

## **THE CONSTITUTION – SECTION 17**

### **CONTRACT PROCEDURE RULES**

#### **1 Basic Principles**

- 1.1 The aims of the Contract Procedure Rules (the Rules) are to:-
- (a) Ensure compliance with all legal requirements;
  - (b) Achieve best value;
  - (b) Ensure transparency, openness, non-discrimination and fair competition;
  - (c) Demonstrate probity, consistency, accountability and integrity;
  - (d) Support the Council's corporate aims of value for money, best practice and leadership; and
  - (f) Ensure compliance with the Council's Procurement Strategy and Welsh Government Procurement Policy.
- 1.2 The principles of transparency, non-discrimination and equality are obligations that apply to all procurements and must be complied with at all times.
- 1.3 Where these Rules provide for a decision to be made by a Chief Officer, the decision may be delegated in writing by the relevant Chief Officer to another Officer.
- 1.4 These Rules are supplemented by the Procurement Code of Practice and the Procurement Route Planner as indicated.
- 1.5 The Chief Officer Finance & ICT is responsible for keeping the Rules under review, issuing any advice or guidance, making minor amendments, or recommending significant amendments to Council as and when required. The Rules should be reviewed every three years as a maximum.
- 1.6 Chief Officers are responsible for ensuring that all Officers in their departments are aware of the requirements of the Rules (and any associated guidance, policies or procedures) and that they comply with them at all times.
- 1.7 It is not possible for these Rules, or the associated guidance, policies or procedures, to cover every eventuality that may arise. In the case of any doubt, advice should always be taken from the Chief Officer Finance & ICT and the spirit of the Rules should always be followed.
- 1.8 A full glossary of financial terms is available as an appendix to the Financial Procedure Rules and Contract Procedure Rules

#### **2 Statute**

- 2.1 The Council is required by s.135 of the Local Government Act 1972 to make standing orders to ensure competition and regulate the procurement process.

- 2.2 The Council must also comply with various other statutes when purchasing goods, works or services, including the Public Contracts Regulations 2015 (as amended by the Statutory Instrument (SI), The Public Procurement (Amendment etc.) (EU Exit) Regulations 2020) (the “Regulations”). Nothing in these Rules is intended to override national or Public Contract Regulations legislation.
- 2.3 The risks of non-compliance are significant and include awards of damages and contracts being set aside.

### **3 Compliance**

- 3.1 These rules apply to the following undertaken by or on behalf of the Council:-
- (a) The purchase of all goods, services or works;
  - (b) Concessions\*;
  - (c) In circumstances where the Council is procuring goods, works or services on behalf of a collaborative working arrangement; and
  - (d) In circumstances where the Council is seeking a commercial partner for the purposes of a joint venture.
- 3.2 All references in these Rules apply equally to a) to d) above as appropriate and as advised by the Chief Officer Finance & ICT . All Officers are responsible for ensuring compliance with these Rules.
- 3.3 Third parties acting on behalf of the Council must also comply with the Rules. Officers instructing third parties to procure contracts must supply the third party with a copy of the Rules.
- 3.4 Officers and third parties must ensure that any conflicts of interest are avoided. Any conflicts of interest must be declared to appropriate line managers as set out in the Officer Code of Conduct. Legal advice must be obtained by Officers where any conflict has potential to impact on contractual relationships.
- 3.5 Bribery and corruption are a criminal offence. All Officers who let, manage or supervise contracts must act in accordance with the highest standards of propriety and ensure adequate records are kept.
- 3.6 Differences in the interpretation of these rules will be resolved by the Chief Officer Finance & ICT in consultation with the Chief Officer Governance & Customer.
- 3.7 These Rules do not apply to the sale, leasing or purchase of land or any interest in land or any contract of employment or loans or the sale, issue or purchase of any shares or other similar financial asset.
- 3.8 These Rules do not apply to an award of a contract in the following circumstances
- a) Any contracts between the Council and a company that is controlled by it (sometimes referred to as a Teckal company); or
  - b) Any contracts between the Council and a company that is jointly controlled by the Council with another contracting authority; or

- c) Any contract which establishes or implements a co-operation between the Council and another contracting authority with the aim of ensuring that public services they have to perform are provided with a view to achieving objectives they have in common and where implementation of the co-operation is governed solely by considerations relating to the public interest and participating contracting authorities perform on the open market less than 20% of the activities concerned by that co-operation; or
- d) Any service contract awarded by the Council to another contracting authority on the basis of an exclusive right which the latter enjoys pursuant to a law, regulation or published administrative provision which is compatible with the Treaty on the Functioning of the European Union ( also known as “TFEU”).

- 3.9 For contracts falling within the exceptions at 3.8, written advice from the Chief Officer Governance & Customer must be obtained to ensure that the specific rules relating to the exceptions apply and to ensure that the award does fall outside of the scope of these Rules.
- 3.10 Additional goods, services or works within the scope of a contract falling within 3.8.1 and 3.8.2 above may be permitted and shall comply with paragraphs 12.7, 12.8 and 12.9 below. It may be possible to increase the scope of a contract falling within 3.8.1 and 3.8.2, but before seeking to do so, the Officer shall prepare a business case demonstrating value for money. Increasing the scope of a contract falling within 3.8.1 and 3.8.2 above shall comply with the general principles stated in paragraph 12.5 below, shall be approved in writing and in advance by both the Chief Officer and the Chief Officer Finance & ICT .
- 3.11 In calculating the total value of a contract, the following principles shall apply to determine the total value:
- 3.12 The total amount payable over the term of the contract plus any extension period, net of VAT, including any form of option and any renewal of the contract by all Council Services utilising the contract;
- 3.13 Where the award of a contract involves lots, the total amount payable for all of the lots, net of VAT, including any form of option and any renewal of the contract by all Council Services utilising the contract and
- 3.14 For joint purchasing arrangements, the contract value shall be the aggregate of both parties' spend under the contract.
- 3.15 For contracts of an indeterminate period, the value will be calculated as if it were a four year contract.
- 3.16 No officer shall take any steps or omission which seeks to subdivide procurements or payments in order to avoid the application of the Rules or any part of the Rules or the Regulations.
- 3.17 Rules relating to grants and collaborative working arrangements are dealt with in Sections F and G of the Financial Procedure Rules.

## **4 Consequence of Breach**

- 4.1 Failure to comply with any of these rules may be considered a breach of the Officer Code of Conduct and may result in disciplinary action and legal proceedings against the Officer or third parties concerned. No Officer shall take any steps or fail to take steps to knowingly or recklessly seek to avoid the Rules.
- 4.2 Any Officer who fails to follow the Rules may lose the protection of the indemnity given to Officers by the Council and therefore may have personal liability for a contract or any losses.
- 4.3 Where it becomes apparent that there has been non-compliance with the Rules the Chief Officer must notify the Chief Officer Finance & ICT immediately. The Chief Officer must compile a report outlining the reasons for the non-compliance and the steps taken to prevent a re-occurrence.
- 4.4 The Head of Service, Audit & Technical will, if the breach of the Rules is significant, submit a report to the Chief Officer Finance & ICT and the Chief Officer Governance & Customer with appropriate recommendations before reporting to Governance Audit Committee.

## **5 Review**

- 5.1 The Chief Officer Finance & ICT will keep the Rules under review and shall have authority to make minor amendments as required or to reflect changes in legislation.
- 5.2 Any significant changes require the consent of full Council after consideration by the Governance and Audit Committee and the Executive Board.
- 5.3 The Chief Officer Finance & ICT will keep the Procurement Code of Practice and the Procurement Route Planner under review and have authority to make such amendments and updates as are required.
- 5.4 The Rules will be subject to a full review every three years.

## **6 Corporate Contracts**

- 6.1 Corporate contracts are defined as being contracts which have been approved by the Chief Officer Finance & ICT for use by officers. They are deemed to comply with the Rules and offer value for money.
- 6.2 Officers must always check if there is an existing corporate contract in place before starting a new procurement activity.
- 6.3 If a Council contract exists it must be used unless the contract allows for and the Chief Officer Finance & ICT authorises another course of action.

## **7 Frameworks**

- 7.1 A framework contract is an agreement with suppliers which establishes the terms governing contracts from which orders for goods, services or works may be placed or 'called off'.
- 7.3 Frameworks may only be used when:-
- (a) The works, goods or services required are clearly identified within the framework; and
  - (b) The framework allows the Council to participate; and
  - (c) The framework adheres to the aims of the Rules.
- 7.4 Officers must ensure that they follow the rules applicable to the framework which set out how individual contracts can be called off. Often this will involve a further procurement activity, referred to as a mini competition. Advice and approval must be sought from the Chief Officer Finance & ICT prior to commencing any direct 'call off' or further competition exercise.
- 7.5 Authority to establish a new framework agreement must be evidenced by the submission and approval of a 'Instruction – Procurement and Contracts Form' signed by the Chief Officer, the Service Manager and the relevant officer from the Commissioning, Procurement & Contract Management (CP&CM) Unit before the procurement activity is started. The 'Instruction – Procurement and Contracts Form' must in addition to the standard requirements clearly state the maximum value of the framework agreement, the range of contracting authorities able to call-off from it and monitoring arrangements in particular relating to the total spend under the framework and compliance with call-off procedures.
- 7.6 No framework agreement established by the Council shall exceed a contract term of four years unless exceptional circumstances exist which are substantiated and are related to the subject matter of the framework agreement. If a framework agreement is to exceed a term of 4 years then the reasons for this must be set out in the 'Instruction – Procurement and Contracts Form' to establish a new framework agreement (see 7.4).
- 7.7 No contracting authority shall be entitled to call off from a framework agreement established by the Council unless the contracting authority has signed an access agreement with the Council. The Chief Officer Finance & ICT must advise on the most appropriate form of access agreement.

## **8 In House Suppliers**

- 8.1 Various services can be provided internally from within the Council or by the Council's controlled companies, (see rule 3.8). The Chief Officer Finance & ICT can provide advice on utilising these services.

## **9 Joint or Collaborative Procurement**

- 9.1 It is best practice to consider working with others either internally or externally where there may be benefits to a joint procurement with other service areas or public bodies to achieve economies of scale and prevent duplication.
- 9.2 Advice from the Chief Officer Governance & Customer must be sought as to the most appropriate form of agreement for joint procurement activity and the apportionment of risk between the parties.
- 9.3 If the Council is responsible for any procurement under such joint arrangements which result in the Council entering into a contract with a supplier, the Rules must be followed.
- 9.4 Where a National Procurement Service Framework or Contract is in place then the Council must utilise that procurement route for obtaining all Council goods, services or works within the scope of the Framework or Contract.

## **10 Authority to Proceed**

- 10.1 Before beginning a procurement, the Chief Officer is responsible for ensuring that the appropriate authority and budget is in place. The form of the authority will depend on the value, strategic importance of the proposed contract, budget implications and risks.
- 10.2 If the services being procured is dependant upon grant funding then the Chief Officer should ensure that the risk of funding not being available for the life of the contract is reflected in the contract terms i.e. early termination clauses.
- 10.3 An 'Instruction – Procurement and Contracts Form' is required to be submitted to the Chief Officer Finance & ICT in relation to decisions to procure any contract and framework over the value of £25,000. This must be submitted prior to the start of the tender process.

## **11 Insurance**

- 11.1 Officers are responsible for checking that all chosen contractors provide written evidence of adequate insurance to cover public liability, employers' liability and if necessary professional indemnity for the full duration of the contract.
- 11.2 Indemnity levels must reflect the risk to the Council which typically will be for each and every contract:-
  - (a) £10m for public liability insurance;
  - (b) £5m for employers liability insurance;
  - (c) £1m to 5m for professional indemnity insurance;
  - (d) At least £5 million for medical indemnity for public health services contracts.

- 11.3 The levels required may be reduced following the written consent of the Chief Officer Finance & ICT either as a one off in respect of a particular contract or, where other arrangements have been agreed, for particular types of contract. The Officer shall consider insurance risks and issues before commencing a procurement and shall seek any necessary approvals prior to issue of the invitation to tender.
- 11.4 In some circumstances, it may be necessary to obtain specialist insurance cover and the Chief Officer must consult with the Chief Officer Finance & ICT in advance.
- 11.5 Further information is available in Section 4.1 of the Financial Procedure Rules.

## **12 Form of Contract**

- 12.1 The form of contract must be identified. Every Formal Quotation or Formal Tender must be accompanied by approved terms and conditions of contract. Chief Officers should seek legal advice at the earliest opportunity in relation to the preparation or use of appropriate contractual documentation including terms and conditions for a particular procurement exercise. It is the responsibility of the Chief Officer managing the tender process or contract to obtain such advice.
- 12.2 Section 12.1 does not apply to call-off contracts from frameworks. In addition, in appropriate circumstances, industry standards such as PSPC, NEC, JCT, JClI, ACE, RIBA & ICE may be used with the Council's additional standard clauses covering freedom of information and other local government specific issues. If considering these industry standards Chief Officers must consult with and obtain appropriate approval from the Chief Officer Governance & Customer.
- 12.3 Letters of Intent will only be used in exceptional circumstances and with the consent of the Chief Officer Governance & Customer.
- 12.4 Contracts with a value of less than £500,000 may be signed by two authorised officers in accordance with the Scheme of Delegation contained in the Constitution. Contracts for £500,000 or more shall be sealed as a deed by the Chief Officer Governance & Customer.
- 12.5 A change to a contract, such as an extension of the contract period (in addition to any extension period included in the original contract), or a change to any of the terms or adding in scope to the goods, works or services, is known as a variation to the contract. When drafting the specification for the ITT, it is good practice to provide for a variation in clear, precise and unequivocal words that state the scope of the variation(s) permitted and the conditions under which the variation(s) shall apply, provided that such variation(s) do not alter the overall nature of the contract. For example, the ITT may state additional goods, works or services which may be included in the contract in the future, or an extension in time of the contract period.
- 12.6 In relation to procurements subject to the Regulations, variations to contracts shall only be permitted where the variation falls into one of the categories

listed in Regulation 72 of the Regulations or as amended from time to time. Variations to such contracts shall be recorded in writing and shall be authorised by the Chief Officer and the Chief Officer Finance & ICT . Appropriate notices will be issued by the Chief Officer Finance & ICT to comply with Regulation 72 requirements.

- 12.7 For procurements below thresholds defined in the Regulations, Officers shall not enter into variations which would extend the contract beyond the original scope or which would increase the contract price by more than an additional 20% of the original contract price, without the prior written approval of the Chief Officer Finance & ICT and the Chief Officer. A business case will be required to obtain this approval. The Chief Officer Finance & ICT will keep a record of such approvals. Any variation pursuant to this paragraph 12.7 shall comply with the principles in Para 12.5 above.
- 12.8 In all cases, any variation shall be agreed between the parties to the contract and as a minimum shall be recorded in writing and signed by the parties.
- 12.9 In no circumstances shall a variation be made to a contract which has ended or which has been terminated. If there is no provision within the contract terms for a variation of the type required, legal advice shall be sought.
- 12.10 Each Chief Officer is responsible for ensuring that contracts are effectively monitored and contract managed throughout the period of the contract. Evidence of this must be provided to the Chief Officer Finance & ICT on request.
- 12.11 Appropriate records should be kept until seven years after the expiry of the contract.
- 12.12 Contracts shall not permit payment in advance except in respect of software licences, hardware or software support, HP leases, deposits or warranties unless the Chief Officer and Chief Officer Finance & ICT agrees otherwise, such agreement to be recorded in writing . Part payments may be made during the contract period after the completion of a stage of work provided that the services, goods or works have been completed or delivered. The contract shall include a clear payment schedule which identifies milestones and payment dates or shall identify the events and performance indicators which will trigger a part payment. No part payment shall be made unless the contract precisely sets out the payment schedule and the circumstances in which the part payment shall be made.
- 12.13 Payments made under a contract shall be made in accordance with the relevant Service scheme of delegation.
- 12.14 Any variation to contracted price(s) can only be made in accordance with that allowed under the terms and conditions of the contract. Any exceptional circumstances being considered to vary price outside of that contractually permitted must be done so with full involvement of and approval from the Chief Officer Finance & ICT .



### **13 Bonds and Security**

- 13.1 A performance bond or adequate security will be required where;
- (a) The nature and length of the contract is such that the risk of failure is sufficiently high; or
  - (b) The estimated cost of re-establishing a service if the contract fails is relatively high; or
  - (c) The financial and technical standing of the contractor is such that the risk of the failure is sufficiently high.
- 13.2 The decision as to whether a performance bond or other security is required shall be made by the Chief Officer in consultation with the Chief Officer Finance & ICT
- 13.3 The amount of the bond will be 10% of the total contract value unless otherwise agreed by the Chief Officer Finance & ICT .
- 13.4 Where the contractor is a limited company which is part of a larger group, the ultimate holding company may be required to provide a parent company indemnity in addition to or instead of a performance bond or other security.

### **14 Third Sector Commissioning Guidance**

- 14.1 The Third Sector Commissioning Guidance is a framework designed to build relationships between organisations in the public, voluntary, community and faith sectors.
- 14.2 Where a procurement process may involve applicants from the voluntary, community and faith sectors, Officers shall comply with the requirements of the Third Sector Commissioning Guidance

### **15 Procurements of Works, Goods or Services below the EU Threshold**

- 15.1 All procurement exercises that fall below the thresholds defined in the Regulations must be carried out in accordance with the schedules shown below:

<b>Description</b>	<b>Schedule</b>
Goods or services	Schedule 1A
Works	Schedule 1B
Consultancy	Schedule 1C

- 15.2 The Regulations threshold is reviewed annually and advice must be taken from Chief Officer Finance & ICT as to the relevant threshold at the earliest opportunity.
- 15.3 The procedure for procurement activity that falls below the above thresholds threshold is explained in the Procurement Route Planner.

15.4 All procurements over the value of £25,000 must be notified to the Chief Officer Finance & ICT using the 'Instruction – Procurement and Contracts Form' prior to any exercise commencing. All exercises should be conducted in full liaison with the Commissioning, Procurement & Contract Management Unit.

## **16 Procurement of Goods, Services or Works above the EU Threshold**

16.1 The Public Contracts Regulations 2015 (as amended by the Statutory Instrument (SI), The Public Procurement (Amendment etc.) (EU Exit) Regulations 2020) apply to contracts above the thresholds defined in those Regulations for the supply of goods, services and works. There is a separate procedure, (known as the 'light touch regime'), for social care and health care contracts and other contracts specified in Schedule 3 of the Regulations.

16.2 There are six types of procurement routes available for contracts exceeding the EU threshold:

(a) Open Procedure;

(b) Restricted Procedure (including through the use of a dynamic purchasing system);

(c) Competitive Procedure with Negotiation;

(d) Competitive Dialogue;

(e) Innovation Partnerships and

(f) Call Off from a Framework Agreement.

16.3 There is a separate procedure for some types of procurements, known as the "light touch regime". Further advice on this should be obtained from the Chief Officer Finance & ICT .

16.4 Advice shall be taken from the Chief Officer Finance & ICT as to the most appropriate type of procurement procedure. The Procurement Route Planner provides a general guide to the types of procurement procedures.

16.5 The procedures to be followed for each type of procurement at 16.2 (a) to (f) above are set out in the Regulations and cannot be varied under any circumstances. The types of procurement at (c), (d) and (e) are not to be used unless the appropriate procedures apply. There is a separate procedure for social care and health care procurements and other contracts specified in Schedule 3 of the Regulations, see 16.1 above. Call-offs under a framework agreement shall follow the procedure set down by the framework authority.

16.5 Before commencing a procurement above the thresholds set within the Regulations, the Council's Commissioning, Procurement and Contract Management Unit should be fully engaged in the process and if relevant the Chief Officer Governance & Customer.

## **17 Remedies for Breach of the Regulations**

17.1 The consequences for breaches of the Regulations and these Rules are significant and include

- (a) Setting aside of contracts following a declaration of ineffectiveness;
- (b) Financial penalties;
- (c) Awards of damages and costs to successful challengers;
- (d) Compensation to the contractor for repudiatory breach of contract;
- (e) Costs of delays in provision of the required goods/services/works or
- (f) Costs of further procurement.

17.2 Compliance with these Rules and the Regulations is therefore essential.

## **18 Timescales**

18.1 Procurements over the thresholds defined in the Regulations can take a minimum of six months and sometimes over 18 months to complete depending on complexity.

18.2 An accelerated procedure may be available for use in urgent circumstances after consultation with the Chief Officer Finance & ICT . The Chief Officer shall certify the urgency making it impractical to comply with the stipulated timescales.

## **19 Electronic Tendering**

19.1 Bravo Solutions and Sell2Wales Software are the Council's e sourcing tools, which are used for competitive procurement activities of £25,000 and over

19.2 The nominated e-sourcing tools must be used for all procurement with a value of £25,000 and over unless the Chief Officer Finance & ICT has provided written consent for the exception or unless the procurement is being conducted through a framework which has its own e-procurement software, when it is permissible to use the e-procurement facility provided by the framework provider.

## **20 General Rules for Procurements Involving an Element of Competition**

20.1 For procurements of £25,000 and over, an 'Instruction – Procurement and Contracts Form' must be completed by the Head of Department. The Chief Officer Finance & ICT 's approval of this form will constitute approval to proceed and agree the appropriate process which will ensure value for money and adequate competition.

20.2 The Chief Officer, in liaison with the Commissioning, Procurement & Contract Management Unit is responsible for drafting a clear and robust specification.

The specification must set out exactly what the Council requires and timescales for delivery.

- 20.3 Where a variant is permitted, the minimum requirement(s) of the variant must be set out. Lots must be considered where appropriate and Corporate Procurement will advise on the best use of this option.
- 20.4 The Invitation To Tender (ITT) must as a minimum include the;
- (a) Time, date and internet address for submission of tenders;
  - (b) Information the supplier must provide;
  - (c) Timescales for the project;
  - (d) Criteria for award;
  - (e) Contract documents and
  - (f) Method for dealing with queries during the tender period
  - (g) Code of Practice on Workforce Matters (when public services are outsourced to a third party and staff transfer)
- 20.5 The ITT must state that the Council is not bound to accept the lowest or any tender.
- 20.6 The ITT must set out how errors in tenders will be dealt with using one of the following two ways;
- (a) The tenderer shall be given details of the error(s) found during the evaluation and shall be given the opportunity to confirm without amendment or withdraw the tender; or
  - (b) Amending the tender to correct genuine error(s) provided that in this case, apart from these genuine errors, no other adjustment, revision or qualification is permitted.
- 20.7 The ITT must state that by submitting a tender the tenderer agrees to the Council's contract terms. There shall be no discussion or negotiation about the contract terms prior to the tender close date. Once an award has been made, modifications may exceptionally be necessary, for example to address an error, where an issue with consistency with the specification is identified or exceptionally where a condition is at odds with the approach in that sector of the market. Legal advice shall always be obtained to ensure that any modification is appropriately drafted. Such modifications shall comply with the general principles listed below:
- (a) The modifications shall not render the contract materially different from the one forming part of the ITT;
  - (b) Had the modifications been included originally with the ITT, the modification would not have allowed for the admission of bidders other than those initially selected OR for the acceptance of a tender other than that originally accepted OR have attracted additional bidders;

- (c) The modifications do not change the economic balance of the contract in favour of the contractor in a way which was not provided for in the original contract;
  - (d) The modification does not extend the scope of the contract considerably.
- 20.8 Any modifications which do not fall within at least one of the conditions listed in (a) to (d) above shall require approval by the Chief Officer Finance & ICT . Advice shall always be taken from the Chief Officer Governance & Customer before agreeing to any modifications of the Council's contract terms.
- 20.9 Any offer submitted in competition received after the specified date and time will not be considered. Correspondence shall be issued to the relevant tenderer informing that the late bid will not be accepted.
- 20.10 The only exception to this is that the tender may be considered when the Chief Officer Finance & ICT is satisfied that there is evidence of technical issues (i.e. issues confirmed by the software provider) constituting to the late delivery.
- 20.11 Evaluation criteria are the basis on which scores are given to assess responses. Tender evaluation criteria are assessed on:-
- (a) Price only
  - (b) MEAT (Most Economically Advantageous Tender) based on a consideration of quality and cost or
  - (c) Life cycle costing or
  - (d) Fixed price with quality criterion only.
  - (e) Quality only
- 20.12 Tenders shall be evaluated in accordance with the evaluation criteria set out in the Invitation to Tender. All contracts, except contracts where lowest price was predetermined to be the appropriate criteria, shall be awarded on the basis of most economically advantageous (ie MEAT) or on the basis of a life cycle cost approach. Award on the basis of fixed price or quality only (20.11 (d) and (e)) shall be carried out only with the prior approval of the Chief Officer Finance & ICT .
- 20.13 The evaluation criteria shall be predetermined and approved by the relevant Chief Officer and listed in the Invitation to Tender documentation, detailing percentage (price /quality) weightings being applied. In addition, the criteria shall be strictly observed and remain unchanged at all times throughout the contract award procedure. Guidance and assistance on relevant evaluation criteria can be obtained from the Commissioning, Procurement & Contract Management Unit.
- 20.14 Negotiation or discussion is generally not permitted except for certain types of procedures which permit negotiation or where it clearly states in the ITT that negotiation or discussion is part of the tender process. If used, negotiations or

discussions must be recorded either contemporaneously or as soon as possible after the negotiation or discussion has concluded. The responsible officer may seek clarification from tenderers where appropriate in consultation with the Chief Officer Finance & ICT .

- 20.15 The evaluation process must always be able to demonstrate equitable treatment of all valid bids, so that it can stand up to scrutiny whether from Freedom of Information requests or other challenges. Further guidance is available from the Chief Officer Finance & ICT .
- 20.16 The Chief Officer Finance & ICT shall maintain a record of all tenders received shall be kept on the Bravo Solutions and Sell2Wales e sourcing software to include
  - (a) Service name;
  - (b) Bidder's names;
  - (c) Tender value;
  - (d) Date;
  - (e) Reasons for any disqualifications for late tenders and
  - (f) Name of those who were invited but did not submit a tender
- 20.17 Any request for an extension to a tender period must be made no later than the period stated in the ITT and in any event before the tender close date and shall be agreed by the Chief Officer Finance & ICT . If an extended date is permitted all tenderers must be advised.
- 20.18 For incomplete tenders, if commercial (e.g. priced 'Form of Tender / commercial envelope') or technical (e.g. quality envelope) information essential for the tender and as specified is not included in the tender envelope then the tender cannot be considered.
- 20.19 However if supporting qualification information relating to the contract or supplier is not included in the tender envelope then the Chief Officer shall contact the relevant tenderer to request the information upon receipt of which the tender can be considered.
- 20.20 Clear written records must be kept of the assessment process. For procurements subject to the Regulations, a report must be written and retained until the expiry of the contract term. The Chief Officer Finance & ICT shall advise what must be recorded in the procurement report.
- 20.21 In line with best practice (and relevant compliance with the Regulations), all procurement exercises for tenders above the Threshold set within the Regulations and for those tenders with an aggregate total value of £25k or more (goods and services), £75k (works), £5k (consultancy) should incorporate a formal standstill period between communicating the award decision to all tenderers and entering into a contract with the appointed tenderer. This standstill period shall be at least 10 calendar days if sent electronically or 15 calendar days for notices sent by other methods. Where

the last day of the standstill period is not a working day, the standstill period is extended to midnight at the end of the next working day. Should the award of the tender be challenged during the standstill period, it is vital that the details of such challenge are immediately notified to the Chief Officer Finance & ICT and to the Chief Officer Governance & Customer

20.22 If any additional information is requested during the standstill period and to be disclosed to tenderers (in addition to that provided under 20.21) this must be agreed in advance with the Chief Officer Finance & ICT , taking into account the requirements of any legislation relating to the disclosure of information.

20.23 Any further de briefing (in addition to that provided under 20.21 and 20.22) must not be conducted before the contract is awarded. It should be made clear that the de-briefing process cannot be used to change the choice of a supplier/ contractor or to re-open the selection process. Further de-briefing will only be conducted at the request of the supplier/ contractor.

## **21 Abandonment**

21.1 If less than three tenders are received, consideration should be given as to whether continuing with the process will achieve a competitive price, value for money and quality of services. A further advertisement may be required.

21.2 Before abandonment or recommencement of an above threshold procurement, there shall be consultation with the Chief Officer Finance & ICT to ensure appropriate procedure and risk management.

## **22 Advertising**

22.1 All relevant procurement opportunities which involve an element of competition over £5,000 (consultancy), £25,000 (goods and services) and £75,000 (works), shall be advertised on "Sell2Wales". An element of competition means where the procurement opportunity is put into the public domain for the attention of suppliers generally. It does not include situations where a tender or quote is sought from a limited number of suppliers such as a call-off from a framework agreement or seeking quotes/tenders from selected suppliers.

## **23 Contracts Register**

23.1 Chief Officers will ensure that every accepted contract or Framework Agreement, which exceed the following aggregated total contract value, must be notified to the Chief Officer Finance & ICT by the timely completion of an electronic form (available on the Intranet) together with a copy of the signed contract or quotation.

Goods, Works and Services	£10,000
Consultants	Any Value

23.2 For recording purposes 'contracts' are defined as agreements for supply of goods, services or works i.e. those agreements that have specific contractual terms set against them. It does not include one-off purchases of goods. The

Chief Officer Finance & ICT will record every applicable arrangement on the Contracts Register, for the purpose of clarity these will include:

- (a) Contracts or Framework Agreements with an aggregated contract value in excess of amounts as defined above
- (b) Any appointment of consultants regardless of value
- (c) Regional or collaborative contracts where the Council is not the Lead Authority but where the Council receives services from the contractor / service provider
- (d) All contracts with Third / Faith sector organisations
- (e) All grants to Third / Faith sector organisations except one-off grants under a Council administered awards scheme e.g. Welsh Church Acts etc.

23.3 General 'one off' purchases for supplies / services (falling outside of the definition of a contract) do not need to be included.

23.4 The Contracts Register will be available to view on the Intranet and a summarised version available to view on the Council's website

## **24 Signing/Sealing**

24.1 Contracts with a value of less than £500,000 may be signed by two authorised officers in accordance with the Scheme of Delegation contained in the Constitution. Contracts for £500,000 or more shall be sealed as a deed by the Chief Officer Governance & Customer.

24.2 Contracts awarded from approved collaborative Frameworks (e.g. National Procurement Service, Crown Commercial Services, YPO, ESPO) may be entered in to in a Form of Agreement as described by the Contracting body (irrespective of value).

24.3 Contracts must be sealed or signed before work is started to ensure incorporation of terms. Making payments before the contract is sealed or signed may be a breach of the Rules and may result in disciplinary action.

## **25 Exemptions**

25.1 The Chief Officer Finance & ICT shall approve all exemptions to these Rules and any exemptions should be sought before contractual negotiations have begun. The Chief Officer Finance & ICT will not consider any request for an exception where that request is deemed to be cover for a lack of compliance with the Rules. The Chief Officer Finance & ICT will maintain a register of all requests and the decision made

25.2 All Chief Officers shall record all approved or rejected exemptions granted for their services detailing the nature and value of the proposal, the reason for the



exemption, the relevant clause under which the exemption is being applied for and evidence of formal approval / rejection from the Chief Officer Finance & ICT / Executive Board.

- 25.3 The only exemptions to the tender processes outlined within these Rules shall be as shown below. All other parts of the procurement process must be complied with at all times.
- 25.4 The following exemptions do not require formal approval from the Chief Officer Finance & ICT :
- (a) The Council is using government contracts e.g. National Procurement Service (NPS) framework agreements or those arranged by a consortium, collaboration or similar body including the Welsh Government in respect of trunk road and other contracts. In these cases, an equally reputable body will be deemed to be following its own tendering procedures subject to prior confirmation by the Council as necessary
  - (b) A contract is made by a school within the County Borough operating under Fair Funding arrangements.
- 25.5 The following exemptions may be approved subject to a prior written request being submitted to the Chief Officer Finance & ICT for consideration and determination by him in conjunction with Members as deemed appropriate. An exemption may be granted if:
- (a) There would not be genuine competition because no reasonably satisfactory alternative is available and:
    - (i) The items are proprietary or sold at a fixed price; or
    - (ii) Prices are controlled by trade organisations or government order; or
    - (iii) The services concerned are, in the opinion of the relevant Chief Officer, so specialised as to make genuine competition impractical; or
    - (iv) Other reasons to the satisfaction of the Chief Officer Finance & ICT
  - (b) The contract is so urgent that tenders are not practicable. In this case the Chief Officer concerned must certify it as urgent to the Chief Officer Finance & ICT and report on it to the next meeting of the Executive Board. It should be noted that urgency shall not normally be an acceptable reason for non-compliance. Urgency that could have been avoided by reasonable foresight and planning will not be acceptable as an adequate reason for departure from normal practice; or
  - (c) The Council is issuing a grant to support the 'core costs' of an organisation, whereby the activities of that organisation support or compliment the objectives of the Council, however, where there is potential for more than one organisation to be eligible for the grant then normal expectation is that a procurement exercise in line with these Rules

will be carried out. Prior approval from the Chief Officer Finance & ICT that a grant can be issued as an exception must be obtained in ALL circumstances

## **26 Contract Extensions**

- 26.1 A contract may be extended before the expiry date only where it is expressly in accordance with its terms and such an extension does not compromise the basis upon which the contract was originally procured.
- 26.2 In cases of urgent business need, where the Executive Board gives approval to a short-term extension of an existing contract where the total value of the contract including the extended term is below the relevant Regulations threshold levels for supplies, services and works applicable at the time the Executive Board considers the request for an extension of the contract.
- 26.3 In all cases where it is proposed to extend an existing contract, advice and guidance must be sought from Procurement Officers or from Legal Services before any negotiations are entered into with suppliers or contractors over an extended term.
- 26.4 A contract cannot be extended
- (a) where the terms of the contract do not expressly provide for extension except for in 26.2 above or
  - (b) once a contract has expired or
  - (c) where an extended term alters the basis upon which the service, supply or works were originally procured or
  - (d) where the extended term would lead to the total value of the contract exceeding the European Public Procurement threshold levels applicable at the commencement of the extended term or
  - (e) where such an extended term would be in breach of statutory regulation,

## **27 Payment of Undisputed Invoices**

- 27.1 The Council has a duty under the Regulations for every public contract (whether it is above or below the Regulations threshold) to pay undisputed invoices within 30 days.
- 27.2 Section 5.7 of the Financial Procedure Rules contains further information relating to the payment of invoices.

## **28 Sustainable Procurement**

- 28.1 For all contracts exceeding £2,000,000 in value it will be mandatory to deliver a social, economic and environmental return on investment through the adoption of a community benefits approach.

- 28.2 For all contracts below £2,000,000 in value it will be optional to deliver a social, economic and environmental return on investment through the adoption of a community benefits approach. However, even for these contracts it will be desirable to deliver relevant community benefits.
- 28.3 All contractors that will be required to deliver Community Benefits shall be required to complete the Community Benefits Toolkit as part of their contractual requirements.
- 28.4 All requests for Community Benefits shall comply with the rules laid down by the Chief Officer Finance & ICT as administered by the Commissioning, Procurement & Contract Management Unit.
- 28.5 For all contracts over £500,000 for Goods, Services and Works the Council shall give consideration of social, economic and environmental issues when making procurement decisions using the sustainable risk assessment template.
- 28.6 The inclusion of Sustainable Procurement requirements arising from the Sustainable Risk Assessment (SRA) under 28.4 shall be at the discretion of the relevant Chief Officer, having taken into considerations any financial impact of including such requirements.

## **29 Appointment of Barristers**

- 29.1 In the case of engagement of Barristers the agreement on level of fees payable will normally be by negotiation or by appointment via any available National Procurement Service Framework rather than any other form of competition.

## **30 Appointment of Consultants**

- 30.1 As part of the justification and approval process, the appointment of Consultants can only be made by the Chief Executive or a Chief Officer. Schedule 1C to the Rules provides information on the limits and procurement requirements.
- 30.2 All appointments with an aggregated value of more than £5,000, except the appointment of Barristers (29.1) must be in consultation with the appropriate Lead Member unless there is a conflict of interest in which case the consultation should be with the Leader or Deputy Leader.
- 30.3 The Head of Finance shall produce an annual report for all members which will include details of all appointments, performance evaluation details including performance against specified outcomes and the actual cost and period of the appointment.
- 30.4 For all proposed consultancy engagements over the value of £5,000 a Consultancy Chief Officer Finance & ICT Form (CPC1) must be completed and forwarded to the Chief Officer Finance & ICT prior to any steps to engage or actual procurement exercise commencing.
- 30.5 Prior to the commencement of any procurement of Consultants the tender documentation and specification must include:

- (a) A clear identification of need, outcomes and outputs which should be aligned where possible with the extant version of the Council Plan
  - (b) A written project brief including timescales
  - (c) A suitable quality and price assessment mechanism for inclusion in the tender documentation and subsequent tender evaluation.
  - (d) A formal written agreement or detailed letter of engagement.
- 30.6 As part of the procurement exercise, the authorising officer (30.1) making the appointment must establish whether the Consultant or any individual who may carry out the engagement on behalf of the Consultant, has worked for Wrexham CBC in the two years preceding the appointment. This will not preclude the use of the consultant but it will be taken into account in the appointment process. Should a Consultant be identified as having worked for the Authority then the responsible Officer shall record the detail and notify the Chief Officer Finance & ICT as part of the Appointment Form.
- 30.7 Immediately following the appointment of a Consultant, the authorising officer (30.1) should complete the Consultant's Appointment form (CPC2) and forward it to the Chief Officer Finance & ICT . All appointments, regardless of value, will be registered on the Corporate Contracts Register.
- 30.8 The formal written agreement or detailed letter of engagement should be signed by the Council and the Consultant prior to the commencement of the work.
- 30.9 Once work has commenced the authorising officer (30.1) must ensure that there is effective, ongoing contract management including:
- (a) Fee payments and progress are monitored and all payments are for work completed and are in accordance with the signed contract agreement.
  - (b) Performance against specified outcomes
  - (c) The implementation of any recommendations made and this information is used to complete the Performance Evaluation form.
  - (d) Prompt action is taken to address any issues of non-performance
  - (e) The consultant's insurances are up to date and continue to meet the Council's requirements.
- 30.10 Immediately following the completion or termination of a Consultant's agreement, the authorising officer (30.1) responsible for the agreement should complete the Consultant's Performance Evaluation form (CPC3) and forward it to the Chief Officer Finance & ICT . This will include performance evaluation details including performance against specified outcomes and the actual cost and period of the appointment.



## Goods and Services

Where the estimated costs of any goods or services is less than the EU threshold, quotes shall be invited as outlined below;

Total Estimated Contract Value From To		GOODS & SERVICES
£0	£10,000	Each purchase must demonstrate value for money and so corporate contracts must be used where available. Where not available or a one off purchase, there must be evidence that value for money has been achieved
>£10,000	£25,000	INFORMAL QUOTATIONS – AT LEAST 3 electronic, written, fax, e-mail or documented telephone quotes.
>£25,000	The Regulations Limit	FORMAL TENDERS – AT LEAST 3 (obtained via e sourcing software, set return date and time for receipt and opening). <b>Sell2Wales must be used</b>
<p><u>Note:</u></p> <p>1. These are the minimum requirements for all works; the threshold can be lowered.</p>		



## Works

Where the estimated costs of works is below the EU threshold, quotes shall be invited as outlined below

Total Estimated Contract Value From To		WORKS
£0	£10,000	Each purchase must demonstrate value for money and so corporate contracts must be used where available. Where not available or a one off purchase, there must be evidence that value for money has been achieved
>10,000	£75,000	INFORMAL QUOTATIONS – AT LEAST 3 electronic, written, fax, e-mail or documented telephone quotes.
>£75,000	The Regulations Limit	FORMAL TENDERS – AT LEAST 3 (obtained via e sourcing software, set return date and time for receipt and opening). <b>Sell2Wales must be used</b>
<p><u>Note:</u> 2. These are the minimum requirements for all works; the threshold can be lowered.</p>		



### Consultancy

**Where the estimated costs of Consultancy is below the EU threshold, quotes shall be invited as outlined below**

<b>Total Estimated Contract Value</b>		<b>CONSULTANCY</b>
<b>From</b>	<b>To</b>	
£0	£5,000	There must be evidence to demonstrate that value for money <b>WILL BE</b> been achieved.
>£5,000	The Regulations Limit	<b>FORMAL TENDERS</b> (obtained via e sourcing software, set return date and time for receipt and opening). <b>AT LEAST 3.</b> <b>Sell2Wales must be used</b>
<u>Note:</u> 1. These are the minimum requirements; the threshold can be lowered.		

## GLOSSARY OF FINANCIAL TERMS

### Financial Procedure Rules / Contract Procedure Rules

Aggregate External Finance (AEF)	Aggregate external finance (AEF) represents the support for local revenue spending from the Welsh Government and is made up of formula grant. Formula grant includes the revenue support grant (RSG), and the distributable part of non-domestic rates (NDR). Amounts are determined annually and in advance of each new financial year as part of the Local Government Financial Settlement.
Annual Report & Accounts	A document that contains a summary of the purpose of an organisation, its activities and performance for the year, as well as its annual accounts.
Anti Canvassing	A declaration that a supplier, provider or contractor has not been party to canvassing or lobbying Council staff or Members either directly or indirectly to gain preferential treatment in competitive tendering processes.
Anti Collusive	A declaration that a supplier, provider or contractor has not been party to possibly fraudulent arrangements between two or more of them whereby prices or service requirements are manipulated to get round competitive tendering.
Asset Management Plan	A document setting out the Council's plan for developing systems and internal controls to manage its land, buildings and capital expenditure in the most effective way to achieve its goals.
Asset Register	A detailed listing of land, buildings, vehicles and major items of plant and fixed equipment (assets). Asset registers are important because they enable an effective assessment of the management of assets to be made through a comprehensive record of attributes. They are also a useful basis for arranging appropriate insurance cover and substantiating insurance claims in the event of fire, theft or other loss.
Assets	Any item of value owned by an entity (e.g. buildings, vehicles). Assets can be classed as Non-current or capital assets where the asset has a useful life of more than one year (e.g. buildings, vehicles), or a current asset which includes cash or other assets which can reasonably be expected to be converted to cash in the normal course of business including stocks, debtors etc.
Audit Certificate	The document that contains the opinion of the external auditor regarding an organisation's accounts, systems and standards.
Governance and Audit Committee	Governance and Audit Committees monitor and review the risk, control and governance processes that have been established in an organisation and the associated assurance processes to ensure that internal control systems are effective and that activities are within the law and governing regulations. This is done through a process of constructive challenge.
Audit Plan	Internal audit identification of the work that they intend carrying out over the audit planning period (up to a year) and the resources needed for

	that work.
Barnett Formula	The formula used to allocate a population based share of changes in planned expenditure on comparable services by Departments of the UK Government to the devolved administrations of Wales, Scotland and Northern Ireland. The Barnett Formula calculates the size of change to the assigned budget rather than the total assigned budget.
Benchmarking	A method for Councils to work out how well they are doing, by comparing their performance with other, similar Councils, and with performance indicators.
Best value	A statutory duty owed by local authorities to their local community, requiring them to make continuous improvements in the way they carry out their functions having regard to a combination of economy, efficiency and effectiveness.
Block Grant	The Block Grant is the sum of money voted by parliament to the Secretary of State for Wales. It constitutes the assigned element of the Welsh Governments' Departmental Expenditure Limit and is calculated from the existing baseline using the Barnett Formula.
Budget	A statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and the capital programme and any authorised amendments to them.
Budgets	References to Budgets means any individual code against which budgets are maintained in the Council's financial ledger
Budget Book	The publication in which the Council sets out its budget for a particular financial year.
Budget Head	For a particular service activity, the level of detail at which revenue or capital budgets are approved by the Council, whether in the Budget Book, the latest approved capital programme or as a result of supplementary estimates approved for the budget year.
Budgetary Control	The continual review of expenditure and income, both revenue and capital, against planned levels of expenditure and income to help ensure that service objectives are achieved and the overall resources of the Council are not over or under spent. This process is aided by the use of budget profiles.
Capital Programme	The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.
Capital Charges	A calculation of the annual costs, included within the revenue accounts of using capital assets. This includes, where appropriate depreciation.
Capital	Spending on non-current assets (buildings, equipment and land) intended

Expenditure	to benefit future accounting periods or spending that increases the capacity, economy, efficiency or lifespan of an existing asset.
Chief Officer(s)	Refers to all Chief Officers and includes the Chief Executive where the context relates to services or staff related matters for which the Chief Executive is responsible
CIPFA	Chartered Institute of Public Finance and Accountancy
Code of Corporate Governance	The part of the Council's constitution which sets out the systems and processes, and cultures and values necessary for achieving and demonstrating good corporate governance.
Codes of Conduct	The protocols within which Members and Officers will work as set out in the Constitution.
Codes of Practice	Guidance issued by professional bodies in relation to standards which are not regulated by statute, or by the Council itself.
Collaborative Arrangement	A contract or agreement established in conjunction with one or more other organisations.
Collaboration/ Consortium	The process of procurement shared between different Council's or other public sector organisations.
Construction Industry Scheme 2007	Legislation designed to ensure that all payments to contractors are made in accordance with HMRC legislation.
Consultant	A person (not an employee), agency or firm engaged for a limited period of time on a fee basis to carry out a specific task or tasks. A consultant provides subject matter expertise and/or experience to the Council either because it does not possess the skills or resource in-house or which requires an independent evaluation/assessment to be made
Contracts	Contracts are defined as formal agreements for supply of goods, services or works i.e. those agreements that have specific contractual terms set against them. It does not include one-off purchases of goods.
Contractor/ Supplier/ Provider	The successful 'other party' with whom a contract is formed to provide the specified requirement.
Corporate Contracts	A contract which has been procured by Wrexham County Borough Council or a Consortium for the potential use of, and on behalf of, the whole of the county borough.
Corporate Governance	The system by which organisations are directed and controlled. The framework that ensures that an organisation fulfils its overall purpose, achieves its intended outcomes for residents of Wrexham County Borough and service users, and operates in an effective, efficient and ethical manner.
Council Fund	The fund to which all the Council's revenue expenditure is charged
Council Tax	A local tax based on the capital value of residential properties.

Council Tax Base	The estimated number of chargeable properties, expressed as the equivalent number of 'Band D' properties in the Council's area. The Council is required to annually advise the Welsh Government of its Council Tax Base (as at 31 <sup>st</sup> October), which they use in the Local Government Financial Settlement, and to allow the County Council, North Wales Police Authority and Town / Community Council's to calculate the following year's Council Tax charges.
Council's Constitution	The Constitution sets out how Wrexham County Borough Council operates, how decisions are made and the procedures which are followed to ensure that the Council is efficient, transparent and accountable to local people.
Council's Monitoring Officer	The Officer designated by the Council as its Statutory Monitoring Officer.
Creditors	A person or body to whom the Council owes money.
Debtors	A person or body who owes the Council money. The debt may derive from a number of sources such as Council Tax or rent arrears, rechargeable works or where an account has been rendered for a service provided by the Council.
E procurement	The effective use of ICT to communicate and transact Council business with suppliers etc.
E tender	The effective use of ICT to undertake tenders.
Escrow Account	An arrangement made under contractual provisions between transacting parties, whereby an independent trusted third party receives and disburses money and/or documents for the transacting parties, with the timing of such disbursement by the third party dependent on the fulfilment of contractually-agreed conditions by the transacting parties
Estimated Outturn	Estimates of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.
External Audit	External auditors provide an independent check that the annual accounts of a body properly reflect the financial year, funds were spent in accordance with relevant regulations or directions, and that the body achieves the best possible value for public money. External audit may also carry out value for money or other reviews of services.
Financial Regulations	That part of the Council's Constitution which provides an approved framework for the proper financial management of the authority.
Financial year	The period of twelve months commencing on 1 April.
Framework Agreements	An arrangement under which a contracting Authority establishes with a provider of goods, works or services, the terms under which contracts subsequently can be entered into, or 'called-off' (within the limits of the agreement) when particular needs arise.

Fraud	Fraud is an intentional deception made for personal gain or to damage another individual. Good internal controls and governance arrangements are essential to minimise the risk of fraud. When council suffer fraud or theft it is often the case that the perpetrator has prepared false documents to disguise or to cover up the theft or fraud. In many cases the false documents include invoices and minutes
Fraud Response Plan	Contained in the Counter Fraud Strategy. The procedures by which all frauds shall be investigated.
Goods	Tangible, moveable commodities (e.g. furniture and equipment etc.)
Housing Revenue Account	The Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the council fund and is funded primarily from rents.
HMRC	Her Majesty's Revenue and Customs
Hypothecated Funding	Ring-fenced funding, which must be spent on particular services or initiatives
Indicator Based Assessments (IBAs)	Service specific Indicator Based Assessments (IBAs) are combined to generate total Standard Spending Assessments (SSAs, see further on) which are used by the Welsh Government to distribute the Revenue Support Grant funding to Local Authorities. IBAs are for use in calculating total SSAs and are not intended for use in determining individual authorities' budgeted expenditure on particular services.
Investment Income	Income from interest receipts on investments held by the council
Indemnity	Protection against future loss, or legal exemption from liability for damages
Insurance	Insurance is one of the ways that the Council's manage the risk of losses
Internal Audit	Internal audit provides an objective appraisal service within an organisation, to improve the organisation's risk management, control and governance procedures, and to provide assurance to the accountable officer and the audit committee on these matters.
Internal control	The systems an organisation has in place to manage and mitigate risk.
Inventory	A detailed listing of all goods, materials, furniture and equipment in the ownership or use of a particular service, other than those held in stocks and stores records. They are also subject to periodic physical checks. Inventories are normally maintained in sufficient detail as to description, location, age, value etc. to enable any material loss arising from a fire, theft or other event to be identified and to support any insurance claim.
Items	All goods, works or services purchased by the Council
Land Terrier	Records of land owned by the Council
Liabilities	Items that are owed by the entity such as loans, leases, etc.

Liquidated Damages	A prior estimate of a justifiable financial loss in the event of a failure to complete by the specified date(s).
Materiality	An expression of the relative significance of a particular matter in the context of the financial statements as a whole.
Members Allowances	A scheme of payments to elected Members of the Council in recognition of their duties and responsibilities in accordance with the relevant Regulations.
Medium Term Financial Strategy	The approved strategic process by which the council expects to finance its activities in the medium term.
Outturn	Expenditure actually incurred.
Partnering	A management approach used by two or more organisations to achieve specific business objectives by maximising the effectiveness of each participant's resources. The approach is based on mutual objectives, an agreed method of problem resolution and an active search for continuous measurable improvements.
Partnerships	These can mean a wide range of different things. The most basic being a trading organisation, and different from a sole trader or limited company. The term has also been used to generally describe a whole range of commercial agreements including PFI and 'outsourcing'. It can also describe voluntary agreements and the coming together of different groups and agencies for an agreed purpose through shared understandings.
Partnership Framework	A Council framework designed to break down barriers between organisations to address issues in partnership. This will be achieved through a shared vision, and objectives that aim to provide improved and sustainable services in the longer term.
PAYE	Tax deductions from salaries and wages payments made by the Council in accordance with HMRC legislation.
Payroll	All payments or deductions made to / from an employee as a result of their employment by Wrexham CBC including but not limited to salaries, wages, overtime, honoraria, PAYE, National Insurance, pension contributions etc.
Petty Cash/Imprest Account	A small amount of cash kept on hand by a service for incidental expenses.
Precept	This is the Council Tax collected by the Council on behalf of the Community Council's and the North Wales Police Authority.
Procurement	Procurement is the process of obtaining supplies, services and works spanning the life cycle of the asset or service contract. It has a wider meaning than traditional terms such as purchasing, buying or commissioning. It is about securing services and products which best meet the needs of all stakeholders; anyone who can or might be affected by the services and products involved.

Procure to Pay (P2P)	The procurement procedures which include ordering items through to making payments. The Council's P2P system allows electronic orders to be approved and placed and invoices matched electronically upon receipt after matching key data.
Project Management Code of Practice	The Council Code of Practice for the Project Management of all projects with an expected value in excess of £250,000
Reserves	These are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Head of Finance.
Revenue	A term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes however charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.
Revenue Support Grant (RSG)	<p>The Revenue Support Grant (RSG) represents the major element in the support for local revenue spending that the Council receives from the Welsh Government, as required by section 78(1) of the <i>Local Government Finance Act 1988</i>. Amounts are determined annually and in advance of each new financial year as part of the Local Government Financial Settlement, and form a part of the Aggregate External Finance (AEF).</p> <p>The objective of the revenue support grant system is to enable authorities to provide a common level of service consistent with an aggregate figure of total standard spending (as assessed by Welsh Government using Standard Spending Assessments, see below). Its aim is to compensate for differences in the levels at which authorities need to spend and at which they can raise council tax in order to provide a common level of service. This objective is met by calculating the revenue support grant for each authority as the difference between its standard spending assessment and the sum of its re-distributed non-domestic rate income and council tax (as calculated by the Welsh Government for standard spending purposes.)</p>
Risk	The chance of something happening that will have an effect on the Council's priorities, aims, aspirations, values and obligations. It is measured in terms of likelihood and impact, which could be negative or positive. As well as events which can impede, the scope of this definition therefore also includes events which could result in opportunities being lost.
Risk Management	A planned and systematic approach, involving culture, structure and processes, to provide assurance that the Council's significant risks are identified, evaluated and managed effectively.
Risk Management Policy	An agreed policy which sets out how and why the Council will manage risk of all types across all of its activities.



Scheme of Delegation	The framework by which budgetary control and financial monitoring are exercised at a local level.
Section 151 Officer	Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and requires one officer to be nominated to take responsibility for the administration of those affairs. In Wrexham CBC, this responsibility is vested in the Head of Finance.
Select List	A list of suitably qualified contractors, suppliers or providers that has been drawn up and assessed through an advertising and short-listing exercise for a particular contract or procurement activity.
Service	A service is one shown with its own summary in the budget book. For central services it includes the elements of Corporate & Central Expenditure managed by them
Service Block	Service Blocks means the broad groupings of services shown on each Budget Summary page of the Budget Book. In the case of central departments, it also includes those elements of Corporate and Central Expenditure for which that department is responsible
Services	Intangible commodities (e.g. agency staff, consultants etc.). It can also mean support to individuals or groups.
Smartwater	A device for marking equipment to show the owner's details. This helps increase the probability of recovery if theft occurs.
Standard Spending Assessments (SSAs)	<p>Standard Spending Assessments (SSAs) are notional assessments of each council's need to spend on revenue services, calculated each year by the Welsh Government for use in the distribution of the Revenue Support Grant (RSG). SSAs are calculated prior to the year to which they relate using principles established by the Welsh Government, which encompass the demographic, physical and social characteristics of each area, as reflected by a range of indicators. SSAs include the need to spend on the current element of revenue expenditure and the need to spend on the capital charges element of revenue expenditure. The distribution of the current element between local authorities is based on the distribution of, such as pupil numbers, population and measures of deprivation and rurality. The distribution of the capital charges element between local authorities is based on the latest available credit ceiling figure for each authority (which is essentially the level of unpaid debt) together with estimates of how this will change in the year to which the SSAs relate.</p> <p>SSAs are intended to reflect variations in the need to spend which might be expected if all authorities responded in a similar way to the demand for services in their area, and as this is the mechanism for distributing the RSG to local authorities this would enable all authorities in Wales to charge the same level of council tax for the provision of a similar standard of service.</p> <p>An authority's SSA is derived as a funding mechanism to distribute the RSG, it is not and should not be viewed as a target level of expenditure for an authority. The RSG funding is unhypothecated, SSAs are not meant</p>

	to be prescriptive in any way, and therefore authorities will spend at levels above and below their SSA according to decisions that have been made locally.
Statement of Accounts	<p>The Statement of Accounts provides details of the Council's financial position over the previous financial year. Its purpose is to give electors, those subject to locally levied taxes and charges, members of the authority, employees and other interested parties clear information about the authority's finances. Statements of Accounts across all local authorities should reflect a common pattern of presentation, although this does not require them to be in an identical format.</p> <p>The Statement of Accounts is produced in accordance with the requirements of the Code of Practice on Local Authority Accounting in the UK (the code). The code is updated annually.</p>
Stocks	E.g. fuel, heating oil, spare parts etc. held for future use
Sub-contractors	A subcontractor is a legal person appointed by a contractor to get the contract, part of the contract or any section of the contract assigned to him to be executed.
Supplies	Consumables (e.g. paper, stationery, foodstuffs etc.).
Tender List	Drawn from a previously determined select list, the list of suppliers, providers or contractors actually invited to tender.
Tenderer	A potential supplier or provider or contractor.
Third Sector	Third Sector Organisations are key partners in the delivery of services on behalf of the people of Wrexham County Borough.
Treasury Management	The management of the authority's cash flows, its borrowings and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks.
Treasury Management Strategy	The strategy for the Treasury Management activities to be adopted for a particular financial year. The strategy needs to be flexible enough to allow the Head of Finance to respond appropriately to changing circumstances during the course of the year to the best advantage of the Council.
Underspend	<p>When referring to expenditure the actual expenditure incurred is less than the budget.</p> <p>When referring to income the actual income achieved exceeds the budget.</p>
Unhypothecated Funding	Funding allocated without restrictions on how it should be spent.
Unhypothecated Supported Borrowing	A source of funding from the Welsh Government to finance general capital expenditure. Allocations are issued annually to each local authority as part of the Local Government Financial Settlement. The Welsh Government includes an element within the Revenue Support Grant to fund the cumulative costs of this borrowing that is classed as supported borrowing.

<p>Unsupported (Prudential) Borrowing</p>	<p>Borrowing to fund capital expenditure which exceeds Welsh Government support in the Revenue Support Grant. Councils can choose to fund capital expenditure through Unsupported (Prudential) Borrowing so long as they demonstrate that borrowing is prudent, sustainable and affordable, as the ongoing revenue costs of unsupported borrowing will still need to be met from available resources.</p>
<p>Value for Money</p>	<p>Broadly value for money is the extent to which objectives are achieved in relation to costs. It is about achieving the optimum combination of costs and benefits to an organisation.  Value for money is more formally defined as the relationship between economy, efficiency and effectiveness.  Economy is the price paid for what goes into providing a service  Efficiency is a measure of productivity – how much you get out in relation to what is put in  Effectiveness is a measure of the impact achieved and can be quantitative or qualitative. Outcomes should be equitable across communities, so effectiveness measures should include aspects of equity.</p>
<p>Variance</p>	<p>Difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected for example projected to the end of the month or financial year.</p>
<p>Webstaff</p>	<p>The software system which allows payments to be received over the phone or electronically</p>
<p>Welsh Government</p>	<p>Headed by the First Minister of Wales, the Welsh Government is responsible for areas such as health, education, language and culture and public services.</p>
<p>Welsh Purchasing Card</p>	<p>A credit card issued to a Council employee for the purpose of making purchases on the Council's behalf. There must be compliance with the Card Holder User Guide at all times.</p>