

## **Appendix 1 – Summary of Reasons for Key Changes**

### **Contract Standing Orders**

- Ensure they reflect the requirements of the new Public Contract Regulations 2015 (replacing the Public Contract Regulations 2006) that implement Directive 2014/24/EU on public procurement.
- Implement the Lord Young reforms for supporting SME's. This is the first time that Public Contract Regulations have been used to regulate procurement processes at below EU threshold levels.
- Ensure that they reflect other changes in legislation including:-
  - the Bribery Act 2010
  - the Public Services (Social Value) Act 2012
  - the Equalities Act 2012
  - the Small Business, Employment and Enterprise Act 2015
  - the Modern Slavery Act 2015
- Provide members and officers with greater clarity on their roles and responsibilities. This is particularly important as the award of any contract may be subject to legal challenge.
- Review financial delegation limits for contracts ensuring they are aligned to the Public Procurement Regulations 2015, Council's statutory transparency requirements and the Council's Procurement Strategy (giving the local market greater opportunities for contracts up to £50,000)
- Signpost staff to templates, documents, guidance etc. that have been updated to meet the requirements of the legislation.

### **Budget Management Scheme**

- Updating references to "Divisional Director", "Chief Financial Officer" and revised Portfolio holder titles for consistency throughout the document.
- Increase in level of permitted use of un-earmarked reserves from £25k to £50k before Council approval required with overall annual limit increased from £50k to £100k. This remains a Cabinet decision which must consider the advice of the Chief Financial Officer.
- Removal of any specific ring fencing of reserves for individual service carry forwards recognising the risk based approach now used in calculating the adequacy of reserves.
- The 'Invest to Save' scheme is now covered through the Annual Budget Report.
- Reporting sections updated to align to current practices and timetables.
- Capital Scheme substitution level increased where specified conditions are met.
- Removal of the Capital Incentive Schemes section to reflect current approach of not ring-fencing capital receipts unless a specific Council decision has been made to do so.
- Service and virement cashlimits are now referenced to the Council's Budget and Budget Monitoring reports rather than listing these within the Budget Management Scheme document.
- Expanded definition of transactions not classified as virements.

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### **Financial Regulations (Council and Schools)**

- New/Revised Financial Systems (Agresso)
- New/Revised Financial Controls and Processes
- New/Revised IT environment and controls
- New Procurement Strategy and EU Directives
- Revised Counter Fraud Arrangements
- Revised Internal Reporting and Planning Arrangements
- Revised Legislative requirements (Accounts and Audit Regs, Bribery Act, Money Laundering)
- Revised structure and roles and responsibilities