁴⁴ The Grants Scheme is set out in Schedule 2 of the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders' Committee) on 15 July 2014 [Previous schedule wording deleted]

⁴⁵ The Standing Orders have been amended a number of times since 2001. The current version was approved by London Councils (Leaders' Committee) on 15 July 2014 and includes amendments approved by London Councils (Leaders' Committee) on 2 June 2015.

SCHEDULE 7

[FINANCIAL REGULATIONS]⁴⁶

<http://www.londoncouncils.gov.uk/who-we-are/about-us/governance/constitutional-information>

⁴⁶ The Financial Regulations have been reviewed a number of times. This schedule includes the latest revisions approved by the London Councils (Leaders' Committee) on 2 June 2015

SCHEDULE 8

COSTS AND EXPENSES

1. General:

- 1.1 [London Councils] shall establish and maintain separate accounts for each of the groups of functions set out in Parts 1 – 3 of Schedule 2 [...] ⁴⁷ and Schedule 5 [the Common Council of the City of London] ⁴⁸) and any other functions delegated to [London Councils] or any Sectoral joint committee. [London Councils] and the Finance Officer shall have regard at all times to the principle underlying this Agreement of separation and ring-fencing of funding streams and costs of functions.
- 1.2 Subject to paragraph 2 below, the costs and expenses of the groups of functions set out in Parts 1 and 2 of Schedule 2 and Schedule 3 shall be borne by the London Local Authorities which subscribe to each of those groups of functions on the same basis as that on which they were allocated prior to the Commencement Date i.e. in equal shares, and any change in such allocation shall require the consent of all the London Local Authorities which subscribe to each of those groups of functions.
- 1.3 Subject to paragraph 2 below, the costs and expenses of the functions set out in Part 3 of Schedule 2 shall be borne by the London Local Authorities in such proportions as [London Councils] shall reasonably determine relates directly to the discharge of those functions, having

⁴⁷ Terminated under clause 13.2.1 following the dissolution of the London Housing Unit Committee with effect from 31 March 2008 in accordance with the decision of the Executive on 29 September 2006 to integrate the LHUC services into the core London Councils (Leaders' Committee) services, the unanimous agreement of the LHUC members on 13 November 2007 to dissolve the LHUC and London Councils (Leaders' Committee) decision on 11 December 2007 to reduce the notice period for termination.
[Deleted: , Schedule 3]

⁴⁸ Note, with reference to the Third Agreement, the Common Council of the City of London agreed to act as designated council with effect from 1st April 2004

regard to paragraph 1.1 above.

- 1.4 The allocation of costs and expenses in respect of any further functions which may be delegated to [London Councils] by all or any of the London Local Authorities shall be as agreed between [London Councils] and such Authorities
- 1.5 Subject to paragraph 2 below, the contributions of the constituent councils to the designated council in respect of grants made to eligible voluntary organisations under the [Grants Scheme]⁴⁹, the designated council function and any Lead Borough functions carried out by the designated council shall be in accordance with Section 48(3) Local Government Act 1985, i.e. in proportion to the populations of their respective areas
- 1.6 Subject to paragraph 2 below, the contributions of the Participating Councils in the [LCTEC] Agreement shall be in accordance with Parts 1 - 4 of Schedule 6 of that Agreement

2. Increases or Decreases in staffing , administration and accommodation costs

- 2.1 Any net increases in overheads including staffing, administration, accommodation costs (including fitting-out) and all reasonably related costs which result from the formation of [London Councils] and the delegation of the functions set out herein to [London Councils] which in [London Councils'] reasonable opinion and that of the Finance Officer are not directly attributable to the discharge of the functions or an improvement in the service received by a particular function as a result of the formation of [London Councils] shall be borne by an increase in

⁴⁹ Substituted by the Third Agreement. Note further amendments to the scheme were approved by London Councils (Leaders' Committee) on 15 July 2014

the subscription payable by each London Local Authority in respect of the Schedule 2 Part 1 functions, such increase to be allocated to the London Local Authorities in equal shares.

- 2.2 Any savings which, in the reasonable opinion of [London Councils], accrue from the creation of [London Councils] and the delegation to it of the functions set out herein shall accrue to the budget for the particular function(s) in which such savings are found

September 2020

LONDON COUNCILS¹

SCHEDULE 7

FINANCIAL REGULATIONS

Key points/message

All Corporate and Programme Directors shall ensure that the Financial Regulations are strictly observed within their Directorates and Divisions and shall arrange for all necessary staff training.

Any employee who knowingly or by negligence breaches these regulations may be subject to disciplinary action.

¹ The term *London Councils* throughout this document refers only to Leaders' Committee,

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1 Definitions

- 1.1 The Chief Executive means the officer appointed pursuant to Clause 7.4 of the London Councils Agreement or, wherever appropriate, his nominated representative.
- 1.2 The Finance Officer² means the officer appointed pursuant to Clause 7.4 who shall be the "Responsible Financial Officer" as defined by Regulation 2(2) of the Accounts and Audit Regulations 1996.
- 1.3 The Organisation means London Councils, any Sectoral joint committees and any associated committees.

2 General

- 2.1 These financial regulations are designed to detail the responsibilities, procedures and working practices adopted under this Agreement and provide essential information in relation to day to day financial administration.
- 2.2 The Chief Executive and the Finance Officer have a responsibility to establish within the Organisation strong internal control procedures so that activities are conducted in an efficient, effective and well-ordered manner. Such procedures should facilitate the detection and prevention of fraud and/or corruption at an early stage (refer Anti Fraud, Bribery and Corruption Strategy - appendix 11).
- 2.3 The Finance Officer shall maintain a register in which officers shall enter each gift, favour, reward or hospitality offered by a person or organisation doing, or seeking to do business with the Organisation (refer Hospitality Declaration- appendix 9).
- 2.4 It is the responsibility of the Chief Executive to ensure that all staff are made aware of these regulations and to make suitable arrangements to ensure adherence. This does not remove the requirement for all staff to make themselves conversant with these regulations and comply with their requirements.
- 2.5 The Organisation shall not consider:-
 - 2.5.1 a new policy, including the management of all externally funded projects, nor
 - 2.5.2 a development or variation of existing policy, nor
 - 2.5.3 a variation in the means or time-scale of implementing existing policy which affects or may affect the Committee's finances, unless there is before it at the same time a full statement of the financial implications by the Finance Officer.
- 2.6 The Chief Executive shall consult the Finance Officer with respect to any matter within his/her purview, which is liable materially to affect the finances of the Organisation before any commitment is incurred or before reporting thereon to any Committee.
- 2.7 Failure to observe these Financial Regulations may, at the discretion of the

² The title Finance Officer refers to the Director of Corporate Resources throughout this document and appendices

Finance Officer, be reported to the Audit Committee.

- 2.8 In relation to externally funded projects:
 - 2.8.1 all requests for government or other grant support must be agreed with the Director of Corporate Resources in advance of any submission to the funding body;
 - 2.8.2 if the estimated lifetime value a grant is equal or greater than £250,000 this must be the subject of a separate detailed report to London Councils Leaders' Committee or any Sectoral joint or associated committee as appropriate.
- 2.9 The Director of Corporate Resources in consultation with the Chief Executive will be responsible for submission of all claims for grant to Government Departments and other outside bodies. All agreements for the receipt of grant by a Committee shall:-
 - 2.9.1 be obtained in writing;
 - 2.9.2 state the amount and conditions relating to the receipt of grant;
 - 2.9.3 be referred to the Director of Corporate Resources for his observations on financial implications prior to signing; and
 - 2.9.4 be reviewed for any legal implications, seeking legal advice as necessary.
- 2.10 The Finance Officer, in consultation with the Chief Executive, has the right to withdraw any Committee report where insufficient notice has been given to allow the provision of adequate financial comment.
- 2.11 The Finance Officer shall be consulted in any cases involving the interpretation of the Financial Regulations and his/her decision as to their meaning, scope and application shall be final providing such decision does not have the effect of altering the meaning of a Standing Order or other regulation or contract approved by a Committee.
- 2.12 The Finance Officer shall annually review the financial threshold figures stated in the Financial Regulations, making any necessary adjustments and then notify the Chief Executive accordingly. However, any proposed increases exceeding the appropriate rate of inflation shall first be referred to London Councils and the relevant Sectoral joint or Associated committee for their approval.
- 2.13 The Finance Officer shall review these Financial Regulations at least every two years in consultation with the Chief Executive and report to London Councils] and the relevant Sectoral joint or Associated committee recommending those changes he/she considers necessary.
- 2.14 A Lead Authority, in its capacity as administrator of an activity delegated by London Councils or a Sectoral joint or Associated committee, shall be deemed to have complied with these Financial Regulations so long as it is in compliance with the applicable Financial Regulations and Standing Orders of that Lead Authority.
- 2.15 Any of these financial regulations may be revoked, varied or suspended in

respect of all or any of the functions referred to in this Agreement by London Councils in accordance with Schedule 6.

3 Budgets

- 3.1 The Finance Officer shall prepare the estimates of revenue income and expenditure in consultation with the Chief Executive, who shall critically scrutinise the draft estimates before their submission to London Councils and any Sectoral joint or Associated committee.
- 3.2 The estimates shall show the latest approved estimates for the current year and the estimated expenditure and income for the ensuing three years. The Finance Officer and Chief Executive shall provide sufficient supporting information as required by London Councils, and any Sectoral joint or Associated committee in order for variations between budget headings to be analysed. The detailed form of the annual budget shall be determined by the Finance Officer and Chief Executive consistent with general directions of London Councils and any Sectoral joint or Associated committee.
- 3.3 The Finance Officer shall make appropriate detailed calculations for each budget head. A working paper showing the basis of each calculation shall be kept for six years or until the final accounts for the year in question have been approved by the external auditor.
- 3.4 Estimates of income and expenditure made in respect of the London Boroughs Grants Scheme (LBGS), shall be prepared in accordance with the timetable contained in the LBGS Regulations as amended by Schedule 4 as follows:
 - 3.4.1 The LBGS draft budget shall be submitted to London Councils and the London Boroughs Grant Committee not later than the end of November each year.
 - 3.4.2 London Councils shall approve the draft budget and the London Boroughs Grants Committee shall recommend to the applicable Constituent Councils an overall level of expenditure on an annual basis and this shall include the amounts to be collected from each Constituent Council as determined by the Regulations.
 - 3.4.3 At least two-thirds of the Constituent Councils must approve the recommended overall level of expenditure each year by not later than the third Friday in January as provided for in the Scheme Regulations.
 - 3.4.4 If at least two thirds of the Constituent Councils have not approved the recommended overall level of expenditure before the 1st February in the year in which that financial year begins, the Constituent Councils shall all be deemed to have given their approval for that financial year to total expenditure of an amount equal to the amount that was approved or as the case may be, deemed to have been approved, for the preceding financial year. Such approval shall be subject to any order which may be made by the Secretary of State under Section 48 (5) of the Local Government Act 1985 and will confer authority on the London Boroughs Grants Committee to incur such expenditure.

- 3.9 If it appears that an overspending is unavoidable, even after making use of the virement provisions, then the approval of London Councils and the relevant Sectoral joint or Associated committee must be sought before application of any supplementary estimate. Any proposal affecting the funds of London Councils or any Sectoral joint or Associated committee shall be submitted to such committee accompanied by a report of the Chief Executive who shall consult the Finance Officer as necessary, indicating the sufficiency or otherwise of the estimate provision.
- 3.10 The conclusion of the Concessionary Fares contract shall be reported to the Transport and Environment Committee no later than the 31st of December each year.

4 Virements

- 4.1 Virement, or the temporary transfer of resources between budget heads, is allowed where any expenditure budget head will be overspent or income budget head will not be attained, by the end of the financial year, by offsetting the overspending or shortfall of income in respect of any function by the transfer from other budget heads for the same function which would have sufficient provision during the same financial year. Such virement is defined below.
- 4.1.1 The Finance Officer, in consultation with the Chief Executive, is authorised to approve virements up to a maximum of £50,000 in any one instance, provided the total virement to any one budget head in any one financial year does not exceed £50,000 or, either 50% of the receiving budget or, £1,000 if the receiving budget is less than £2,000. This applies to all budget heads.
- 4.1.2 For all such virements, these shall be reported to London Councils, or any Sectoral joint committee or any Associated committee as appropriate, retrospectively on a quarterly basis.
- 4.1.3 All virements over £50,000 must be approved by London Councils, or any Sectoral joint committee or any Associated committee, as appropriate.

5 Accounting and Document Retention

- 5.1 All accounts, financial records, including computerised records, and financial administration procedures shall be kept or undertaken in a form approved by the Finance Officer who shall also be responsible for keeping the principal accounting records. It is the responsibility of the Chief Executive to retain securely, and in an easily retrievable form, all other information relating to the Organisation's financial and operational activity in support of the accounting and final account process.
- 5.2 In the allocation of accounting duties, the following principles shall be observed:-
- 5.2.1 The duties of providing information regarding sums due to or from London Councils and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them;

- 5.2.2 Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any such transactions.
- 5.3 The Chief Executive shall make returns of outstanding expenditure, income and any other relevant information in the form and by the date specified by the Finance Officer for the reporting process detailed in Financial Regulation 9.6 and the closure of the annual accounts.
- 5.4 All computerised financial systems should be capable of producing relevant accounting analysis capable of transfer in a format, level of detail and manner approved by the Finance Officer. The information transfer should include specific types of transaction such as write offs. The Chief Executive shall consult with the Finance Officer before introducing, amending or discontinuing any record or procedure relating to financial transactions or accounting.
- 5.5 All accounting records shall be retained in safe custody for such a period as shall be determined by the Finance Officer and all vouchers must be kept for a period of six years in line with HMRC guidance after the specified accounting period has elapsed. The ultimate disposal of financial records should be arranged by the Chief Executive as “confidential waste” and on no account should sensitive information be disposed of through the normal waste collection process. All such confidential waste disposal arrangements shall be subject to the prior approval of the Finance Officer.
- 5.6 The Finance Officer in consultation with the Chief Executive shall be responsible for the production and publication of the organisation’s final accounts in such a form and in accordance with such a timetable as to make them consistent with any relevant statute and the general directions of London Councils and any Sectoral joint or associated committee.
- 5.7 As soon as practicable after the end of each financial year and before the 30 June, the Finance Officer in consultation with the Chief Executive shall report provisional out-turn figures for income and expenditure to London Councils and any Sectoral joint or Associated committee, comparing these to the approved estimates. The Finance Officer shall present the Statement of Accounts for the year in question to London Council’s External Auditors as early as possible following the presentation of the provisional outturn figures to London Councils Executive.
- 5.8 The Finance Officer shall retain, in safe custody, copies of audited Statements of Accounts including the External Auditor’s opinion and annual report. The Finance Officer shall present the audited Statement of Accounts to London Councils Audit Committee for approval by 30 September. All significant issues raised by the External Auditor’s annual report on the accounts together with any accompanying management letter must be reported to London Councils Audit Committee, including the issues that relate solely to the accounts of any Sectoral joint committee.

6 Imprest Accounts

- 6.1 The Finance Officer shall provide such imprest accounts as he/she considers appropriate after consultation with the Chief Executive.
- 6.2 The Finance Officer may arrange for bank accounts to be opened for use by holders of imprest accounts. Such bank accounts shall not be overdrawn, and it shall be a standing instruction to the bank concerned that any departure from this regulation is reported immediately to the Finance Officer.
- 6.3 The Chief Executive shall be responsible for the control and operation of the imprest account in accordance with instructions issued by the Finance Officer.
- 6.4 No sums received on behalf of London Councils may be paid into an imprest account, but shall be banked separately or paid to London Councils promptly as may be directed by the Finance Officer.
- 6.5 Payments from imprest accounts shall be limited to minor items, unobtainable through Creditors or Stores and ineligible for reimbursement through Payroll, the maximum value of which shall be £50 (inclusive of VAT), unless specific dispensation has been provided to the Chief Executive by the Finance Officer. All payments shall be supported by vouchers and all receipts where appropriate, relating to expenditure from an imprest must be attached to the relevant voucher.
- 6.6 To satisfy the requirements of external auditors, imprest holders shall provide the Finance Officer with certificates annually to certify the balance held. These certificates must be sent to Finance Officer promptly after the end of the appropriate financial year. (Blank certificates will be provided to the imprest holders for this purpose by the Finance Officer before the end of each financial year).
- 6.7 Claims for the reimbursement of imprest accounts should be made at regular monthly intervals, following a full reconciliation of the account and, in any event, frequently enough for the relevant bank account to remain in credit until the reimbursement is received. Imprest reimbursement forms are to be provided by the Finance Officer.
- 6.8 It shall be the duty of the Chief Executive to notify the Finance Officer sufficiently in advance of the impending resignation or departure of the imprest account holder. When an imprest account holder leaves the service of London Councils, he or she shall account to the Finance Officer for the amount advanced.
- 6.9 The general principle of imprest accounting is that at any time the cash balance, together with the aggregate value of any receipts on hand, unreimbursed claims and cheques not credited, should total the approved imprest account balance. At no stage should the cash balance be allowed to fall below zero. Income and change floats shall be kept separately from the imprest cash at all times, and shall not be used to fund cash expenditure.
- 6.10 If it becomes apparent that the current level of imprest is insufficient, the items on which the imprest is expended shall be reviewed. If it is clear that there is no

reasonable alternative to expenditure through the imprest, a formal request in writing to have it increased shall be made to the Finance Officer. Similarly, if it becomes apparent that exceptional circumstances mean a temporary increase/decrease is required then a formal request is to be submitted to the Finance Officer. Further, sub-floats must not be issued from an imprest without the prior approval of the Finance Officer.

- 6.11 No officer shall authorise his or her own claims from an imprest account. Claims are to be authorised by the Chief Executive. Certification by or on behalf of the Chief Executive shall be taken to mean that the certifying officer is satisfied that the expenses and allowances claimed are properly and necessarily incurred and are properly payable.
- 6.12 Expenditure which should form part of the payroll system, e.g. clothing, car allowances and home to work travel expenses, shall not be processed through imprest accounts.
- 6.13 All non-computerised records relating to imprest accounts should be maintained in ink.
- 6.14 The encashment of personal cheques and the advancing of loans from an imprest is strictly forbidden.
- 6.15 The only bank charges, which should be incurred in respect of imprest accounts operated via a bank account, are those in the normal course of operation of the account. As can be seen from Financial Regulation 6.2, bank charges in respect of overdrawn accounts should not be incurred. If they have been incurred, however, they should be debited to an appropriate expenditure code and reclaimed on the imprest reimbursement form.
- 6.16 All Departments holding petty cash should ensure that, at all times, cash is adequately secured. As a minimum this should be in a cash box within a lockable drawer. Amounts in excess of £50 should be kept overnight in a safe or lockable cupboard with very restricted access.
- 6.17 Whenever any matter arises which involves or may suggest irregularities affecting a petty cash imprest system, the Chief Executive shall notify the Finance Officer forthwith. This Regulation also applies in the event of any loss from the imprest account, identified during reconciliation.

7 Banking Arrangements

- 7.1 The Finance Officer will make arrangements with London Councils bankers for the operation of such accounts as he/she may consider necessary. No other bank accounts will be opened without the permission of the Finance Officer.
- 7.2 All bank accounts shall bear an official title and in no circumstances shall an account be opened in the name of an individual.
- 7.3 The Finance Officer will make appropriate arrangements with London Councils bankers concerning designated signatories of cheques, drafts, promissory notes, acceptances, negotiable instruments, orders and instructions.

- 7.4 The Finance Officer shall be responsible for arranging the temporary investment of monies not immediately required, and the ordering and issue of cheques/giro-cheques, direct debit and credit card facilities.
- 7.5 The Finance Officer will ensure that a register is maintained to record all stocks of cheques held by London Councils.
- 7.6 Stocks of cheques will be held by the Finance Officer in a safe covered by adequate insurance arrangements.
- 7.7 The Finance Officer is responsible for arranging the cancellation and subsequent replacement of specific cheques with London Councils's bankers. All requests in relation to cancellations must be channeled through the Finance Officer.
- 7.8 Corporate and Programme Directors should ensure that all bank accounts under the control of their Directorate or Division are reconciled on a monthly basis and that end of the year accounts closure requirements are adhered to.
- 7.9 The Finance Officer shall arrange such safeguards as necessary and practicable, including the separation of staff duties as far as possible in respect of:-
 - 7.9.1 the checking of creditors accounts;
 - 7.9.2 the control of cheque forms;
 - 7.9.3 the preparation of cheques;
 - 7.9.4 the signature of cheques;
 - 7.9.5 the despatch of cheques;
 - 7.9.6 the entry of the cash accounts; and
 - 7.9.7 the reconciliation of bank accounts.

8 Contracts & Procurement

- 8.1 All contracts and procurement that exceed the current EU threshold³ are regulated by EU Procurement Directives, and UK domestic legislation as defined in the Public Contracts Regulations (PCR) 2015. In addition, each and every contract shall also comply with these Financial Regulations. The EU regulations and UK law take precedence over the Financial Regulations and no deviations or exceptions are permitted for contracts in excess of the threshold. Also, contracts with a full life value between £25,000 and the EU threshold are governed under Part 4 of the PCR 2015.⁴
- 8.2 Contracts may be defined as being agreements for the supply of goods or materials, or the carrying out of works or services. Contracts are also deemed to include the engagement of professional consultants (excluding Counsel).
- 8.3 It is a breach of the Financial Regulations to artificially divide contracts where the effect is to circumvent the regulations concerning the following financial threshold limits.

³ The current Threshold for public supply and service contracts is €221,000 / £189,330, as of January 2018. This is reviewed every two years.

⁴ Chapter 8 Below Threshold Procurements The obligation to advertise on Contracts Finder - Regulation 110(1), **only applies where the authority has decided to advertise.**

8.4 Financial Thresholds

8.4.1 The following minimum number of invitations to tender or quote shall apply, subject to EU procurement rules (including aggregation i.e. the full life value of the contract) and the exemptions, before any order for works, supplies or services is placed:

Procurement Threshold	Procedure
(a) up to £10,000	No formal tender process required. At least one written quotation obtained, duty to secure reasonable value for money
Where a decision has been made <u>NOT</u> to advertise	
(b) between £10,001 and £75,000 <i>if not advertised</i>	Request at least 3 written quotations or a mini-tender exercise must be carried out to establish value for money
Where a decision has been made to advertise	
(c) between £25,001 and EU limit (currently £189,330) (€214,000) <i>if advertised (NB: you MUST advertise above £75,001</i>	If the Opportunity is advertised, the use of the formal tender process is mandatory by tendering the opportunity on Contracts Finder and London Councils website.
(d) over EU limit (currently £189,330 ((€214,000))	The use of the formal EU tender process is mandatory and subject to the EU procurement rules. To note that additionally if the value of procurement is in excess of £250,000 then Committee approval is required prior to formal tender process.

8.5 Each proposed contract for works or services, with an estimated value equal or greater than £250,000 must be the subject of a separate detailed report to London Councils Leaders' Committee or any Sectoral joint or associated committee as appropriate, requesting approval to seek tenders for the recommended design solution. This report must state the size of any contingency provision to be included in the tender documents or estimated costs, as well as any prevalent risks to the organisation.

8.6 No contract shall be made, nor any tender invited, unless provision has been made in the annual budget for the proposed expenditure or that written confirmation has been received from the appropriate third party that external funding is available to fund the full contract and associated costs.

8.7 Formal Tender Process

8.7.1 Competitive tendering will be required where the **opportunity is advertised** and the estimated value of the contract is expected to exceed £25,000 which is split into two categories

8.7.2 Below Threshold (£25,000 to less than the EU limit £189,330)

8.7.2.1 It is now a requirement that for any contracts estimated to be between £25,000 and the EU limit in force at the time (currently

£189,330), if the contracting authority advertises it must do so via Contracts Finder.

8.7.3 Above EU Threshold (£189,330) where full EU processes apply

8.7.3.1 For above threshold tendering, the choice of procedure is detailed and regulated in the PCR (Chapter 2 Rules on Public Contracts), noting that when awarding public contracts, contracting authorities shall apply procedures that conform to the regulations.

8.7.4 Detailed guidance on procurement procedures is provided in the Procurement Toolkit (Appendix 6), reflecting the PCR and any specific guidance as the Minister for the Cabinet Office may issue.

8.8 **Contract Advertising**

8.8.1 Contracts above the EU financial thresholds prevailing at the time as set out in the Regulations should be advertised in the Official Journal of the European Union (OJEU) and London Councils website.

8.8.2 For below EU threshold procurement i.e. between £25,000 and the EU Limit where a decision has been made to advertise the opportunity, the opportunity must be placed on Contracts Finder and London Councils website with no exceptions. (Ref PCR 2015, Chapter 8 paragraph 110)

8.8.3 8.8.4 After the expiration of the period specified in any notice, invitations to tender for the contract shall conform with Section 5 sub section 7 of the PCR, (paragraphs 65 and 66 refer).

8.9 **Receipt of Tenders**

8.9.1 Every invitation to tender shall state that no hard copy tender will be accepted unless it is received in a plain sealed envelope or package which shall bear the words TENDER - followed by the subject to which the tender relates, and shall not bear any name or mark indicating the sender. Every invitation to tender should also state the deadline date and time (usually 12 noon) for receipt. When received, an entry shall be made upon such envelopes or packages indicating the time and date of receipt and these will then remain in the custody of the Chief Executive or the Director of Corporate Resources until the time appointed for their opening.

8.9.2 Electronic versions of the tender submission will be accepted. Electronic tenders must be received by the deadline date and time, as detailed in the invitation to tender. Electronic tender submissions sent by e-mail should be sent to: tenders@londoncouncils.gov.uk. E-mailed tenders will not be accepted in isolation, if there is a requirement for hard copies.

8.9.3 All tenders received after the deadline date and time shall not be opened and will be disregarded for the purposes of the tender exercise to which they relate.

8.10 **Opening of Tenders**

Tenders shall be opened at one time in the presence of:-

8.10.1 For tenders valued at over £25,000 – in the presence of two officers appointed by the Chief Executive;

8.11 **Acceptance of Tenders and Quotations**

8.11.1 Where the value is under £10,000, one of the designated authorised signatories (as outlined in Part C of Appendix 5) , shall be authorised to accept the quotation by signing off the purchase order to place the order with the supplier;

8.11.2 Where the value is between £10,001 and £75,000, one of the designated authorised signatories (as outlined in Part B of Appendix 5) shall be authorised to evaluate and accept the quotation or tender by signing off the procurement approval form for submission to the Director of Corporate Resources for approval;

8.11.3 Where the value is between the £75,000 and the prevailing EU Limit, one of the designated authorised signatories (as outlined in Part A of Appendix 5) shall be authorised to evaluate and accept the tender by signing the procurement approval form for submission to the Director of Corporate Resources for approval;

8.11.4 Where the tender is above the EU Threshold and below £249,999, the Chief Executive, the Director of Corporate Resources, or in their absence, one of the designated authorised signatories (as outlined in Part A of Appendix 5) in consultation with the Chair(man), Deputy-Chair(man) and one other Member of the appropriate committee shall be authorised to evaluate and accept the tender;

8.11.5 For tenders of £250,000 and over London Councils Leaders' Committee or any Sectoral joint or associated committee as appropriate shall be authorised to evaluate and accept the tender;

8.11.6 A tender which exceeds the approved estimate shall be referred to the appropriate committee for consideration. Where the tender can be amended to fall within the approved budget by a minor adjustment to the approved works, goods or services and otherwise complies with these regulations, the Chief Executive , the Director of Corporate Resources, or in their absence, one of the designated authorised signatories (as outlined in Part A of Appendix 5) in consultation with the Chair(man), Deputy-Chair(man) and one other Member of the appropriate committee shall be authorised to approve the adjustment as provided for in 8.11.4 above.

8.12 **Contract Provisions and Payments**

8.12.1 Every contract in writing (unless such contract is let by a Lead Authority in accordance with Schedule 8), shall be signed by the Chief Executive or the Director of Corporate Resources, or in their absence, one of the designated authorised signatories (as outlined in Part A of Appendix 5).

8.12.2 Every contract in writing shall specify:-

8.12.2.1 the work, materials, matters, or things to be furnished, or

done;

8.12.2.2 the price to be paid, with a statement of discounts or other deductions;

8.12.2.3 the payment process, including the process for resolving disputes;

8.12.2.4 the time or time within which the contract is to be performed;

8.12.2.5 insurance, employers liability and professional indemnity;

8.12.2.6 the place or places for delivery of performance.

8.13 **Contracts where tenders are not required.**

8.13.1 Contracts or orders which exceed £10,000 and not exceeding £75,000 in value, **if not advertised**, require at least 3 written quotations from suitable suppliers before the contract order is placed

8.13.2 Quotations may be submitted by post, or e-mail.

8.13.3 If the full life value of a contract is below the £75,000 **and not advertised**, it shall not be obligatory to invite formal tenders, nor give public notice of the intention to enter into a contract where:-

- 8.13.3.1 effective competition is prevented by Government control, or
- 8.13.3.2 the special nature of the work to be executed limits the number of contractors capable of undertaking the work to less than 3, or
- 8.13.3.3 the goods, services or materials to be purchased are only available from less than 3 suppliers, or
- 8.13.3.4 the work is a continuation of a previous contract or order, or
- 8.13.3.5 a corporately tendered and managed or framework contract has been established for all officers of the organisation to use:
e.g. supplies of Stationery, Computers, Office Furniture etc.,
or
- 8.13.3.6 goods or services are of a proprietary manufacture, including sole distribution or fixed price, or the services to be provided are of a proprietary nature , or
- 8.13.3.7 any repairs or works to be executed or parts, goods or
or
- Materials to be supplied in connection with existing machinery, vehicles plant or equipment are of a proprietary nature and involve sole distribution or fixed price, or
- 8.13.3.8 urgent supplies necessary for the protection of life

or property.

8.13.4 The Chief Executive shall maintain a record of those contracts let without competitive quotations as detailed in 8.13.3, detailing the reasons why these have not been obtained.

8.13.5 The EU regulations and PCR do not provide for any exemptions from the tendering process for contracts which exceed the EU threshold.

8.14 Withdrawal of Tender

8.14.1 In the event of any person withdrawing a tender, or not signing the contract after his/her tender has been accepted, or if the Chief Executive or the Committee are satisfied that a Contractor has not carried out a contract in a satisfactory manner, or for any other justified reason, then tenders will not be accepted from such contractors in future, except after specific Committee approval.

8.15 Communications with Tenderers

8.15.1 Accounting records for all contracts must be maintained as agreed by the Director of Corporate Resources.

8.15.2 No members of the relevant Committee shall have or allow any interview or communications with any person or representative of any person proposing to tender or contract, except by the authority of that Committee. Where such interview or communication does, nevertheless, take place then it is to be reported to the relevant Committee at the first available opportunity.

8.16 Contract Variations

8.16.1 Subject to the provisions of the contract, every variation shall be instructed in writing and signed by the designated officer prior to the commencement of work on the variation concerned or as soon as possible thereafter. Designated officers may authorise variations which are essential for the completion of a contract, and minor variations of an optional nature, provided the cost remains within the approved estimate. Major variations to contracts shall require the approval of the appropriate committee.

8.17 Contract Payments

8.17.1 All ex gratia and non-contractual claims from contractors shall be referred to the Director of Corporate Resources and also to the Chief Executive for comments before settlement is reached.

8.17.2 Where contracts valued in excess of £25,000 provide for payments to be made by instalments, all payments to contractors shall be made on a certificate issued and signed by London Councils designated officer. Contracts subject to payment via certificate will primarily relate to construction / building works, which will be for internal / external decorations of London Councils Leased premises.⁵ Those contracts not subject to the issue of certificates, may be paid on invoices and/or any

⁵ Any contractors certificates issued, including claims for additional costs and the final account would be assessed by a Project Manager / Quantity Surveyor engaged for their expertise in managing building / construction contracts and then reported to the designated officer.

means allowed by the Director of Corporate Resources.

- 8.17.3 The Director of Corporate Resources shall, to the extent he/she considers necessary, examine the final accounts or interim valuations for contracts and he/she shall be entitled to make all such enquiries and receive such information and explanations as he/she may require in order to be satisfied as to the accuracy of the accounts.
- 8.17.4 The final certificate for the payment of any contract, where the final cost exceeds £25,000, shall not be issued until the Supervising Officer under the contract has produced to the Director of Corporate Resources a detailed statement of account with all relevant documents.⁶ Such papers shall be lodged with the Director of Corporate Resources two months prior to the due date of the final certificate or in exceptional circumstances a previously agreed period in order to allow a thorough review of their contents prior to the issue of the final certificate. In addition, all consultants' fee accounts that in total exceed £30,000 in value shall be forwarded to the Director of Corporate Resources for verification prior to the respective final payments being processed. A clause to this effect shall be inserted in the appropriate contract, bills of quantities, or specification.
- 8.17.5 Wherever works or services are let on a day works contract then every payment costing in excess of £100 shall be supported by day work sheets. Such day works sheets shall contain adequate descriptions of the work carried out and the names of the operatives involved, together with details of the times during which the work was performed, the hourly rates applied and any plant or materials used. Day work sheets shall be signed by the designated officer indicating that the amount claimed reasonably reflects the labour and materials content of the works executed.

8.18 **Lead Borough Arrangements**

- 8.18.1 Any contract let by a Lead Authority, in its capacity as administrator of an activity delegated by London Councils or any Sectoral joint or associated committee as appropriate, shall be deemed to comply with these Financial Regulations so long as it is in compliance with the Financial Regulations and Standing Orders of that Lead Authority.

8.19 **Corrupt Practices**

- 8.19.1 Every written contract shall include the following clauses:

The Service Provider must comply at all times with the provisions of the Bribery Act 2010, in particular Section 7 thereof in relation to the conduct of its employees, or persons associated with it.

The Service Provider warrants that, at all times, it has in place adequate procedures designed to prevent acts of bribery from being committed by its employees or persons associated with it, and must provide to London Councils at its request, within a reasonable time, proof of the existence and implementation of those procedures.

⁶ See footnote 3 above

London Councils will be entitled by notice to the Service Provider to terminate the Service Provider's engagement under this or any other contract with the Service Provider if, in relation to this or any other such contract, the Service Provider or any person employed by it or acting on its behalf has committed an offence in relation to the Bribery Act 2010.

8.20 Claims from Contractors

8.20.1 Claims from contractors in respect of matters not clearly within the terms of any existing contract shall be referred by the Chief Executive to London Councils Legal Adviser for consideration of the Organisation's legal liability and, where necessary, to the Director of Corporate Resources for financial consideration before a settlement is reached. No payment will be made to a contractor without the specific approval of London Councils.

8.21 Bonds and Other Security

8.21.1 Every contract that exceeds £150,000 in value or amount and is for the execution of works or for the supply of goods or materials otherwise than at one time, shall require the contractor to provide sufficient security for the due performance thereof, except where the appropriate service related Director and Director of Corporate Resources consider this to be unnecessary.

8.22 Use of Consultants

8.22.1 Consultants shall be engaged only where it is not feasible or cost effective to carry out the work in-house either by using existing staff or by employing new short term or permanent staff.

9 Budgetary Control

9.1 Approval of a revenue expenditure budget by London Councils and the relevant Sectoral joint or associated committee shall confer the authority on the Chief Executive to incur expenditure, except in the case of any item which the relevant committee wishes to have referred to it for further consideration.

9.2 No expenditure may be incurred unless a budget for that purpose has been approved.

9.3 Where the Chief Executive proposes to incur expenditure for which there is no budget head in the annual budget :-

9.3.1 But the expenditure is unlikely to exceed £50,000 by the end of the financial year, the Chief Executive in consultation with the Finance Officer may make arrangements to incur the costs, which must be financed by the virement arrangements under paragraphs 4.1.1 and 4.1.2, and

9.3.2 If the expenditure is likely to exceed £50,000 by the end of the financial year the Chief Executive shall seek approval from London Councils or the relevant Sectoral joint or associated committee, depending on which approved the expenditure. The financing of this

expenditure must be determined in accordance with Financial Regulation 4.1.3.

- 9.4 The Chief Executive may only pay or make provision for payment in respect of goods received or services rendered within each financial year and for which budget provision has been made.
- 9.5 Where London Councils or the relevant Sectoral joint or associated committee has authorised a fund for a particular purpose, under or overspent balances may be carried forward to the following financial year on a one-off basis. All other balances in hand at the end of the financial year shall be reported to the Committee by the Finance Officer. London Councils or the Sectoral Joint Committee shall then determine the use of those balances.
- 9.6 In the light of actual expenditure on administrative costs during the financial year the Finance Officer in consultation with the Chief Executive shall present to London Councils or the relevant Sectoral joint or associated committee, reports showing projected out-turn figures for each budget heading approved by that Committee. This reporting process is to take place between each quarter after the start of that financial year.
- 9.7 During the financial year the Chief Executive in consultation with the Finance Officer, shall present to each meeting of the Grants Committee, reports showing current levels of grant expenditure committed to date.
- 9.8 It is the duty of the Chief Executive to ensure that the budgets under his/her direct control are not overspent.
- 9.9 The Finance Officer shall ensure that there is a financial information system which provides periodic statements of receipts and payments under each head of approved budget and other relevant information, facilitating the reporting of such information to Committee.
- 9.10 Overall annual expenditure of the Grants Committee must be within the level approved by one of the following:-
 - 9.10.1 At least two-thirds of the applicable Constituent Councils under Section 48(3) of the Local Government Act 1985; OR
 - 9.10.2 Deemed by the Secretary of State further to Section 48 (4a) of the Local Government Act 1985; OR
 - 9.10.3 Any order made by the Secretary of State under Section 48(5) of the Local Government Act 1985.

10 Audit

- 10.1 Responsibility for maintaining an adequate and effective system of internal audit rests with London Councils and any Sectoral joint or associated committee, but has been delegated to the Finance Officer who makes arrangements for the examination of all financial and related systems under this Agreement. All significant issues raised by the Finance Officer following this examination, must be reported to London Councils or the relevant Sectoral joint or associated committee. Similarly the External Auditor's annual report on the accounts together with any accompanying management letter must also

be reported to London Councils Audit Committee, as per financial regulation 5.8.

- 10.2 The Finance Officer shall, so far as he/she considers reasonable, arrange for the internal audit of the organisation's activities:-
 - 10.2.1 To review the soundness, adequacy and application of internal controls and, where necessary, make recommendations for the improvement of systems, controls and procedures that affect the finance or assets of the organisation;
 - 10.2.2 To assist in protecting the assets and interests of the organisation by carrying out a continuous examination of activities in order to detect or prevent fraud, misappropriation, irregular expenditure and losses due to waste, extravagance, inefficient administration and improper practices;
 - 10.2.3 To review resources used in pursuit of the organisation's agreed activities and, where necessary, make recommendations for the improvement of value for money; To review, appraise and report upon the reliability of financial and management data;
 - 10.2.4 To report to the Chief Executive on the result of any audit carried out within their unit and to make the necessary recommendations which need to be implemented to eradicate the identified weakness or weaknesses.
- 10.3 The Finance Officer, or any accredited representative shall have authority on production of identification to :-
 - 10.3.1 Enter at all reasonable times on any of the organisation's premises or land;
 - 10.3.2 Have access to all records, documents and correspondence relating to any financial and other transactions of the organisation;
 - 10.3.3 Require and receive such explanations as are necessary concerning any matter under examination; Require any persons holding or controlling cash, stores or any other property to produce such items;
 - 10.3.4 Verify cash and bank balances for which persons are accountable to the organisation.
- 10.4 Immediately an irregularity, or suspicion of an irregularity, arises affecting money or property or any other transaction or aspect of the organisation's business, the Chief Executive concerned shall immediately advise the Finance Officer. The Finance Officer shall investigate and report to the Chief Executive if he/she forms the view that disciplinary or criminal proceedings should be considered. If it is thought appropriate to involve the Police, the Finance Officer will first consult with the Chief Executive. Officers should not notify the police direct except in an emergency in order to prevent further loss, or where it is necessary for the police to examine an area before it is disturbed by staff or members of the public. Except in exceptionally clear cut cases, management should not attempt to interview staff suspected of perpetrating an irregularity as this may prejudice any subsequent police investigation or legal proceedings. Any individual officer with knowledge or suspicion of any losses or irregularities involving staff, cash,

assets or other financial matters has the right to approach the Finance Officer directly should circumstances dictate that this is necessary. Detailed information on London Councils Anti Fraud, Bribery and Corruption policy can be found at appendix 11.

- 10.5 The Chief Executive shall be required to provide a written response to draft audit reports, final audit reports, and management letters within 28 calendar days of their issue. Extensions to this timescale shall be at the discretion of the Finance Officer.
- 10.6 Unless the Finance Officer specifically agrees otherwise, all receipt forms, order books, tickets and other similar items shall be ordered and retained by the Finance Officer prior to their issue to the Chief Executive. Such controlled stationery items shall be supplied, on request only, to those officers who have been authorised to receive them by the Chief Executive. Every issue of any such document shall be acknowledged by the signature of the officer to whom the issue is made. The Chief Executive shall satisfy the Finance Officer as to the safe keeping and control of such documents.

11 Information Systems

- 11.1 The development of Information Technology Systems should conform to the overall strategy as set out and agreed by London Councils.
- 11.2 The Chief Executive shall be responsible for ensuring compliance with any Computer Security Guidelines promulgated by the Finance Officer.
- 11.3 Any development of new systems that involve a financial operation or produce output that may influence the allocation of resources must involve consultation with the Finance Officer regarding mutually acceptable minimum standards of control. The Chief Executive, in consultation with the Finance Officer shall be responsible for the control of the computer systems in the Organisation, and the security and privacy of data contained therein, in accordance with data protection legislation such as the General Data Protection Regulation (Regulation (EU) 2016/679) (GDPR) and the Data Protection Act 2018. The Chief Executive shall also be responsible for ensuring appropriate controls in accessing those systems which they maintain.
- 11.4 The Chief Executive in consultation with the Finance Officer shall make sound arrangements to ensure the security and continuity of service in the event of a disaster.

12 Income

- 12.1 The systems effecting the collection of all money due to the organisation shall be approved by the Finance Officer. The collection of all money due to the organisation is under the overall supervision of the Finance Officer.
- 12.2 Revenues consisting of income arising from work done, goods supplied or services rendered and not paid for at the time, must be the subject of accounts being rendered and the Chief Executive must facilitate the prompt

issue and rendering of such accounts applicable to their unit. The Chief Executive shall therefore furnish the Finance Officer with details of projects, seminars, rents recoverable, work done, goods supplied, or services rendered and of all other amounts as may be required by him/her to record correctly all sums due to the organisation and to ensure the prompt rendering of accounts due for income.

- 12.3 The Chief Executive shall promptly notify the Finance Officer of all money due to the organisation and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by London Councils. The Finance Officer has the right to inspect any document or other evidence in this connection as he/she may decide is relevant.
- 12.4 The records kept by the Organisation with regard to items of income shall be in such form as may be agreed from time to time by the Finance Officer. Unless the Finance Officer specifically agrees otherwise, all receipt forms, tickets and other similar items shall be obtained in accordance with financial regulation 10.6. All new types of income due are to be notified to the Finance Officer.
- 12.5 The Finance Officer shall prescribe the accounting arrangements necessary to ensure that all monies due and received are banked promptly.
- 12.6 All debtors shall be invoiced within seven days of full details of the debt being ascertained.
- 12.7 Procedures for accepting cheques or credit card payments tendered in respect of the sale of goods, materials or services shall be agreed by the Finance Officer.
- 12.8 Every sum in cash received by an officer of the Organisation shall be immediately acknowledged by the issue of an official receipt, ticket or voucher except in cases where other arrangements have been approved by the Finance Officer.
- 12.9 All income, whether cheques, notes or coins received by an officer on behalf of the Organisation shall, without delay, be recorded and paid intact either directly to the Finance Officer, or into a designated bank account at regular intervals as directed by him, thereby ensuring the safe keeping of income. Every officer who banks money shall enter on the paying-in slip a reference to the related debt (such as the receipt number or the name of the debtor) or otherwise indicate the origin of the cheque; on the reverse of each cheque the officer shall enter the name of his or her unit.
- 12.10 Money held on behalf of the Organisation shall be kept separately from personal funds and shall not be used to cash personal cheques.
- 12.11 Every transfer of official money from one member of staff to another will be evidenced in the records of the unit concerned by the signature of the receiving officer.
- 12.12 The Finance Officer shall make safe and efficient arrangements for the recording of income received by direct debiting of debtors accounts.

- 12.13 Scales of charges for services, with any variations, shall be reviewed at regular intervals, together with any new charges, by the Finance Officer after consultation with the Chief Executive, prior to submission to London Councils or the relevant Sectoral joint or associated committee for approval.

13 Disposal of Assets

- 13.1 Sales of surplus equipment, plant and stores will be at market value.
- 13.2 The Chief Executive has authority to approve the disposal of all goods or equipment under his control which by reason of damage, wear or obsolescence, are no longer required, and the book value, or estimated value, does not exceed £5,000. The disposal of such goods or equipment valued above £5,000 but not exceeding £10,000 shall require the prior written approval of the Finance Officer. Disposal of such goods or equipment valued above £10,000 shall require the prior approval of London Councils or the relevant Sectoral joint or associated committee.
- 13.3 Before disposal of any leased asset, the Chief Executive shall notify the Finance Officer in writing so that the terms of the lease may be examined and advice provided.
- 13.4 Salvageable items shall be sold in the best available market subject to the following:-
- 13.4.1 No single item with a book value, or estimated value, exceeding £500 shall be disposed of without quotations first being invited (unless disposed of by public auction, if appropriate).
- 13.4.2 No item will be disposed of to a member of staff without the direct approval in writing of the Finance Officer. Where approval is given, detailed documentation of the transaction shall be retained by the applicable Corporate Director.
- 13.5 Under the 1989 Local Government and Housing Act, capital receipts are defined as the income from the disposal of any interest in an asset if, at the time of disposal, expenditure on the acquisition of an asset would be expenditure for capital purposes. Where the anticipated capital receipt is £10,000 or less, then the arrangements for disposal shall be subject to the agreement of the Chief Executive, where a value exceeds £10,000 then the arrangements for such disposal shall be subject to the prior agreement of the Finance Officer.
- 13.6 The Chief Executive will be responsible for maintaining all records and documentation relating to any disposal.
- 13.7 All proceeds from the disposal of assets will be subject to the addition of Value Added Tax, except in respect of the disposal of property or certain transfers involving statutory undertakings. In respect of these exemptions advice should be sought from the Finance Officer before the conclusion of a transaction.

- 13.8 The Chief Executive will notify the Finance Officer of the disposal of any items which are specifically listed on the organisation's Insurance Policy.

14 Control of Assets

- 14.1 The Chief Executive is responsible for ensuring arrangements are in place to physically control all of the Organisation's assets for which her/his department has management responsibilities.
- 14.2 The Local Government and Housing Act 1989 requires adherence to the Accounting Codes of Practice approved by the Accounting Standards Board. One such Code of Practice concerns the subject of capital accounting and suggests the creation and maintenance of registers for all assets. The asset registers form the basis by which the Organisation meets the capital accounting requirements in the raising of capital charges for the use of assets such as buildings, land and vehicles.
- 14.3 The asset registers are required to itemise all assets which cost in excess of £1,000 while recording the date and cost of their acquisition.
- 14.4 The Chief Executive shall allocate responsibility for the maintenance of individual registers as appropriate.
- 14.5 The Chief Executive shall ensure that any information requested by the above registrars, for the purposes of maintaining the asset registers, is provided rapidly and freely. Any acquisitions or disposals of assets should be notified to the relevant registrar at the appropriate time.
- 14.6 The Chief Executive shall nominate one officer to be responsible for the safe custody of all deeds and lease agreements in respect of all properties owned or leased by the Organisation. This responsible officer shall :-
- 14.6.1 Make arrangements for such documents to be inspected when required;
 - and
 - 14.6.2 Provide copies of any relevant documents on request.
- 14.7 Inventories of all furniture, fittings, equipment, plant, and machinery shall be maintained by the Chief Executive. Items that are being rented or leased on a long term basis, or such that the responsibilities of stewardship lie with the Organisation, should also be included in the inventory. Generally, items with a life-span longer than one year should be included, unless they are already recorded on a formal stock record system
- 14.8 The inventory should be in the form of a permanent document. It is important to ensure that the inventory is complete and that all parts of it are kept together. The inventory can be in any media. A suggested format of an inventory is provided at appendix 3.
- 14.9 The inventory should provide the following information for each item:
- 14.9.1 Location, but if the item is moved between locations, note the general

- area. (A separate record of location may well be necessary);
- 14.9.2 Full description;
 - 14.9.3 Serial and Code numbers, if relevant;
 - 14.9.4 Date of purchase and cost of acquisition;
 - 14.9.5 Estimated current replacement value (for insurance purposes), which should be reviewed annually; and
 - 14.9.6 Date of disposal and the proceeds.
- 14.10 The total of all the estimated current replacement values should be shown, so that the information is readily available for insurance purposes.
 - 14.11 Where practical, the inventory should be updated each time there is an acquisition or disposal. This will produce a more accurate record than if all the amendments are done at the end of the year.
 - 14.12 The Chief Executive is responsible for ensuring that an annual check is carried out, in March, of all items on the inventory and for taking action in relation to surpluses and deficiencies. The date of the check and the name(s) of the officer(s) carrying it out should be recorded. When carrying out this check, the current inventory should be used as a starting point. The procedure should be that each location is checked in a methodical manner.
 - 14.13 If any discrepancies are found when checking the inventory, these should be followed up until reasons have been found. If it is not possible to find reasons and the amount involved is significant (e.g. more than £100 in value), the Finance Officer should be informed. If the result of these findings is that an item has to be removed from the inventory, then the appropriate authorisation for such write-off should be sought in accordance with Financial Regulation 15.1.
 - 14.14 It is important that at least one copy of the inventory is held separately from the assets that it lists, so that if a disaster occurs to the Organisation or its buildings, then all information is protected for insurance purposes, in the event that items need replacement. For inventories that are kept on computer disk, back up copies should be kept in a fire proof cabinet in a separate location to the computer.
 - 14.15 For the purposes of capital accounting, the Finance Officer may require all registrars and inventory holders to provide asset registers and inventories reflecting assets held as at the 31st March of each year.

15 Write Offs

- 15.1 No debt, asset, or benefit due to London Councils, including Liquidated Damages, shall be written off without first obtaining the approval of the Finance Officer. The Chief Executive shall submit a list of such items to be written off, together with details of the reasons. The writing off of any such item valued in excess of £1,000 must also be subject to the prior approval of London Councils or the relevant Sectoral joint or associated committee. Any report seeking such approval must detail the actions taken to recover these debts, assets or benefits.
- 15.2 The Chief Executive shall maintain a file for each debt to be written-off, containing relevant documentation to support the validity of the write-off. The file should also identify whether appropriate actions have been taken to recover or

mitigate the loss.

16 Orders for Work, Goods and Services

- 16.1 No officer shall commit the organisation to expenditure in excess of any approved estimate without first seeking the appropriate approval. This Financial Regulation may be waived in cases of emergencies where delays in obtaining approval for excess expenditure would cause loss to London Councils or endanger public health and safety. In such cases the approval for such expenditure must be sought as soon as possible after the event concerned.
- 16.2 Official or purchase orders, including those within a computerised ordering system, shall be in a form approved by the Finance Officer and are only to be authorised by the Chief Executive or his/her nominee. These authorised officers shall then be responsible for the issue of official orders. The names of the authorised officers shall be sent to the Finance Officer together with specimen signatures. Changes shall be notified to the Finance Officer as they occur. Additional guidance on the completion of purchase orders can be found at appendix 10.
- 16.3 In cases where goods, materials, works or services are required urgently and where delay would cause either loss to the organisation or endanger public health or safety then the requisite orders may be placed verbally. However, such verbal orders must be followed by an official written order within two working days and marked "Confirmation Order".
- 16.4 Official orders shall be issued for all work, goods or services to be supplied to the organisation except for public utility services, petty cash purchases or other exceptions approved by the Finance Officer and copies, or full details, of each order shall be retained in the unit where issue has taken place.
- 16.5 No order should be issued unpriced. In those circumstances where a definite price cannot be ascertained at the time of issue, then the order concerned must either be endorsed "price not to exceed" and a value given, or its copy endorsed with an estimated figure.
- 16.6 When an order is amended or varied, a note of the amendment or variation shall be made on the copy order, together with a reference to the authority for such amendment or variation which shall be confirmed in writing to the supplier.
- 16.7 Care shall be taken in the signing of goods received notes, where parcels etc. are unable to be inspected. In such cases the signature should be accompanied by the comment "not inspected" to safeguard the organisation against unseen breakages or shortages at the time of delivery.
- 16.8 The return of all goods to suppliers shall be authorised by the Chief Executive or his or her authorised representative. In each instance officers are only to release such goods when they are certain that the return has been properly authorised,

satisfied that the collection company has been previously notified to them, and that they are in receipt of appropriate return note documentation.

17 Payments

- 17.1 Apart from petty cash and other payments from the imprest account (see Financial Regulation 6) and payments by corporate charge cards (see Financial Regulation 26), the normal method of payment shall be by cheque or other instrument drawn on the bank account operated for the Organisation by the Finance Officer.
- 17.2 The Finance Officer has authority to pay all amounts to which the Organisation is legally committed, after authorisation by the Chief Executive or nominated officer.
- 17.3 The Chief Executive having issued an order is responsible for examining, verifying and authorising the related invoice. It shall be the duty of the Chief Executive to ensure that all goods, materials and services received are as ordered in respect of price, quantity and quality.
- 17.4 Before certifying an account, the authorising officer shall, save to the extent that the Finance Officer may otherwise determine, be satisfied that:-
 - 17.4.1 The works, goods or services to which the account relates have been received, examined, approved, are fit for purpose and, where appropriate, comply with pre-determined standards. This includes all grant payments for commissioned services;
 - 17.4.2 The expenditure is within an approved estimate, or is covered by special financial provision authorised by London Councils or the relevant committee;
 - 17.4.3 The proper entries have been made in the asset registers, inventories, or store records where appropriate;
 - 17.4.4 The price charged is correct and any trade discounts receivable have been deducted;
 - 17.4.5 The invoice or payment certificate is arithmetically correct both in the extensions and the total and that the allowances, credits and tax are correct;
 - 17.4.6 Any copy orders are duly endorsed as paid and brief details of the payment are marked thereon;
 - 17.4.7 The invoice or payment certificate has not previously been passed for payment and is a proper liability of the Organisation;
 - 17.4.8 The appropriate expenditure code numbers are entered on the document for payment and that no payment is made on duplicate or photocopy invoices unless the Chief Executive certifies in writing that the amounts have not been previously passed for payment;
 - 17.4.9 In the case of charges for utilities including gas, electricity and water, any standing charges are correct, and that consumption is charged on the most advantageous tariff and is otherwise reasonable;

17.4.10 In the case of grants payments for commissioned services, reference must be made to the monthly status reports received by the appropriate Directorate management team which considers the progress of each commission against a 'red', 'amber' or 'green' marking in measuring:

- Contract performance (delivery against target outcomes);
- Quality (provider self-assessment and client satisfaction); and
- Contract compliance (timeliness and accuracy of claims and reporting responsiveness and the proactive management of risk); and

17.4.11 Where the analysis of the data highlighted in clause 17.4.10 above results in a specific report being made against a commission to the effect that the commission is considered to be a risk, no further payments should be made to the commission until the appropriate Directorate management team considers further evidence to satisfy itself that the commission no longer represents a risk.

17.5 Any amendment required of a VAT invoice shall be effected through the application of a credit note from the applicable Creditor. Any amendment to a non VAT invoice shall be made in permanent ink and initialed by the officer making it, stating briefly the reasons where they are not self-evident.

17.6 The Finance Officer and the Chief Executive shall, between them, arrange a suitable division of staff duties within the Organisation so that the officer who authorises the invoice as correct shall not be the person who either placed the order, or has certified the receipt of the goods or completion of the work concerned.

17.7 An invoice for goods supplied to the Organisation shall not be prepared by an officer of London Councils, but by the creditor. In certain circumstances invoices for services rendered to London Councils may be prepared, but always in a form approved by the Finance Officer, and the officer preparing the invoice must not authorise it for payment.

17.8 As soon as possible after the 31st March, all outstanding expenditure relating to the previous financial year shall be identified by the Finance Officer.

18 Salaries, Wages and Pensions

18.1 The payment of all salaries, wages, pensions, compensation and other emoluments to all employees and pensioners of the Organisation shall be made by the Finance Officer or under arrangements approved by him.

18.2 The Chief Executive or his authorised representatives, shall notify the Finance Officer as soon as possible, and in the prescribed form, of all matters affecting the payment of such emoluments, and in particular;-

18.2.1 Appointments, resignations, dismissals, suspensions, secondments, transfers and deaths, and for pensions, changes in marital status and deaths;

- 18.2.2 Absences from duty for sickness or other reason, apart from approved leave;
 - 18.2.3 Changes in remuneration, and pay awards and agreements of general application;
 - 18.2.4 Information necessary to maintain records of service for superannuation, national insurance, income tax, etc.
- 18.3 All pay documents and time records shall be in a form approved by the Finance Officer and shall either be certified in manuscript by or on behalf of the Chief Executive, or in such form as the Finance Officer may direct. The names of the officers authorised to sign such records shall be sent to the Finance Officer together with specimen signatures. Changes shall be notified to the Finance Officer as they occur.
- 18.4 All payments to individuals who are considered to be self employed, in respect of services provided to the Organisation, shall be processed through the Payroll System unless the status of the individual has been confirmed as self employed in accordance with the latest HMRC Guidelines.
- 18.5 All pay documents shall be submitted to the Finance Officer in accordance with the timetables and deadlines determined by the Finance Officer, as detailed in Appendix 7.

19 Security

- 19.1 The Chief Executive shall be responsible for introducing and maintaining adequate arrangements for all aspects of security throughout the Organisation including personnel, buildings, land, stores, equipment, cash, computers, records, and confidential information. The Finance Officer's advice should be sought upon the adequacy of arrangements relating to cash, stores and valuable and attractive items of equipment as well as in those instances where security is thought to be defective. Maximum limits for cash holdings shall be agreed with the Finance Officer and shall not be exceeded without his/her express permission.
- 19.2 Keys to safes and similar receptacles are to be the responsibility of designated officers and are to be kept secure at all times. Loss of any such keys must be reported to the Finance Officer forthwith. Duplicate keys to all safes are to be held in a place approved by the Finance Officer and locked away for use in the case of emergency only.
- 19.3 The Finance Officer shall be responsible for ensuring that secure arrangements are made for the preparation and holding of pre-printed pre-signed cheques, stock certificates, bonds and other financial documents.
- 19.4 Whenever breaking and entering, burglary or criminal damage occurs the matter must be reported immediately by the Chief Executive to the Finance Officer in accordance with Financial Regulation 10.4.
- 19.5 The Chief Executive shall designate one officer as having responsibility for the co-ordination of computer data security issues. This designated officer shall agree with the Chief Executive the degree of privacy of the information put into computer systems used by the Organisation. The designated officer shall then

be responsible for its intended use in the computer installation and for the ability of designed controls to comply with data protection legislation such as the General Data Protection Regulation (Regulation (EU) 2016/679) (GDPR) and the Data Protection Act 2018, as applicable.

- 19.6 To comply fully with the requirements of data protection legislation including the General Data Protection Regulation (Regulation (EU) 2016/679) (GDPR) and the Data Protection Act 2018., the Chief Executive shall be responsible for maintaining proper security and the appropriate degree of privacy of information held within the Organisation either electronically or in other formats e.g. microfiche, paper output etc. All staff are responsible for ensuring that their use of personal data is consistent with the Organisation's registrations under the Act.
- 19.7 The Chief Executive should ensure that all staff who use information technology adhere to any guidelines on data security issued from time to time by the designated officer. All new employees should be briefed as to the security policies and procedures applicable, including the implications of relevant legislation.
- 19.8 In order to comply with the requirements of the 1988 Copyright, Design and Patents Act, the Chief Executive shall ensure that all staff only use software that is properly licensed.
- 19.9 The 1990 Computer Misuse Act introduced powers to prosecute those who deliberately and without authorisation misuse computer systems belonging to their employers. The Chief Executive should ensure that staff within the Organisation are aware of this legislation and ensure that their use of computers is for authorised purposes only and that no action, such as the running of unauthorised programs or games, corrupts data or introduces a virus to the system.
- 19.10 The Chief Executive should ensure that all staff are aware that information concerning secret and confidential matters, particularly those involving cash or cash deliveries, must not be disclosed in any way except to persons entitled to receive such information.

20 Stocks and Stores

- 20.1 The Chief Executive shall be responsible for the proper custody of stocks and stores held by the Organisation and shall see that all stocks and stores under his/her supervision are subject to an effective system of stock recording and control as well as stocktaking.
- 20.2 It is the duty of the Chief Executive to maintain a continuous stock-check of all stocks and stores held by the Organisation.
- 20.3 Stocks and stores must not be held in excess of what is considered by the Organisation to constitute normal requirements.
- 20.4 All goods received should be checked against quantity/ quality at the time of delivery. Delivery notes should be retained with the original order and invoice and signed by the officer accepting receipt of the goods.
- 20.5 The Chief Executive should ensure that a count and valuation of all stocks and

stores held in the Organisation is carried out on a date to be stipulated by the Finance Officer each year. In this respect, reference should be made to the stocktaking guidelines contained at appendix 4. The Finance Officer, however, may dispense with this requirement in cases where the total value of the items held in a store is considered to be too small to justify such activities.

21 Travelling and Subsistence Claims

- 21.1 Claims for travelling, subsistence and minor expenses other than those reimbursed via the imprest accounts, are to be reimbursed via the payroll system. Each claim shall be promptly submitted to the Finance Officer for payment and shall be presented on an approved form clearly detailing the expenditure incurred, supported by receipts where applicable, dated, coded, signed by the claimant and counter-signed by the appropriate authorising officer. Claims with a total value of less than £50 (inclusive of VAT) may be met from an imprest account.
- 21.2 Every officer who receives a car loan or car allowance, whether casual or essential, must produce to the Chief Executive the registration document of the car, a valid and adequate certificate of insurance and an assurance to take all reasonable steps to maintain the car in an efficient and roadworthy condition. This is to take place on a yearly basis, but the Chief Executive shall be promptly informed of any subsequent changes to the above details.
- 21.3 All car allowances are to be paid through the payroll system.
- 21.4 The Chief Executive shall supply the Finance Officer with specimen signatures of all persons in the Organisation who are authorised to certify travelling and subsistence claims and the Finance Officer shall be notified of any changes as they occur.
- 21.5 The certification by or on behalf of the Chief Executive shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and all the requirements of the appropriate approved scheme have been observed.

22 Insurance

- 22.1 The Finance Officer in consultation with the Chief Executive shall ensure that adequate insurance cover is maintained for all the Organisation's assets. The Finance Officer shall also ensure that suitable cover exists to meet any losses or claims which may arise in connection with the provision of the Organisation's services, or from its legal liabilities as an employer, or to third parties.
- 22.2 The Finance Officer shall negotiate annually renewal terms for all the Organisation's insurances at least every five years and the Chief Executive shall provide such information as is necessary to facilitate these negotiations.
- 22.3 The Finance Officer will advise the Chief Executive on all necessary arrangements and information required in respect of insurance cover for the acquisition of property or goods which may necessitate notice to the organisation's insurers.

- 22.4 The Chief Executive shall give prompt notification to the Finance Officer of all new insurable risks and shall provide the Finance Officer with a copy of any indemnity which the Organisation is expected to give. The Chief Executive shall not enter into any such indemnity unless the terms thereof have been approved by the Finance Officer.
- 22.5 The Chief Executive shall notify promptly the Finance Officer of anything likely to give rise to a claim and shall provide such information as is necessary to negotiate claims. Where appropriate, and not in conflict with Financial Regulation 10.4, the Chief Executive in consultation with the Finance Officer should inform the Police.
- 22.6 The Finance Officer may establish such funds as are necessary to meet the uninsured losses of London Councils. Where such losses relate to a Sectoral joint committee then the prior agreement of the appropriate Sectoral joint committee must be obtained. In all other instances the prior agreement of London Councils is to be obtained. Such funds will be operated in accordance with a scheme drawn up by the Finance Officer.
- 22.7 The Finance Officer shall maintain a register of all insurances and the property or risks covered. The Finance Officer shall be notified immediately that any valuables belonging to a private individual are taken into the Organisation's possession so that directions may be given as to their recording and safe keeping. For the purposes of this Financial Regulation the term "valuables" shall include watches, jewelry, cash, documents, goods, chattels or any other items of intrinsic value. This Financial Regulation does not apply to "lost property" of a low value.
- 22.8 Prompt notification shall be given to the Finance Officer following any alteration to the Organisation's insurance status resulting from the award or completion of any contract.

23 Treasury Management and Investments

- 23.1 London Councils has adopted the "Code of Practice for Treasury Management in Local Authorities" as published by the Chartered Institute of Public Finance and Accountancy (CIPFA). This will include its reporting requirements. The CIPFA Code defines "Treasury Management" as "The management of all money and capital market transactions in connection with cash and funding resources of the local authority". Unless decided otherwise by London Councils, this does not include management of Pension Fund money.
- 23.2 The Finance Officer shall be responsible for all borrowing and investment of London Councils, subject to the approval of London Councils or the relevant Sectoral joint committee.
- 23.3 In order to minimise the extent of temporarily surplus funds the Finance Officer shall make such arrangements (including direct payment by the Participating Councils in the TEC Agreement to the Operators) as are reasonable and practical to match the timing of those Councils' contributions to the Concessionary Fares scheme with payments due to the various

Transport Operators

- 23.4 All investments shall be made by the Finance Officer on behalf of London Councils and shall be noted as being for the purposes of the relevant Committee.
- 23.5 All executive decisions on borrowing, investment or financing shall be delegated to the Finance Officer or through him/her to his staff, who shall be required to act in accordance with CIPFA's "Code of Practice for Treasury Management in Local Authorities".
- 23.6 Income received from investments shall be reported annually to London Councils and any Sectoral joint or associated committee by the Finance Officer, as part of the close down of accounts procedure. The Finance Officer shall submit reports on policy, sales and purchases for consideration by London Councils to at least four meetings each year.
- 23.7 The investment of funds included within Pension Funds may be carried out by one or more firms of Fund Managers with the concurrence of London Councils.

24 Unofficial Funds

- 24.1 An "unofficial fund" is any fund where the income and expenditure does not form part of the Organisation's accounts, but which is controlled wholly or in part by an officer on behalf of London Councils.
- 24.2 The Finance Officer shall be informed of the existence of all unofficial funds, and will issue and update accounting instructions for them where necessary.

25 Taxation Requirements

- 25.1 The Finance Officer has overall responsibility for dealing with all statutory requirements concerning the collection, payment and accounting for Value Added Tax (VAT), Pay As You Earn (PAYE) and Construction Industry Scheme (CIS).
- 25.2 The Finance Officer will from time to time issue to the Chief Executive guidance and advice on VAT, PAYE and CIS arrangements arising from such issues as changes in legislation. It is the responsibility of the Chief Executive to make arrangements in the Organisation to ensure that the advised regulations and procedures are implemented.
- 25.3 The Chief Executive must ensure that procedures are in place in the Organisation to provide evidence that all VAT, PAYE and CIS transactions are supported by the correct documentation.
- 25.4 The Chief Executive will consult with the Finance Officer with regard to any issue on VAT, PAYE and CIS that requires advice or clarification.

26 Corporate Charge Card

- 26.1 The Finance Officer will nominate holders of corporate charge cards to

facilitate the payment of online, advance or emergency purchases.

- 26.2 The Finance Officer will be responsible for setting the transaction limits on the corporate charge cards which should be taken into account when raising orders for goods or services to be purchased using corporate charge cards. An official purchase order must be prepared and authorised in accordance with Financial Regulation 16 prior to the procurement of goods or services using the charge card.
- 26.3 Corporate charge cards should only be used on official business and not for personal use.
- 26.4 Corporate charge cards must not be used to withdraw cash.
- 26.5 Corporate charge cards must be stored in a safe place when not in use.
- 26.7 Card holders must retain invoices, vouchers, receipts, online booking documents or other supporting documentation. Card holders must reconcile their card statements to the supporting documentation and submit it to their line manager for review and approval each month.
- 26.8 The Finance Officer will carry out such inquiries and checks on the corporate charge card reconciliations submitted, as he deems necessary. In the event of misuse or failure to follow established procedures, the card may be revoked or other appropriate disciplinary action taken.
- 26.9 Where any fraudulent misuse of the card is identified it should be investigated in accordance with London Councils' Anti-Fraud, Bribery and Corruption Strategy (see Appendix 11).

September 2020

LONDON COUNCILS¹

SCHEDULE 7

FINANCIAL REGULATIONS

Key points/message

All Corporate and Programme Directors shall ensure that the Financial Regulations are strictly observed within their Directorates and Divisions and shall arrange for all necessary staff training.

Any employee who knowingly or by negligence breaches these regulations may be subject to disciplinary action.

¹ The term *London Councils* throughout this document refers only to Leaders' Committee,

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1 Definitions

- 1.1 The Chief Executive means the officer appointed pursuant to Clause 7.4 of the London Councils Agreement or, wherever appropriate, his nominated representative.
- 1.2 The Finance Officer² means the officer appointed pursuant to Clause 7.4 who shall be the "Responsible Financial Officer" as defined by Regulation 2(2) of the Accounts and Audit Regulations 1996.
- 1.3 The Organisation means London Councils, any Sectoral joint committees and any associated committees.

2 General

- 2.1 These financial regulations are designed to detail the responsibilities, procedures and working practices adopted under this Agreement and provide essential information in relation to day to day financial administration.
- 2.2 The Chief Executive and the Finance Officer have a responsibility to establish within the Organisation strong internal control procedures so that activities are conducted in an efficient, effective and well-ordered manner. Such procedures should facilitate the detection and prevention of fraud and/or corruption at an early stage (refer Anti Fraud, Bribery and Corruption Strategy - appendix 11).
- 2.3 The Finance Officer shall maintain a register in which officers shall enter each gift, favour, reward or hospitality offered by a person or organisation doing, or seeking to do business with the Organisation (refer Hospitality Declaration- appendix 9).
- 2.4 It is the responsibility of the Chief Executive to ensure that all staff are made aware of these regulations and to make suitable arrangements to ensure adherence. This does not remove the requirement for all staff to make themselves conversant with these regulations and comply with their requirements.
- 2.5 The Organisation shall not consider:-
 - 2.5.1 a new policy, including the management of all externally funded projects, nor
 - 2.5.2 a development or variation of existing policy, nor
 - 2.5.3 a variation in the means or time-scale of implementing existing policy which affects or may affect the Committee's finances, unless there is before it at the same time a full statement of the financial implications by the Finance Officer.
- 2.6 The Chief Executive shall consult the Finance Officer with respect to any matter within his/her purview, which is liable materially to affect the finances of the Organisation before any commitment is incurred or before reporting thereon to any Committee.
- 2.7 Failure to observe these Financial Regulations may, at the discretion of the

² The title Finance Officer refers to the Director of Corporate Resources throughout this document and appendices

Finance Officer, be reported to the Audit Committee.

- 2.8 In relation to externally funded projects:
 - 2.8.1 all requests for government or other grant support must be agreed with the Director of Corporate Resources in advance of any submission to the funding body;
 - 2.8.2 if the estimated lifetime value a grant is equal or greater than £250,000 this must be the subject of a separate detailed report to London Councils Leaders' Committee or any Sectoral joint or associated committee as appropriate.
- 2.9 The Director of Corporate Resources in consultation with the Chief Executive will be responsible for submission of all claims for grant to Government Departments and other outside bodies. All agreements for the receipt of grant by a Committee shall:-
 - 2.9.1 be obtained in writing;
 - 2.9.2 state the amount and conditions relating to the receipt of grant;
 - 2.9.3 be referred to the Director of Corporate Resources for his observations on financial implications prior to signing; and
 - 2.9.4 be reviewed for any legal implications, seeking legal advice as necessary.
- 2.10 The Finance Officer, in consultation with the Chief Executive, has the right to withdraw any Committee report where insufficient notice has been given to allow the provision of adequate financial comment.
- 2.11 The Finance Officer shall be consulted in any cases involving the interpretation of the Financial Regulations and his/her decision as to their meaning, scope and application shall be final providing such decision does not have the effect of altering the meaning of a Standing Order or other regulation or contract approved by a Committee.
- 2.12 The Finance Officer shall annually review the financial threshold figures stated in the Financial Regulations, making any necessary adjustments and then notify the Chief Executive accordingly. However, any proposed increases exceeding the appropriate rate of inflation shall first be referred to London Councils and the relevant Sectoral joint or Associated committee for their approval.
- 2.13 The Finance Officer shall review these Financial Regulations at least every two years in consultation with the Chief Executive and report to London Councils] and the relevant Sectoral joint or Associated committee recommending those changes he/she considers necessary.
- 2.14 A Lead Authority, in its capacity as administrator of an activity delegated by London Councils or a Sectoral joint or Associated committee, shall be deemed to have complied with these Financial Regulations so long as it is in compliance with the applicable Financial Regulations and Standing Orders of that Lead Authority.
- 2.15 Any of these financial regulations may be revoked, varied or suspended in

respect of all or any of the functions referred to in this Agreement by London Councils in accordance with Schedule 6.

3 Budgets

- 3.1 The Finance Officer shall prepare the estimates of revenue income and expenditure in consultation with the Chief Executive, who shall critically scrutinise the draft estimates before their submission to London Councils and any Sectoral joint or Associated committee.
- 3.2 The estimates shall show the latest approved estimates for the current year and the estimated expenditure and income for the ensuing three years. The Finance Officer and Chief Executive shall provide sufficient supporting information as required by London Councils, and any Sectoral joint or Associated committee in order for variations between budget headings to be analysed. The detailed form of the annual budget shall be determined by the Finance Officer and Chief Executive consistent with general directions of London Councils and any Sectoral joint or Associated committee.
- 3.3 The Finance Officer shall make appropriate detailed calculations for each budget head. A working paper showing the basis of each calculation shall be kept for six years or until the final accounts for the year in question have been approved by the external auditor.
- 3.4 Estimates of income and expenditure made in respect of the London Boroughs Grants Scheme (LBGS), shall be prepared in accordance with the timetable contained in the LBGS Regulations as amended by Schedule 4 as follows:
 - 3.4.1 The LBGS draft budget shall be submitted to London Councils and the London Boroughs Grant Committee not later than the end of November each year.
 - 3.4.2 London Councils shall approve the draft budget and the London Boroughs Grants Committee shall recommend to the applicable Constituent Councils an overall level of expenditure on an annual basis and this shall include the amounts to be collected from each Constituent Council as determined by the Regulations.
 - 3.4.3 At least two-thirds of the Constituent Councils must approve the recommended overall level of expenditure each year by not later than the third Friday in January as provided for in the Scheme Regulations.
 - 3.4.4 If at least two thirds of the Constituent Councils have not approved the recommended overall level of expenditure before the 1st February in the year in which that financial year begins, the Constituent Councils shall all be deemed to have given their approval for that financial year to total expenditure of an amount equal to the amount that was approved or as the case may be, deemed to have been approved, for the preceding financial year. Such approval shall be subject to any order which may be made by the Secretary of State under Section 48 (5) of the Local Government Act 1985 and will confer authority on the London Boroughs Grants Committee to incur such expenditure.

- 3.9 If it appears that an overspending is unavoidable, even after making use of the virement provisions, then the approval of London Councils and the relevant Sectoral joint or Associated committee must be sought before application of any supplementary estimate. Any proposal affecting the funds of London Councils or any Sectoral joint or Associated committee shall be submitted to such committee accompanied by a report of the Chief Executive who shall consult the Finance Officer as necessary, indicating the sufficiency or otherwise of the estimate provision.
- 3.10 The conclusion of the Concessionary Fares contract shall be reported to the Transport and Environment Committee no later than the 31st of December each year.

4 Virements

- 4.1 Virement, or the temporary transfer of resources between budget heads, is allowed where any expenditure budget head will be overspent or income budget head will not be attained, by the end of the financial year, by offsetting the overspending or shortfall of income in respect of any function by the transfer from other budget heads for the same function which would have sufficient provision during the same financial year. Such virement is defined below.
- 4.1.1 The Finance Officer, in consultation with the Chief Executive, is authorised to approve virements up to a maximum of £50,000 in any one instance, provided the total virement to any one budget head in any one financial year does not exceed £50,000 or, either 50% of the receiving budget or, £1,000 if the receiving budget is less than £2,000. This applies to all budget heads.
- 4.1.2 For all such virements, these shall be reported to London Councils, or any Sectoral joint committee or any Associated committee as appropriate, retrospectively on a quarterly basis.
- 4.1.3 All virements over £50,000 must be approved by London Councils, or any Sectoral joint committee or any Associated committee, as appropriate.

5 Accounting and Document Retention

- 5.1 All accounts, financial records, including computerised records, and financial administration procedures shall be kept or undertaken in a form approved by the Finance Officer who shall also be responsible for keeping the principal accounting records. It is the responsibility of the Chief Executive to retain securely, and in an easily retrievable form, all other information relating to the Organisation's financial and operational activity in support of the accounting and final account process.
- 5.2 In the allocation of accounting duties, the following principles shall be observed:-
- 5.2.1 The duties of providing information regarding sums due to or from London Councils and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them;

- 5.2.2 Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any such transactions.
- 5.3 The Chief Executive shall make returns of outstanding expenditure, income and any other relevant information in the form and by the date specified by the Finance Officer for the reporting process detailed in Financial Regulation 9.6 and the closure of the annual accounts.
- 5.4 All computerised financial systems should be capable of producing relevant accounting analysis capable of transfer in a format, level of detail and manner approved by the Finance Officer. The information transfer should include specific types of transaction such as write offs. The Chief Executive shall consult with the Finance Officer before introducing, amending or discontinuing any record or procedure relating to financial transactions or accounting.
- 5.5 All accounting records shall be retained in safe custody for such a period as shall be determined by the Finance Officer and all vouchers must be kept for a period of six years in line with HMRC guidance after the specified accounting period has elapsed. The ultimate disposal of financial records should be arranged by the Chief Executive as “confidential waste” and on no account should sensitive information be disposed of through the normal waste collection process. All such confidential waste disposal arrangements shall be subject to the prior approval of the Finance Officer.
- 5.6 The Finance Officer in consultation with the Chief Executive shall be responsible for the production and publication of the organisation’s final accounts in such a form and in accordance with such a timetable as to make them consistent with any relevant statute and the general directions of London Councils and any Sectoral joint or associated committee.
- 5.7 As soon as practicable after the end of each financial year and before the 30 June, the Finance Officer in consultation with the Chief Executive shall report provisional out-turn figures for income and expenditure to London Councils and any Sectoral joint or Associated committee, comparing these to the approved estimates. The Finance Officer shall present the Statement of Accounts for the year in question to London Council’s External Auditors as early as possible following the presentation of the provisional outturn figures to London Councils Executive.
- 5.8 The Finance Officer shall retain, in safe custody, copies of audited Statements of Accounts including the External Auditor’s opinion and annual report. The Finance Officer shall present the audited Statement of Accounts to London Councils Audit Committee for approval by 30 September. All significant issues raised by the External Auditor’s annual report on the accounts together with any accompanying management letter must be reported to London Councils Audit Committee, including the issues that relate solely to the accounts of any Sectoral joint committee.

6 Imprest Accounts

- 6.1 The Finance Officer shall provide such imprest accounts as he/she considers appropriate after consultation with the Chief Executive.
- 6.2 The Finance Officer may arrange for bank accounts to be opened for use by holders of imprest accounts. Such bank accounts shall not be overdrawn, and it shall be a standing instruction to the bank concerned that any departure from this regulation is reported immediately to the Finance Officer.
- 6.3 The Chief Executive shall be responsible for the control and operation of the imprest account in accordance with instructions issued by the Finance Officer.
- 6.4 No sums received on behalf of London Councils may be paid into an imprest account, but shall be banked separately or paid to London Councils promptly as may be directed by the Finance Officer.
- 6.5 Payments from imprest accounts shall be limited to minor items, unobtainable through Creditors or Stores and ineligible for reimbursement through Payroll, the maximum value of which shall be £50 (inclusive of VAT), unless specific dispensation has been provided to the Chief Executive by the Finance Officer. All payments shall be supported by vouchers and all receipts where appropriate, relating to expenditure from an imprest must be attached to the relevant voucher.
- 6.6 To satisfy the requirements of external auditors, imprest holders shall provide the Finance Officer with certificates annually to certify the balance held. These certificates must be sent to Finance Officer promptly after the end of the appropriate financial year. (Blank certificates will be provided to the imprest holders for this purpose by the Finance Officer before the end of each financial year).
- 6.7 Claims for the reimbursement of imprest accounts should be made at regular monthly intervals, following a full reconciliation of the account and, in any event, frequently enough for the relevant bank account to remain in credit until the reimbursement is received. Imprest reimbursement forms are to be provided by the Finance Officer.
- 6.8 It shall be the duty of the Chief Executive to notify the Finance Officer sufficiently in advance of the impending resignation or departure of the imprest account holder. When an imprest account holder leaves the service of London Councils, he or she shall account to the Finance Officer for the amount advanced.
- 6.9 The general principle of imprest accounting is that at any time the cash balance, together with the aggregate value of any receipts on hand, unreimbursed claims and cheques not credited, should total the approved imprest account balance. At no stage should the cash balance be allowed to fall below zero. Income and change floats shall be kept separately from the imprest cash at all times, and shall not be used to fund cash expenditure.
- 6.10 If it becomes apparent that the current level of imprest is insufficient, the items on which the imprest is expended shall be reviewed. If it is clear that there is no

reasonable alternative to expenditure through the imprest, a formal request in writing to have it increased shall be made to the Finance Officer. Similarly, if it becomes apparent that exceptional circumstances mean a temporary increase/decrease is required then a formal request is to be submitted to the Finance Officer. Further, sub-floats must not be issued from an imprest without the prior approval of the Finance Officer.

- 6.11 No officer shall authorise his or her own claims from an imprest account. Claims are to be authorised by the Chief Executive. Certification by or on behalf of the Chief Executive shall be taken to mean that the certifying officer is satisfied that the expenses and allowances claimed are properly and necessarily incurred and are properly payable.
- 6.12 Expenditure which should form part of the payroll system, e.g. clothing, car allowances and home to work travel expenses, shall not be processed through imprest accounts.
- 6.13 All non-computerised records relating to imprest accounts should be maintained in ink.
- 6.14 The encashment of personal cheques and the advancing of loans from an imprest is strictly forbidden.
- 6.15 The only bank charges, which should be incurred in respect of imprest accounts operated via a bank account, are those in the normal course of operation of the account. As can be seen from Financial Regulation 6.2, bank charges in respect of overdrawn accounts should not be incurred. If they have been incurred, however, they should be debited to an appropriate expenditure code and reclaimed on the imprest reimbursement form.
- 6.16 All Departments holding petty cash should ensure that, at all times, cash is adequately secured. As a minimum this should be in a cash box within a lockable drawer. Amounts in excess of £50 should be kept overnight in a safe or lockable cupboard with very restricted access.
- 6.17 Whenever any matter arises which involves or may suggest irregularities affecting a petty cash imprest system, the Chief Executive shall notify the Finance Officer forthwith. This Regulation also applies in the event of any loss from the imprest account, identified during reconciliation.

7 Banking Arrangements

- 7.1 The Finance Officer will make arrangements with London Councils bankers for the operation of such accounts as he/she may consider necessary. No other bank accounts will be opened without the permission of the Finance Officer.
- 7.2 All bank accounts shall bear an official title and in no circumstances shall an account be opened in the name of an individual.
- 7.3 The Finance Officer will make appropriate arrangements with London Councils bankers concerning designated signatories of cheques, drafts, promissory notes, acceptances, negotiable instruments, orders and instructions.

- 7.4 The Finance Officer shall be responsible for arranging the temporary investment of monies not immediately required, and the ordering and issue of cheques/giro-cheques, direct debit and credit card facilities.
- 7.5 The Finance Officer will ensure that a register is maintained to record all stocks of cheques held by London Councils.
- 7.6 Stocks of cheques will be held by the Finance Officer in a safe covered by adequate insurance arrangements.
- 7.7 The Finance Officer is responsible for arranging the cancellation and subsequent replacement of specific cheques with London Councils's bankers. All requests in relation to cancellations must be channeled through the Finance Officer.
- 7.8 Corporate and Programme Directors should ensure that all bank accounts under the control of their Directorate or Division are reconciled on a monthly basis and that end of the year accounts closure requirements are adhered to.
- 7.9 The Finance Officer shall arrange such safeguards as necessary and practicable, including the separation of staff duties as far as possible in respect of:-
 - 7.9.1 the checking of creditors accounts;
 - 7.9.2 the control of cheque forms;
 - 7.9.3 the preparation of cheques;
 - 7.9.4 the signature of cheques;
 - 7.9.5 the despatch of cheques;
 - 7.9.6 the entry of the cash accounts; and
 - 7.9.7 the reconciliation of bank accounts.

8 Contracts & Procurement

- 8.1 All contracts and procurement that exceed the current EU threshold³ are regulated by EU Procurement Directives, and UK domestic legislation as defined in the Public Contracts Regulations (PCR) 2015. In addition, each and every contract shall also comply with these Financial Regulations. The EU regulations and UK law take precedence over the Financial Regulations and no deviations or exceptions are permitted for contracts in excess of the threshold. Also, contracts with a full life value between £25,000 and the EU threshold are governed under Part 4 of the PCR 2015.⁴
- 8.2 Contracts may be defined as being agreements for the supply of goods or materials, or the carrying out of works or services. Contracts are also deemed to include the engagement of professional consultants (excluding Counsel).
- 8.3 It is a breach of the Financial Regulations to artificially divide contracts where the effect is to circumvent the regulations concerning the following financial threshold limits.

³ The current Threshold for public supply and service contracts is €221,000 / £189,330, as of January 2018. This is reviewed every two years.

⁴ Chapter 8 Below Threshold Procurements The obligation to advertise on Contracts Finder - Regulation 110(1), **only applies where the authority has decided to advertise.**

8.4 Financial Thresholds

8.4.1 The following minimum number of invitations to tender or quote shall apply, subject to EU procurement rules (including aggregation i.e. the full life value of the contract) and the exemptions, before any order for works, supplies or services is placed:

Procurement Threshold	Procedure
(a) up to £10,000	No formal tender process required. At least one written quotation obtained, duty to secure reasonable value for money
Where a decision has been made <u>NOT</u> to advertise	
(b) between £10,001 and £75,000 <i>if not advertised</i>	Request at least 3 written quotations or a mini-tender exercise must be carried out to establish value for money
Where a decision has been made to advertise	
(c) between £25,001 and EU limit (currently £189,330) (€214,000) <i>if advertised (NB: you MUST advertise above £75,001</i>	If the Opportunity is advertised, the use of the formal tender process is mandatory by tendering the opportunity on Contracts Finder and London Councils website.
(d) over EU limit (currently £189,330 ((€214,000))	The use of the formal EU tender process is mandatory and subject to the EU procurement rules. To note that additionally if the value of procurement is in excess of £250,000 then Committee approval is required prior to formal tender process.

8.5 Each proposed contract for works or services, with an estimated value equal or greater than £250,000 must be the subject of a separate detailed report to London Councils Leaders' Committee or any Sectoral joint or associated committee as appropriate, requesting approval to seek tenders for the recommended design solution. This report must state the size of any contingency provision to be included in the tender documents or estimated costs, as well as any prevalent risks to the organisation.

8.6 No contract shall be made, nor any tender invited, unless provision has been made in the annual budget for the proposed expenditure or that written confirmation has been received from the appropriate third party that external funding is available to fund the full contract and associated costs.

8.7 Formal Tender Process

8.7.1 Competitive tendering will be required where the **opportunity is advertised** and the estimated value of the contract is expected to exceed £25,000 which is split into two categories

8.7.2 Below Threshold (£25,000 to less than the EU limit £189,330)

8.7.2.1 It is now a requirement that for any contracts estimated to be between £25,000 and the EU limit in force at the time (currently

£189,330), if the contracting authority advertises it must do so via Contracts Finder.

8.7.3 Above EU Threshold (£189,330) where full EU processes apply

8.7.3.1 For above threshold tendering, the choice of procedure is detailed and regulated in the PCR (Chapter 2 Rules on Public Contracts), noting that when awarding public contracts, contracting authorities shall apply procedures that conform to the regulations.

8.7.4 Detailed guidance on procurement procedures is provided in the Procurement Toolkit (Appendix 6), reflecting the PCR and any specific guidance as the Minister for the Cabinet Office may issue.

8.8 **Contract Advertising**

8.8.1 Contracts above the EU financial thresholds prevailing at the time as set out in the Regulations should be advertised in the Official Journal of the European Union (OJEU) and London Councils website.

8.8.2 For below EU threshold procurement i.e. between £25,000 and the EU Limit where a decision has been made to advertise the opportunity, the opportunity must be placed on Contracts Finder and London Councils website with no exceptions. (Ref PCR 2015, Chapter 8 paragraph 110)

8.8.3 8.8.4 After the expiration of the period specified in any notice, invitations to tender for the contract shall conform with Section 5 sub section 7 of the PCR, (paragraphs 65 and 66 refer).

8.9 **Receipt of Tenders**

8.9.1 Every invitation to tender shall state that no hard copy tender will be accepted unless it is received in a plain sealed envelope or package which shall bear the words TENDER - followed by the subject to which the tender relates, and shall not bear any name or mark indicating the sender. Every invitation to tender should also state the deadline date and time (usually 12 noon) for receipt. When received, an entry shall be made upon such envelopes or packages indicating the time and date of receipt and these will then remain in the custody of the Chief Executive or the Director of Corporate Resources until the time appointed for their opening.

8.9.2 Electronic versions of the tender submission will be accepted. Electronic tenders must be received by the deadline date and time, as detailed in the invitation to tender. Electronic tender submissions sent by e-mail should be sent to: tenders@londoncouncils.gov.uk. E-mailed tenders will not be accepted in isolation, if there is a requirement for hard copies.

8.9.3 All tenders received after the deadline date and time shall not be opened and will be disregarded for the purposes of the tender exercise to which they relate.

8.10 **Opening of Tenders**

Tenders shall be opened at one time in the presence of:-

8.10.1 For tenders valued at over £25,000 – in the presence of two officers appointed by the Chief Executive;

8.11 **Acceptance of Tenders and Quotations**

8.11.1 Where the value is under £10,000, one of the designated authorised signatories (as outlined in Part C of Appendix 5) , shall be authorised to accept the quotation by signing off the purchase order to place the order with the supplier;

8.11.2 Where the value is between £10,001 and £75,000, one of the designated authorised signatories (as outlined in Part B of Appendix 5) shall be authorised to evaluate and accept the quotation or tender by signing off the procurement approval form for submission to the Director of Corporate Resources for approval;

8.11.3 Where the value is between the £75,000 and the prevailing EU Limit, one of the designated authorised signatories (as outlined in Part A of Appendix 5) shall be authorised to evaluate and accept the tender by signing the procurement approval form for submission to the Director of Corporate Resources for approval;

8.11.4 Where the tender is above the EU Threshold and below £249,999, the Chief Executive, the Director of Corporate Resources, or in their absence, one of the designated authorised signatories (as outlined in Part A of Appendix 5) in consultation with the Chair(man), Deputy-Chair(man) and one other Member of the appropriate committee shall be authorised to evaluate and accept the tender;

8.11.5 For tenders of £250,000 and over London Councils Leaders' Committee or any Sectoral joint or associated committee as appropriate shall be authorised to evaluate and accept the tender;

8.11.6 A tender which exceeds the approved estimate shall be referred to the appropriate committee for consideration. Where the tender can be amended to fall within the approved budget by a minor adjustment to the approved works, goods or services and otherwise complies with these regulations, the Chief Executive , the Director of Corporate Resources, or in their absence, one of the designated authorised signatories (as outlined in Part A of Appendix 5) in consultation with the Chair(man), Deputy-Chair(man) and one other Member of the appropriate committee shall be authorised to approve the adjustment as provided for in 8.11.4 above.

8.12 **Contract Provisions and Payments**

8.12.1 Every contract in writing (unless such contract is let by a Lead Authority in accordance with Schedule 8), shall be signed by the Chief Executive or the Director of Corporate Resources, or in their absence, one of the designated authorised signatories (as outlined in Part A of Appendix 5).

8.12.2 Every contract in writing shall specify:-

8.12.2.1 the work, materials, matters, or things to be furnished, or

done;

8.12.2.2 the price to be paid, with a statement of discounts or other deductions;

8.12.2.3 the payment process, including the process for resolving disputes;

8.12.2.4 the time or time within which the contract is to be performed;

8.12.2.5 insurance, employers liability and professional indemnity;

8.12.2.6 the place or places for delivery of performance.

8.13 **Contracts where tenders are not required.**

8.13.1 Contracts or orders which exceed £10,000 and not exceeding £75,000 in value, **if not advertised**, require at least 3 written quotations from suitable suppliers before the contract order is placed

8.13.2 Quotations may be submitted by post, or e-mail.

8.13.3 If the full life value of a contract is below the £75,000 **and not advertised**, it shall not be obligatory to invite formal tenders, nor give public notice of the intention to enter into a contract where:-

- 8.13.3.1 effective competition is prevented by Government control, or
- 8.13.3.2 the special nature of the work to be executed limits the number of contractors capable of undertaking the work to less than 3, or
- 8.13.3.3 the goods, services or materials to be purchased are only available from less than 3 suppliers, or
- 8.13.3.4 the work is a continuation of a previous contract or order, or
- 8.13.3.5 a corporately tendered and managed or framework contract has been established for all officers of the organisation to use:
e.g. supplies of Stationery, Computers, Office Furniture etc.,
or
- 8.13.3.6 goods or services are of a proprietary manufacture, including sole distribution or fixed price, or the services to be provided are of a proprietary nature , or
- 8.13.3.7 any repairs or works to be executed or parts, goods or
or
- Materials to be supplied in connection with existing machinery, vehicles plant or equipment are of a proprietary nature and involve sole distribution or fixed price, or
- 8.13.3.8 urgent supplies necessary for the protection of life

or property.

8.13.4 The Chief Executive shall maintain a record of those contracts let without competitive quotations as detailed in 8.13.3, detailing the reasons why these have not been obtained.

8.13.5 The EU regulations and PCR do not provide for any exemptions from the tendering process for contracts which exceed the EU threshold.

8.14 Withdrawal of Tender

8.14.1 In the event of any person withdrawing a tender, or not signing the contract after his/her tender has been accepted, or if the Chief Executive or the Committee are satisfied that a Contractor has not carried out a contract in a satisfactory manner, or for any other justified reason, then tenders will not be accepted from such contractors in future, except after specific Committee approval.

8.15 Communications with Tenderers

8.15.1 Accounting records for all contracts must be maintained as agreed by the Director of Corporate Resources.

8.15.2 No members of the relevant Committee shall have or allow any interview or communications with any person or representative of any person proposing to tender or contract, except by the authority of that Committee. Where such interview or communication does, nevertheless, take place then it is to be reported to the relevant Committee at the first available opportunity.

8.16 Contract Variations

8.16.1 Subject to the provisions of the contract, every variation shall be instructed in writing and signed by the designated officer prior to the commencement of work on the variation concerned or as soon as possible thereafter. Designated officers may authorise variations which are essential for the completion of a contract, and minor variations of an optional nature, provided the cost remains within the approved estimate. Major variations to contracts shall require the approval of the appropriate committee.

8.17 Contract Payments

8.17.1 All ex gratia and non-contractual claims from contractors shall be referred to the Director of Corporate Resources and also to the Chief Executive for comments before settlement is reached.

8.17.2 Where contracts valued in excess of £25,000 provide for payments to be made by instalments, all payments to contractors shall be made on a certificate issued and signed by London Councils designated officer. Contracts subject to payment via certificate will primarily relate to construction / building works, which will be for internal / external decorations of London Councils Leased premises.⁵ Those contracts not subject to the issue of certificates, may be paid on invoices and/or any

⁵ Any contractors certificates issued, including claims for additional costs and the final account would be assessed by a Project Manager / Quantity Surveyor engaged for their expertise in managing building / construction contracts and then reported to the designated officer.

means allowed by the Director of Corporate Resources.

- 8.17.3 The Director of Corporate Resources shall, to the extent he/she considers necessary, examine the final accounts or interim valuations for contracts and he/she shall be entitled to make all such enquiries and receive such information and explanations as he/she may require in order to be satisfied as to the accuracy of the accounts.
- 8.17.4 The final certificate for the payment of any contract, where the final cost exceeds £25,000, shall not be issued until the Supervising Officer under the contract has produced to the Director of Corporate Resources a detailed statement of account with all relevant documents.⁶ Such papers shall be lodged with the Director of Corporate Resources two months prior to the due date of the final certificate or in exceptional circumstances a previously agreed period in order to allow a thorough review of their contents prior to the issue of the final certificate. In addition, all consultants' fee accounts that in total exceed £30,000 in value shall be forwarded to the Director of Corporate Resources for verification prior to the respective final payments being processed. A clause to this effect shall be inserted in the appropriate contract, bills of quantities, or specification.
- 8.17.5 Wherever works or services are let on a day works contract then every payment costing in excess of £100 shall be supported by day work sheets. Such day works sheets shall contain adequate descriptions of the work carried out and the names of the operatives involved, together with details of the times during which the work was performed, the hourly rates applied and any plant or materials used. Day work sheets shall be signed by the designated officer indicating that the amount claimed reasonably reflects the labour and materials content of the works executed.

8.18 **Lead Borough Arrangements**

- 8.18.1 Any contract let by a Lead Authority, in its capacity as administrator of an activity delegated by London Councils or any Sectoral joint or associated committee as appropriate, shall be deemed to comply with these Financial Regulations so long as it is in compliance with the Financial Regulations and Standing Orders of that Lead Authority.

8.19 **Corrupt Practices**

- 8.19.1 Every written contract shall include the following clauses:

The Service Provider must comply at all times with the provisions of the Bribery Act 2010, in particular Section 7 thereof in relation to the conduct of its employees, or persons associated with it.

The Service Provider warrants that, at all times, it has in place adequate procedures designed to prevent acts of bribery from being committed by its employees or persons associated with it, and must provide to London Councils at its request, within a reasonable time, proof of the existence and implementation of those procedures.

⁶ See footnote 3 above

London Councils will be entitled by notice to the Service Provider to terminate the Service Provider's engagement under this or any other contract with the Service Provider if, in relation to this or any other such contract, the Service Provider or any person employed by it or acting on its behalf has committed an offence in relation to the Bribery Act 2010.

8.20 Claims from Contractors

8.20.1 Claims from contractors in respect of matters not clearly within the terms of any existing contract shall be referred by the Chief Executive to London Councils Legal Adviser for consideration of the Organisation's legal liability and, where necessary, to the Director of Corporate Resources for financial consideration before a settlement is reached. No payment will be made to a contractor without the specific approval of London Councils.

8.21 Bonds and Other Security

8.21.1 Every contract that exceeds £150,000 in value or amount and is for the execution of works or for the supply of goods or materials otherwise than at one time, shall require the contractor to provide sufficient security for the due performance thereof, except where the appropriate service related Director and Director of Corporate Resources consider this to be unnecessary.

8.22 Use of Consultants

8.22.1 Consultants shall be engaged only where it is not feasible or cost effective to carry out the work in-house either by using existing staff or by employing new short term or permanent staff.

9 Budgetary Control

9.1 Approval of a revenue expenditure budget by London Councils and the relevant Sectoral joint or associated committee shall confer the authority on the Chief Executive to incur expenditure, except in the case of any item which the relevant committee wishes to have referred to it for further consideration.

9.2 No expenditure may be incurred unless a budget for that purpose has been approved.

9.3 Where the Chief Executive proposes to incur expenditure for which there is no budget head in the annual budget :-

9.3.1 But the expenditure is unlikely to exceed £50,000 by the end of the financial year, the Chief Executive in consultation with the Finance Officer may make arrangements to incur the costs, which must be financed by the virement arrangements under paragraphs 4.1.1 and 4.1.2, and

9.3.2 If the expenditure is likely to exceed £50,000 by the end of the financial year the Chief Executive shall seek approval from London Councils or the relevant Sectoral joint or associated committee, depending on which approved the expenditure. The financing of this

expenditure must be determined in accordance with Financial Regulation 4.1.3.

- 9.4 The Chief Executive may only pay or make provision for payment in respect of goods received or services rendered within each financial year and for which budget provision has been made.
- 9.5 Where London Councils or the relevant Sectoral joint or associated committee has authorised a fund for a particular purpose, under or overspent balances may be carried forward to the following financial year on a one-off basis. All other balances in hand at the end of the financial year shall be reported to the Committee by the Finance Officer. London Councils or the Sectoral Joint Committee shall then determine the use of those balances.
- 9.6 In the light of actual expenditure on administrative costs during the financial year the Finance Officer in consultation with the Chief Executive shall present to London Councils or the relevant Sectoral joint or associated committee, reports showing projected out-turn figures for each budget heading approved by that Committee. This reporting process is to take place between each quarter after the start of that financial year.
- 9.7 During the financial year the Chief Executive in consultation with the Finance Officer, shall present to each meeting of the Grants Committee, reports showing current levels of grant expenditure committed to date.
- 9.8 It is the duty of the Chief Executive to ensure that the budgets under his/her direct control are not overspent.
- 9.9 The Finance Officer shall ensure that there is a financial information system which provides periodic statements of receipts and payments under each head of approved budget and other relevant information, facilitating the reporting of such information to Committee.
- 9.10 Overall annual expenditure of the Grants Committee must be within the level approved by one of the following:-
 - 9.10.1 At least two-thirds of the applicable Constituent Councils under Section 48(3) of the Local Government Act 1985; OR
 - 9.10.2 Deemed by the Secretary of State further to Section 48 (4a) of the Local Government Act 1985; OR
 - 9.10.3 Any order made by the Secretary of State under Section 48(5) of the Local Government Act 1985.

10 Audit

- 10.1 Responsibility for maintaining an adequate and effective system of internal audit rests with London Councils and any Sectoral joint or associated committee, but has been delegated to the Finance Officer who makes arrangements for the examination of all financial and related systems under this Agreement. All significant issues raised by the Finance Officer following this examination, must be reported to London Councils or the relevant Sectoral joint or associated committee. Similarly the External Auditor's annual report on the accounts together with any accompanying management letter must also

be reported to London Councils Audit Committee, as per financial regulation 5.8.

- 10.2 The Finance Officer shall, so far as he/she considers reasonable, arrange for the internal audit of the organisation's activities:-
 - 10.2.1 To review the soundness, adequacy and application of internal controls and, where necessary, make recommendations for the improvement of systems, controls and procedures that affect the finance or assets of the organisation;
 - 10.2.2 To assist in protecting the assets and interests of the organisation by carrying out a continuous examination of activities in order to detect or prevent fraud, misappropriation, irregular expenditure and losses due to waste, extravagance, inefficient administration and improper practices;
 - 10.2.3 To review resources used in pursuit of the organisation's agreed activities and, where necessary, make recommendations for the improvement of value for money; To review, appraise and report upon the reliability of financial and management data;
 - 10.2.4 To report to the Chief Executive on the result of any audit carried out within their unit and to make the necessary recommendations which need to be implemented to eradicate the identified weakness or weaknesses.
- 10.3 The Finance Officer, or any accredited representative shall have authority on production of identification to :-
 - 10.3.1 Enter at all reasonable times on any of the organisation's premises or land;
 - 10.3.2 Have access to all records, documents and correspondence relating to any financial and other transactions of the organisation;
 - 10.3.3 Require and receive such explanations as are necessary concerning any matter under examination; Require any persons holding or controlling cash, stores or any other property to produce such items;
 - 10.3.4 Verify cash and bank balances for which persons are accountable to the organisation.
- 10.4 Immediately an irregularity, or suspicion of an irregularity, arises affecting money or property or any other transaction or aspect of the organisation's business, the Chief Executive concerned shall immediately advise the Finance Officer. The Finance Officer shall investigate and report to the Chief Executive if he/she forms the view that disciplinary or criminal proceedings should be considered. If it is thought appropriate to involve the Police, the Finance Officer will first consult with the Chief Executive. Officers should not notify the police direct except in an emergency in order to prevent further loss, or where it is necessary for the police to examine an area before it is disturbed by staff or members of the public. Except in exceptionally clear cut cases, management should not attempt to interview staff suspected of perpetrating an irregularity as this may prejudice any subsequent police investigation or legal proceedings. Any individual officer with knowledge or suspicion of any losses or irregularities involving staff, cash,

assets or other financial matters has the right to approach the Finance Officer directly should circumstances dictate that this is necessary. Detailed information on London Councils Anti Fraud, Bribery and Corruption policy can be found at appendix 11.

- 10.5 The Chief Executive shall be required to provide a written response to draft audit reports, final audit reports, and management letters within 28 calendar days of their issue. Extensions to this timescale shall be at the discretion of the Finance Officer.
- 10.6 Unless the Finance Officer specifically agrees otherwise, all receipt forms, order books, tickets and other similar items shall be ordered and retained by the Finance Officer prior to their issue to the Chief Executive. Such controlled stationery items shall be supplied, on request only, to those officers who have been authorised to receive them by the Chief Executive. Every issue of any such document shall be acknowledged by the signature of the officer to whom the issue is made. The Chief Executive shall satisfy the Finance Officer as to the safe keeping and control of such documents.

11 Information Systems

- 11.1 The development of Information Technology Systems should conform to the overall strategy as set out and agreed by London Councils.
- 11.2 The Chief Executive shall be responsible for ensuring compliance with any Computer Security Guidelines promulgated by the Finance Officer.
- 11.3 Any development of new systems that involve a financial operation or produce output that may influence the allocation of resources must involve consultation with the Finance Officer regarding mutually acceptable minimum standards of control. The Chief Executive, in consultation with the Finance Officer shall be responsible for the control of the computer systems in the Organisation, and the security and privacy of data contained therein, in accordance with data protection legislation such as the General Data Protection Regulation (Regulation (EU) 2016/679) (GDPR) and the Data Protection Act 2018. The Chief Executive shall also be responsible for ensuring appropriate controls in accessing those systems which they maintain.
- 11.4 The Chief Executive in consultation with the Finance Officer shall make sound arrangements to ensure the security and continuity of service in the event of a disaster.

12 Income

- 12.1 The systems effecting the collection of all money due to the organisation shall be approved by the Finance Officer. The collection of all money due to the organisation is under the overall supervision of the Finance Officer.
- 12.2 Revenues consisting of income arising from work done, goods supplied or services rendered and not paid for at the time, must be the subject of accounts being rendered and the Chief Executive must facilitate the prompt

issue and rendering of such accounts applicable to their unit. The Chief Executive shall therefore furnish the Finance Officer with details of projects, seminars, rents recoverable, work done, goods supplied, or services rendered and of all other amounts as may be required by him/her to record correctly all sums due to the organisation and to ensure the prompt rendering of accounts due for income.

- 12.3 The Chief Executive shall promptly notify the Finance Officer of all money due to the organisation and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by London Councils. The Finance Officer has the right to inspect any document or other evidence in this connection as he/she may decide is relevant.
- 12.4 The records kept by the Organisation with regard to items of income shall be in such form as may be agreed from time to time by the Finance Officer. Unless the Finance Officer specifically agrees otherwise, all receipt forms, tickets and other similar items shall be obtained in accordance with financial regulation 10.6. All new types of income due are to be notified to the Finance Officer.
- 12.5 The Finance Officer shall prescribe the accounting arrangements necessary to ensure that all monies due and received are banked promptly.
- 12.6 All debtors shall be invoiced within seven days of full details of the debt being ascertained.
- 12.7 Procedures for accepting cheques or credit card payments tendered in respect of the sale of goods, materials or services shall be agreed by the Finance Officer.
- 12.8 Every sum in cash received by an officer of the Organisation shall be immediately acknowledged by the issue of an official receipt, ticket or voucher except in cases where other arrangements have been approved by the Finance Officer.
- 12.9 All income, whether cheques, notes or coins received by an officer on behalf of the Organisation shall, without delay, be recorded and paid intact either directly to the Finance Officer, or into a designated bank account at regular intervals as directed by him, thereby ensuring the safe keeping of income. Every officer who banks money shall enter on the paying-in slip a reference to the related debt (such as the receipt number or the name of the debtor) or otherwise indicate the origin of the cheque; on the reverse of each cheque the officer shall enter the name of his or her unit.
- 12.10 Money held on behalf of the Organisation shall be kept separately from personal funds and shall not be used to cash personal cheques.
- 12.11 Every transfer of official money from one member of staff to another will be evidenced in the records of the unit concerned by the signature of the receiving officer.
- 12.12 The Finance Officer shall make safe and efficient arrangements for the recording of income received by direct debiting of debtors accounts.

- 12.13 Scales of charges for services, with any variations, shall be reviewed at regular intervals, together with any new charges, by the Finance Officer after consultation with the Chief Executive, prior to submission to London Councils or the relevant Sectoral joint or associated committee for approval.

13 Disposal of Assets

- 13.1 Sales of surplus equipment, plant and stores will be at market value.
- 13.2 The Chief Executive has authority to approve the disposal of all goods or equipment under his control which by reason of damage, wear or obsolescence, are no longer required, and the book value, or estimated value, does not exceed £5,000. The disposal of such goods or equipment valued above £5,000 but not exceeding £10,000 shall require the prior written approval of the Finance Officer. Disposal of such goods or equipment valued above £10,000 shall require the prior approval of London Councils or the relevant Sectoral joint or associated committee.
- 13.3 Before disposal of any leased asset, the Chief Executive shall notify the Finance Officer in writing so that the terms of the lease may be examined and advice provided.
- 13.4 Salvageable items shall be sold in the best available market subject to the following:-
- 13.4.1 No single item with a book value, or estimated value, exceeding £500 shall be disposed of without quotations first being invited (unless disposed of by public auction, if appropriate).
- 13.4.2 No item will be disposed of to a member of staff without the direct approval in writing of the Finance Officer. Where approval is given, detailed documentation of the transaction shall be retained by the applicable Corporate Director.
- 13.5 Under the 1989 Local Government and Housing Act, capital receipts are defined as the income from the disposal of any interest in an asset if, at the time of disposal, expenditure on the acquisition of an asset would be expenditure for capital purposes. Where the anticipated capital receipt is £10,000 or less, then the arrangements for disposal shall be subject to the agreement of the Chief Executive, where a value exceeds £10,000 then the arrangements for such disposal shall be subject to the prior agreement of the Finance Officer.
- 13.6 The Chief Executive will be responsible for maintaining all records and documentation relating to any disposal.
- 13.7 All proceeds from the disposal of assets will be subject to the addition of Value Added Tax, except in respect of the disposal of property or certain transfers involving statutory undertakings. In respect of these exemptions advice should be sought from the Finance Officer before the conclusion of a transaction.

- 13.8 The Chief Executive will notify the Finance Officer of the disposal of any items which are specifically listed on the organisation's Insurance Policy.

14 Control of Assets

- 14.1 The Chief Executive is responsible for ensuring arrangements are in place to physically control all of the Organisation's assets for which her/his department has management responsibilities.
- 14.2 The Local Government and Housing Act 1989 requires adherence to the Accounting Codes of Practice approved by the Accounting Standards Board. One such Code of Practice concerns the subject of capital accounting and suggests the creation and maintenance of registers for all assets. The asset registers form the basis by which the Organisation meets the capital accounting requirements in the raising of capital charges for the use of assets such as buildings, land and vehicles.
- 14.3 The asset registers are required to itemise all assets which cost in excess of £1,000 while recording the date and cost of their acquisition.
- 14.4 The Chief Executive shall allocate responsibility for the maintenance of individual registers as appropriate.
- 14.5 The Chief Executive shall ensure that any information requested by the above registrars, for the purposes of maintaining the asset registers, is provided rapidly and freely. Any acquisitions or disposals of assets should be notified to the relevant registrar at the appropriate time.
- 14.6 The Chief Executive shall nominate one officer to be responsible for the safe custody of all deeds and lease agreements in respect of all properties owned or leased by the Organisation. This responsible officer shall :-
- 14.6.1 Make arrangements for such documents to be inspected when required; and
 - 14.6.2 Provide copies of any relevant documents on request.
- 14.7 Inventories of all furniture, fittings, equipment, plant, and machinery shall be maintained by the Chief Executive. Items that are being rented or leased on a long term basis, or such that the responsibilities of stewardship lie with the Organisation, should also be included in the inventory. Generally, items with a life-span longer than one year should be included, unless they are already recorded on a formal stock record system
- 14.8 The inventory should be in the form of a permanent document. It is important to ensure that the inventory is complete and that all parts of it are kept together. The inventory can be in any media. A suggested format of an inventory is provided at appendix 3.
- 14.9 The inventory should provide the following information for each item:
- 14.9.1 Location, but if the item is moved between locations, note the general

- area. (A separate record of location may well be necessary);
- 14.9.2 Full description;
 - 14.9.3 Serial and Code numbers, if relevant;
 - 14.9.4 Date of purchase and cost of acquisition;
 - 14.9.5 Estimated current replacement value (for insurance purposes), which should be reviewed annually; and
 - 14.9.6 Date of disposal and the proceeds.
- 14.10 The total of all the estimated current replacement values should be shown, so that the information is readily available for insurance purposes.
 - 14.11 Where practical, the inventory should be updated each time there is an acquisition or disposal. This will produce a more accurate record than if all the amendments are done at the end of the year.
 - 14.12 The Chief Executive is responsible for ensuring that an annual check is carried out, in March, of all items on the inventory and for taking action in relation to surpluses and deficiencies. The date of the check and the name(s) of the officer(s) carrying it out should be recorded. When carrying out this check, the current inventory should be used as a starting point. The procedure should be that each location is checked in a methodical manner.
 - 14.13 If any discrepancies are found when checking the inventory, these should be followed up until reasons have been found. If it is not possible to find reasons and the amount involved is significant (e.g. more than £100 in value), the Finance Officer should be informed. If the result of these findings is that an item has to be removed from the inventory, then the appropriate authorisation for such write-off should be sought in accordance with Financial Regulation 15.1.
 - 14.14 It is important that at least one copy of the inventory is held separately from the assets that it lists, so that if a disaster occurs to the Organisation or its buildings, then all information is protected for insurance purposes, in the event that items need replacement. For inventories that are kept on computer disk, back up copies should be kept in a fire proof cabinet in a separate location to the computer.
 - 14.15 For the purposes of capital accounting, the Finance Officer may require all registrars and inventory holders to provide asset registers and inventories reflecting assets held as at the 31st March of each year.

15 Write Offs

- 15.1 No debt, asset, or benefit due to London Councils, including Liquidated Damages, shall be written off without first obtaining the approval of the Finance Officer. The Chief Executive shall submit a list of such items to be written off, together with details of the reasons. The writing off of any such item valued in excess of £1,000 must also be subject to the prior approval of London Councils or the relevant Sectoral joint or associated committee. Any report seeking such approval must detail the actions taken to recover these debts, assets or benefits.
- 15.2 The Chief Executive shall maintain a file for each debt to be written-off, containing relevant documentation to support the validity of the write-off. The file should also identify whether appropriate actions have been taken to recover or

mitigate the loss.

16 Orders for Work, Goods and Services

- 16.1 No officer shall commit the organisation to expenditure in excess of any approved estimate without first seeking the appropriate approval. This Financial Regulation may be waived in cases of emergencies where delays in obtaining approval for excess expenditure would cause loss to London Councils or endanger public health and safety. In such cases the approval for such expenditure must be sought as soon as possible after the event concerned.
- 16.2 Official or purchase orders, including those within a computerised ordering system, shall be in a form approved by the Finance Officer and are only to be authorised by the Chief Executive or his/her nominee. These authorised officers shall then be responsible for the issue of official orders. The names of the authorised officers shall be sent to the Finance Officer together with specimen signatures. Changes shall be notified to the Finance Officer as they occur. Additional guidance on the completion of purchase orders can be found at appendix 10.
- 16.3 In cases where goods, materials, works or services are required urgently and where delay would cause either loss to the organisation or endanger public health or safety then the requisite orders may be placed verbally. However, such verbal orders must be followed by an official written order within two working days and marked "Confirmation Order".
- 16.4 Official orders shall be issued for all work, goods or services to be supplied to the organisation except for public utility services, petty cash purchases or other exceptions approved by the Finance Officer and copies, or full details, of each order shall be retained in the unit where issue has taken place.
- 16.5 No order should be issued unpriced. In those circumstances where a definite price cannot be ascertained at the time of issue, then the order concerned must either be endorsed "price not to exceed" and a value given, or its copy endorsed with an estimated figure.
- 16.6 When an order is amended or varied, a note of the amendment or variation shall be made on the copy order, together with a reference to the authority for such amendment or variation which shall be confirmed in writing to the supplier.
- 16.7 Care shall be taken in the signing of goods received notes, where parcels etc. are unable to be inspected. In such cases the signature should be accompanied by the comment "not inspected" to safeguard the organisation against unseen breakages or shortages at the time of delivery.
- 16.8 The return of all goods to suppliers shall be authorised by the Chief Executive or his or her authorised representative. In each instance officers are only to release such goods when they are certain that the return has been properly authorised,

satisfied that the collection company has been previously notified to them, and that they are in receipt of appropriate return note documentation.

17 Payments

- 17.1 Apart from petty cash and other payments from the imprest account (see Financial Regulation 6) and payments by corporate charge cards (see Financial Regulation 26), the normal method of payment shall be by cheque or other instrument drawn on the bank account operated for the Organisation by the Finance Officer.
- 17.2 The Finance Officer has authority to pay all amounts to which the Organisation is legally committed, after authorisation by the Chief Executive or nominated officer.
- 17.3 The Chief Executive having issued an order is responsible for examining, verifying and authorising the related invoice. It shall be the duty of the Chief Executive to ensure that all goods, materials and services received are as ordered in respect of price, quantity and quality.
- 17.4 Before certifying an account, the authorising officer shall, save to the extent that the Finance Officer may otherwise determine, be satisfied that:-
 - 17.4.1 The works, goods or services to which the account relates have been received, examined, approved, are fit for purpose and, where appropriate, comply with pre-determined standards. This includes all grant payments for commissioned services;
 - 17.4.2 The expenditure is within an approved estimate, or is covered by special financial provision authorised by London Councils or the relevant committee;
 - 17.4.3 The proper entries have been made in the asset registers, inventories, or store records where appropriate;
 - 17.4.4 The price charged is correct and any trade discounts receivable have been deducted;
 - 17.4.5 The invoice or payment certificate is arithmetically correct both in the extensions and the total and that the allowances, credits and tax are correct;
 - 17.4.6 Any copy orders are duly endorsed as paid and brief details of the payment are marked thereon;
 - 17.4.7 The invoice or payment certificate has not previously been passed for payment and is a proper liability of the Organisation;
 - 17.4.8 The appropriate expenditure code numbers are entered on the document for payment and that no payment is made on duplicate or photocopy invoices unless the Chief Executive certifies in writing that the amounts have not been previously passed for payment;
 - 17.4.9 In the case of charges for utilities including gas, electricity and water, any standing charges are correct, and that consumption is charged on the most advantageous tariff and is otherwise reasonable;

17.4.10 In the case of grants payments for commissioned services, reference must be made to the monthly status reports received by the appropriate Directorate management team which considers the progress of each commission against a 'red', 'amber' or 'green' marking in measuring:

- Contract performance (delivery against target outcomes);
- Quality (provider self-assessment and client satisfaction); and
- Contract compliance (timeliness and accuracy of claims and reporting responsiveness and the proactive management of risk); and

17.4.11 Where the analysis of the data highlighted in clause 17.4.10 above results in a specific report being made against a commission to the effect that the commission is considered to be a risk, no further payments should be made to the commission until the appropriate Directorate management team considers further evidence to satisfy itself that the commission no longer represents a risk.

17.5 Any amendment required of a VAT invoice shall be effected through the application of a credit note from the applicable Creditor. Any amendment to a non VAT invoice shall be made in permanent ink and initialed by the officer making it, stating briefly the reasons where they are not self-evident.

17.6 The Finance Officer and the Chief Executive shall, between them, arrange a suitable division of staff duties within the Organisation so that the officer who authorises the invoice as correct shall not be the person who either placed the order, or has certified the receipt of the goods or completion of the work concerned.

17.7 An invoice for goods supplied to the Organisation shall not be prepared by an officer of London Councils, but by the creditor. In certain circumstances invoices for services rendered to London Councils may be prepared, but always in a form approved by the Finance Officer, and the officer preparing the invoice must not authorise it for payment.

17.8 As soon as possible after the 31st March, all outstanding expenditure relating to the previous financial year shall be identified by the Finance Officer.

18 Salaries, Wages and Pensions

18.1 The payment of all salaries, wages, pensions, compensation and other emoluments to all employees and pensioners of the Organisation shall be made by the Finance Officer or under arrangements approved by him.

18.2 The Chief Executive or his authorised representatives, shall notify the Finance Officer as soon as possible, and in the prescribed form, of all matters affecting the payment of such emoluments, and in particular;-

18.2.1 Appointments, resignations, dismissals, suspensions, secondments, transfers and deaths, and for pensions, changes in marital status and deaths;

- 18.2.2 Absences from duty for sickness or other reason, apart from approved leave;
 - 18.2.3 Changes in remuneration, and pay awards and agreements of general application;
 - 18.2.4 Information necessary to maintain records of service for superannuation, national insurance, income tax, etc.
- 18.3 All pay documents and time records shall be in a form approved by the Finance Officer and shall either be certified in manuscript by or on behalf of the Chief Executive, or in such form as the Finance Officer may direct. The names of the officers authorised to sign such records shall be sent to the Finance Officer together with specimen signatures. Changes shall be notified to the Finance Officer as they occur.
- 18.4 All payments to individuals who are considered to be self employed, in respect of services provided to the Organisation, shall be processed through the Payroll System unless the status of the individual has been confirmed as self employed in accordance with the latest HMRC Guidelines.
- 18.5 All pay documents shall be submitted to the Finance Officer in accordance with the timetables and deadlines determined by the Finance Officer, as detailed in Appendix 7.

19 Security

- 19.1 The Chief Executive shall be responsible for introducing and maintaining adequate arrangements for all aspects of security throughout the Organisation including personnel, buildings, land, stores, equipment, cash, computers, records, and confidential information. The Finance Officer's advice should be sought upon the adequacy of arrangements relating to cash, stores and valuable and attractive items of equipment as well as in those instances where security is thought to be defective. Maximum limits for cash holdings shall be agreed with the Finance Officer and shall not be exceeded without his/her express permission.
- 19.2 Keys to safes and similar receptacles are to be the responsibility of designated officers and are to be kept secure at all times. Loss of any such keys must be reported to the Finance Officer forthwith. Duplicate keys to all safes are to be held in a place approved by the Finance Officer and locked away for use in the case of emergency only.
- 19.3 The Finance Officer shall be responsible for ensuring that secure arrangements are made for the preparation and holding of pre-printed pre-signed cheques, stock certificates, bonds and other financial documents.
- 19.4 Whenever breaking and entering, burglary or criminal damage occurs the matter must be reported immediately by the Chief Executive to the Finance Officer in accordance with Financial Regulation 10.4.
- 19.5 The Chief Executive shall designate one officer as having responsibility for the co-ordination of computer data security issues. This designated officer shall agree with the Chief Executive the degree of privacy of the information put into computer systems used by the Organisation. The designated officer shall then

be responsible for its intended use in the computer installation and for the ability of designed controls to comply with data protection legislation such as the General Data Protection Regulation (Regulation (EU) 2016/679) (GDPR) and the Data Protection Act 2018, as applicable.

- 19.6 To comply fully with the requirements of data protection legislation including the General Data Protection Regulation (Regulation (EU) 2016/679) (GDPR) and the Data Protection Act 2018., the Chief Executive shall be responsible for maintaining proper security and the appropriate degree of privacy of information held within the Organisation either electronically or in other formats e.g. microfiche, paper output etc. All staff are responsible for ensuring that their use of personal data is consistent with the Organisation's registrations under the Act.
- 19.7 The Chief Executive should ensure that all staff who use information technology adhere to any guidelines on data security issued from time to time by the designated officer. All new employees should be briefed as to the security policies and procedures applicable, including the implications of relevant legislation.
- 19.8 In order to comply with the requirements of the 1988 Copyright, Design and Patents Act, the Chief Executive shall ensure that all staff only use software that is properly licensed.
- 19.9 The 1990 Computer Misuse Act introduced powers to prosecute those who deliberately and without authorisation misuse computer systems belonging to their employers. The Chief Executive should ensure that staff within the Organisation are aware of this legislation and ensure that their use of computers is for authorised purposes only and that no action, such as the running of unauthorised programs or games, corrupts data or introduces a virus to the system.
- 19.10 The Chief Executive should ensure that all staff are aware that information concerning secret and confidential matters, particularly those involving cash or cash deliveries, must not be disclosed in any way except to persons entitled to receive such information.

20 Stocks and Stores

- 20.1 The Chief Executive shall be responsible for the proper custody of stocks and stores held by the Organisation and shall see that all stocks and stores under his/her supervision are subject to an effective system of stock recording and control as well as stocktaking.
- 20.2 It is the duty of the Chief Executive to maintain a continuous stock-check of all stocks and stores held by the Organisation.
- 20.3 Stocks and stores must not be held in excess of what is considered by the Organisation to constitute normal requirements.
- 20.4 All goods received should be checked against quantity/ quality at the time of delivery. Delivery notes should be retained with the original order and invoice and signed by the officer accepting receipt of the goods.
- 20.5 The Chief Executive should ensure that a count and valuation of all stocks and

stores held in the Organisation is carried out on a date to be stipulated by the Finance Officer each year. In this respect, reference should be made to the stocktaking guidelines contained at appendix 4. The Finance Officer, however, may dispense with this requirement in cases where the total value of the items held in a store is considered to be too small to justify such activities.

21 Travelling and Subsistence Claims

- 21.1 Claims for travelling, subsistence and minor expenses other than those reimbursed via the imprest accounts, are to be reimbursed via the payroll system. Each claim shall be promptly submitted to the Finance Officer for payment and shall be presented on an approved form clearly detailing the expenditure incurred, supported by receipts where applicable, dated, coded, signed by the claimant and counter-signed by the appropriate authorising officer. Claims with a total value of less than £50 (inclusive of VAT) may be met from an imprest account.
- 21.2 Every officer who receives a car loan or car allowance, whether casual or essential, must produce to the Chief Executive the registration document of the car, a valid and adequate certificate of insurance and an assurance to take all reasonable steps to maintain the car in an efficient and roadworthy condition. This is to take place on a yearly basis, but the Chief Executive shall be promptly informed of any subsequent changes to the above details.
- 21.3 All car allowances are to be paid through the payroll system.
- 21.4 The Chief Executive shall supply the Finance Officer with specimen signatures of all persons in the Organisation who are authorised to certify travelling and subsistence claims and the Finance Officer shall be notified of any changes as they occur.
- 21.5 The certification by or on behalf of the Chief Executive shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and all the requirements of the appropriate approved scheme have been observed.

22 Insurance

- 22.1 The Finance Officer in consultation with the Chief Executive shall ensure that adequate insurance cover is maintained for all the Organisation's assets. The Finance Officer shall also ensure that suitable cover exists to meet any losses or claims which may arise in connection with the provision of the Organisation's services, or from its legal liabilities as an employer, or to third parties.
- 22.2 The Finance Officer shall negotiate annually renewal terms for all the Organisation's insurances at least every five years and the Chief Executive shall provide such information as is necessary to facilitate these negotiations.
- 22.3 The Finance Officer will advise the Chief Executive on all necessary arrangements and information required in respect of insurance cover for the acquisition of property or goods which may necessitate notice to the organisation's insurers.

- 22.4 The Chief Executive shall give prompt notification to the Finance Officer of all new insurable risks and shall provide the Finance Officer with a copy of any indemnity which the Organisation is expected to give. The Chief Executive shall not enter into any such indemnity unless the terms thereof have been approved by the Finance Officer.
- 22.5 The Chief Executive shall notify promptly the Finance Officer of anything likely to give rise to a claim and shall provide such information as is necessary to negotiate claims. Where appropriate, and not in conflict with Financial Regulation 10.4, the Chief Executive in consultation with the Finance Officer should inform the Police.
- 22.6 The Finance Officer may establish such funds as are necessary to meet the uninsured losses of London Councils. Where such losses relate to a Sectoral joint committee then the prior agreement of the appropriate Sectoral joint committee must be obtained. In all other instances the prior agreement of London Councils is to be obtained. Such funds will be operated in accordance with a scheme drawn up by the Finance Officer.
- 22.7 The Finance Officer shall maintain a register of all insurances and the property or risks covered. The Finance Officer shall be notified immediately that any valuables belonging to a private individual are taken into the Organisation's possession so that directions may be given as to their recording and safe keeping. For the purposes of this Financial Regulation the term "valuables" shall include watches, jewelry, cash, documents, goods, chattels or any other items of intrinsic value. This Financial Regulation does not apply to "lost property" of a low value.
- 22.8 Prompt notification shall be given to the Finance Officer following any alteration to the Organisation's insurance status resulting from the award or completion of any contract.

23 Treasury Management and Investments

- 23.1 London Councils has adopted the "Code of Practice for Treasury Management in Local Authorities" as published by the Chartered Institute of Public Finance and Accountancy (CIPFA). This will include its reporting requirements. The CIPFA Code defines "Treasury Management" as "The management of all money and capital market transactions in connection with cash and funding resources of the local authority". Unless decided otherwise by London Councils, this does not include management of Pension Fund money.
- 23.2 The Finance Officer shall be responsible for all borrowing and investment of London Councils, subject to the approval of London Councils or the relevant Sectoral joint committee.
- 23.3 In order to minimise the extent of temporarily surplus funds the Finance Officer shall make such arrangements (including direct payment by the Participating Councils in the TEC Agreement to the Operators) as are reasonable and practical to match the timing of those Councils' contributions to the Concessionary Fares scheme with payments due to the various

Transport Operators

- 23.4 All investments shall be made by the Finance Officer on behalf of London Councils and shall be noted as being for the purposes of the relevant Committee.
- 23.5 All executive decisions on borrowing, investment or financing shall be delegated to the Finance Officer or through him/her to his staff, who shall be required to act in accordance with CIPFA's "Code of Practice for Treasury Management in Local Authorities".
- 23.6 Income received from investments shall be reported annually to London Councils and any Sectoral joint or associated committee by the Finance Officer, as part of the close down of accounts procedure. The Finance Officer shall submit reports on policy, sales and purchases for consideration by London Councils to at least four meetings each year.
- 23.7 The investment of funds included within Pension Funds may be carried out by one or more firms of Fund Managers with the concurrence of London Councils.

24 Unofficial Funds

- 24.1 An "unofficial fund" is any fund where the income and expenditure does not form part of the Organisation's accounts, but which is controlled wholly or in part by an officer on behalf of London Councils.
- 24.2 The Finance Officer shall be informed of the existence of all unofficial funds, and will issue and update accounting instructions for them where necessary.

25 Taxation Requirements

- 25.1 The Finance Officer has overall responsibility for dealing with all statutory requirements concerning the collection, payment and accounting for Value Added Tax (VAT), Pay As You Earn (PAYE) and Construction Industry Scheme (CIS).
- 25.2 The Finance Officer will from time to time issue to the Chief Executive guidance and advice on VAT, PAYE and CIS arrangements arising from such issues as changes in legislation. It is the responsibility of the Chief Executive to make arrangements in the Organisation to ensure that the advised regulations and procedures are implemented.
- 25.3 The Chief Executive must ensure that procedures are in place in the Organisation to provide evidence that all VAT, PAYE and CIS transactions are supported by the correct documentation.
- 25.4 The Chief Executive will consult with the Finance Officer with regard to any issue on VAT, PAYE and CIS that requires advice or clarification.

26 Corporate Charge Card

- 26.1 The Finance Officer will nominate holders of corporate charge cards to

facilitate the payment of online, advance or emergency purchases.

- 26.2 The Finance Officer will be responsible for setting the transaction limits on the corporate charge cards which should be taken into account when raising orders for goods or services to be purchased using corporate charge cards. An official purchase order must be prepared and authorised in accordance with Financial Regulation 16 prior to the procurement of goods or services using the charge card.
- 26.3 Corporate charge cards should only be used on official business and not for personal use.
- 26.4 Corporate charge cards must not be used to withdraw cash.
- 26.5 Corporate charge cards must be stored in a safe place when not in use.
- 26.7 Card holders must retain invoices, vouchers, receipts, online booking documents or other supporting documentation. Card holders must reconcile their card statements to the supporting documentation and submit it to their line manager for review and approval each month.
- 26.8 The Finance Officer will carry out such inquiries and checks on the corporate charge card reconciliations submitted, as he deems necessary. In the event of misuse or failure to follow established procedures, the card may be revoked or other appropriate disciplinary action taken.
- 26.9 Where any fraudulent misuse of the card is identified it should be investigated in accordance with London Councils' Anti-Fraud, Bribery and Corruption Strategy (see Appendix 11).