

Council Meeting Agenda



Wednesday 16 July 2025 at 7pm

**Council Chamber, Civic Centre
Chelmsford**

Membership

The Mayor – Councillor Janetta Sosin
The Deputy Mayor – Councillor Smita Rajesh

and Councillors

C Adutwim, J Armstrong, H Ayres, G Bonnett, N Bugbee, V Canning
N Chambers, D Clark, H Clark, P Clark, P Davey
A Davidson, C Davidson, S Davis, J Deakin, S. Dobson, N Dudley,
D Eley, K Franks, L Foster,
J Frascona, I Fuller, S Goldman, S Hall, J Hawkins, R Hyland, J
Jeapes, A John, B Knight, J Lardge, R Lee, S Manley, L Mascot, B.
Massey, R Moore, M O'Brien, V Pappa, J Potter, J Raven, S
Robinson, E Sampson, S Scott, T Sherlock, M Sismey, A Sosin, M
Steel, S Sullivan, M Taylor, A Thompson, A Thorpe-Apps, C Tron, N
Walsh, R Whitehead, P Wilson, S Young

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Councillors take decisions affecting YOU and your City.
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or phone (01245) 606480

MEETING OF CHELMSFORD CITY COUNCIL

16 July 2025

AGENDA

1. Apologies for Absence

2. Mayor's Announcements

3. Declarations of Interest

Members are reminded that they must disclose any interests they know they have in items of business on the meeting's agenda and that they must do so at this point on the agenda or as soon as they become aware of the interest. If the interest is a Disclosable Pecuniary Interest they are also obliged to notify the Monitoring Officer within 28 days of the meeting.

4. Minutes

Minutes of meetings on 19 February and 14 May 2025.

5. Public Questions

To receive questions from members of the public in accordance with Council Rules 10.1 to 10.6.

Any member of the public who wishes to submit a question or statement to this meeting should email it to committees@chelmsford.gov.uk 24 hours before the start time of the meeting. All valid questions and statements will be published with the agenda on the website at least six hours before the start time and will be responded to at the meeting. Those who have submitted a valid question or statement will be entitled to put it in person at the meeting.

6. Cabinet Question Time

The Leader and Members of the Cabinet to answer questions submitted by Members of the Council in accordance with Council Rules 10.18 to 10.22.

7. Proposed changes to the Constitution

To consider the attached report from the Cabinet on 3rd June 2025 and Governance Committee on 11th June 2025

8. Updated Political Groups

To consider the attached report on an update to the political groups

9. Treasury Outturn 2024/25

To consider the attached report from the Treasury Management and Investment Sub Committee on 16th June 2025 and Cabinet on 8th July 2025

10. Annual Report of the Audit and Risk Committee

To consider the attached report from the Audit and Risk Committee on 11th June 2025

11. Annual Report of the Governance Committee

To consider the attached report from the Governance Committee on 11th June 2025

CHELMSFORD CITY COUNCIL
MINUTES OF THE MEETING OF THE COUNCIL
held on 19 February 2025 at 7pm

PRESENT:

The Mayor, J Potter
The Deputy Mayor, S Sullivan

Councillors C Adutwim, J Armstrong, G Bonnett, N Bugbee, N Chambers, D Clark, H Clark, P Clark, P Davey, S Davis, A E Davidson, C K Davidson, J Deakin, S Dobson, N Dudley, D Eley, L Foster, K Franks, J Frascona, I D Fuller, M C Goldman, S M Goldman, S Hall, J Hawkins, R J Hyland, J Jeapes, B Knight, J Lardge, R J Lee, L Mascot, R J Moore, M O'Brien, V Pappa, G H J Pooley, S Rajesh, J Raven, S Robinson, S Scott, T Sherlock, M Sismey, A B Sosin, J E Sosin, M S Steel, M Taylor, A G Thorpe-Apps, C Tron, N M Walsh, R T Whitehead, and S Young.

1. Apologies for Absence

Apologies for absence had been received from Councillors, Massey, Sampson, Thompson and Wilson.

2. Mayor's Announcements

The Mayor informed the Council that by the end of February 2025, the Mayoralty would have attended 294 engagements/meetings and that just over £11,000 had been raised to date for the Mayor's Charity, Farleigh Hospice. The Council also heard that forthcoming fundraising events, included a Quiz Night and Afternoon Tea.

3. Declarations of Interest

Members were reminded to declare at the appropriate time, any interests in the business on the meeting's agenda. None were made.

4. Minutes

The minutes of the meeting held on 18 December 2024 were confirmed as a correct record.

5. Public Questions

Two public questions had been submitted in advance of the meeting, the first of which was asked in person [and both can be seen via this link.](#)

The first question asked about the Climate Emergency declared by the Council, how it could be defined, when it would be over and what quantitative and qualitative indicators were the Council reviewing to determine when it had passed. The Council were also provided with observations about the Intergovernmental Panel on Climate Change and were asked how the decision to swap all vehicles to electric vehicles reconciled with the Council's modern slavery commitments, due to concerns about how minerals were extracted for EV batteries.

In response the Cabinet Member for a Greener Chelmsford, thanked the member of the public for their question. The Cabinet Member stated that the UN had an interest in identifying global problems and the role of the IPCC was to provide evidence-based assessments to inform policy decisions, and did consider natural factors, but the emphasis was on human induced changes due to their significant impact. The Cabinet Member also stated that a climate emergency referred to a situation where urgent action was required to reduce or halt climate change and avoid potentially irreversible environmental damage and that it was a call to address the profound changes seen in our weather systems, including record temperatures as a result of human activity. The Council were also informed that the Council balanced its climate goals with ethical considerations and through its Procurement Policy, ensured that supply chains were transparent and responsible.

The Cabinet Member also stated that the Climate and Ecological Emergency had been declared with cross party support in July 2019 and since then the Council had been working to reduce carbon emissions, lower energy consumption, reduce waste and pollution, improve air quality and increase biodiversity. It was noted that the Climate Emergency would not be considered over until those goals were achieved and sustained. The Council also heard that the vast majority of scientists accepted that climate change was real and contributed to by human activity, particularly the burning of fossil fuels. The Cabinet Member also stated that, there were two very practical benefits for residents, cutting the cost of living and improving air quality, by requiring homes to use less energy and water, leading to lower bills. It was also noted that less polluting vehicles, led to benefits in air quality, as demonstrated by areas such as the Army and Navy Roundabout, no longer being an Air Quality Management Area. The Council also heard that the Love Your Chelmsford platform provided more background and detail and that the Overview and Scrutiny Committee were considering an item on the Climate and Ecological Emergency and the corresponding Action Plan in March.

The second question asked about planning consents and whether conditions were being implemented to ensure developers protected the ever-decreasing hedgehog population, which was at risk of extinction, due to the ever increasing takeover of fields and hedgerows. The Council were also asked as to whether swift bricks could be installed to give the red listed bird some breeding capability.

In response the Cabinet Member for a Greener Chelmsford, thanked the member of the public for their question. The Cabinet Member stated that the Council were aware of the risk to hedgehogs and were looking at planning consents and conditions that could be put forward when developers were creating new buildings and communities. They referred to the National Planning Policy Framework, which detailed that conditions should be kept to a minimum, be necessary, relevant to the planning

permission, be enforceable, precise and reasonable. The Council heard that in the right circumstances, biodiversity conditions could be attached to permissions, including the use of soft landscaping, swift bricks and cut throughs in fences, to encourage developers to engage with policies to manage land sympathetically. The Cabinet Member also stated that the current review of the Local Plan was ongoing and encouraged all members and residents to take part in it and referred to DM16 which protected and promoted ecology, nature and biodiversity.

(7.04pm to 7.14pm)

6. Cabinet Question Time

The following questions from Councillors were put to members of the Cabinet:

Question from Councillor P Clark to the Cabinet Member for a Safer Chelmsford

How many urgency decisions were put to Cabinet/Leader of the Council and not supported? Can you outline examples of urgency decisions not supported.

In response the Cabinet Member for a Safer Chelmsford stated that there had not been any urgency decisions put to Cabinet or the Leader of the Council that had not been supported. They also stated that Paragraph 4.3.2.9 of the Constitution, permitted the Chief Executive to take urgent decisions, which could arise in relation to executive or non-executive decisions. It was noted that in relation to executive decisions, the Leader would be consulted and for non-executive decisions, the relevant Chair or Vice-Chair would be consulted.

As follow up points Cllr P Clark, queried the high number of urgency decisions, especially for projects that had been ongoing for some time and were of a high value and why they had not been brought to a closed session of Full Council instead. In response the Cabinet Member provided information on the process for making urgency decisions and the further safeguards involving notice of key decisions via the Executive Decision Notice and the role of the Overview and Scrutiny Chair in approving extremely urgent executive decisions. The Council were also informed that, whilst it was not the custom and practice at Chelmsford City Council, the Leader and other executive members if authorised by the Leader, could legally take executive decisions at any time. However, as this did not normally happen at Chelmsford, it would sometimes result in urgency powers being utilised to take decisions outside of the usual Cabinet timetable.

Question from Councillor Hyland to the Cabinet Member for a Safer Chelmsford

The Recent LGA Peer Challenge in December 2024 provided recommendations, its first of which was specific to the Overview & Scrutiny Committee, what steps have been taken to strengthen overview and scrutiny since that report?

“Commission the Centre for Governance and Scrutiny to review and strengthen overview and scrutiny and wider governance”

The Peer Challenge report stated that O&S currently fails to provide pre-scrutiny or policy suggestions as it looks at issues retrospectively. Will LGA Peer Challenge recommendation be taken forward to ensure, it is within current, and any future design of the Local Governance?

In response the Cabinet Member for a Safer Chelmsford stated that contact had been made with the Centre for Governance and Scrutiny, to provide training sessions for the Chair and Vice-Chair of O&S, with the possibility of all O&S members being trained. The Cabinet Member also informed the Council that discussions would take place with other local authorities, that have shown good scrutiny practices and that the Democracy Team had been looking at the current call-in procedure and how it could be improved. It was noted that this could, perhaps be with an easy to use form for members and the setting up of informal call-in discussions prior to a call-in being made.

In response to the answer, the Chair of Overview and Scrutiny Committee, also added that they felt that scrutiny at the Council, needed to focus more on decisions before they were taken and they welcomed the move for training and looking at best practices elsewhere.

Question from Councillor Steel to the Cabinet Member for a Greener Chelmsford

The City Council recently purchased land at Little Waltham, in my ward, for a significant sum of residents' money. This is land that is in the Green Wedge and it appears to have been purchased solely with the purpose of filling it with trees as part of the Liberal Democrat's grand strategy to reach net carbon neutral.

The land is currently pastureland, so not without biodiversity. This is not the place to question this policy, as my biggest concern is with the secrecy of the amount of money the administration has paid for this land.

It is in the public domain that the land was up for sale for £420K, but the actual price paid is confidential. When I questioned this at Cabinet, I was told that that the price could not be revealed because it was still being negotiated.

However, I have now been told that the sale was completed in May 2024, but the price can't be revealed because "disclosure would prejudice the commercial interests of any legal person (an individual, a company, the public authority itself or any other legal entity."

I have registered my objection to this view, with the Monitoring Officer. It seems to me that the amount paid – which is apparently more than the asking price, - still remains secret.

Whilst I personally question the wisdom of reducing to net zero by spending significant amounts to absorb carbon emissions, rather than stop them at source, it is not

necessary in the Cabinet member's response to explain the Council's reasons for their green policies, as these are already included in their Our Chelmsford document.

There are clearly many other places to plant trees in the City without the cost of acquiring additional land. For example many Parish Councils would welcome any additions to the scheme to plant trees on their land and we recently discussed the use of the John Shennan field which has plenty of space.

It is surely embarrassing for an Administration that has paid to get land on which to plant trees rather than using the money to acquire land to provide much-needed social housing or, for example, to use this money to update our fleet of vehicles from diesel?

Of course, I welcome protection of the green wedge, as do the residents of Little Waltham. but I note that the land has been purchased with an overage provision of 30% for a period of 50 years, triggered by non-agricultural or non-equestrian development. The inclusion of this clause means that the Council has the ability to use the land for development in the future, and pay the seller a part of the gain. Surely, if there was an intention to keep the land as a nature reserve, no such clause would be necessary?

Therefore, could the Cabinet Member please:

- State the amount spent to acquire this land?*
- If not, explain why this has to remain confidential given that the sale has been completed, and the land register will record the price when completed*
- Justify why, given the homeless crisis, there is a need for this purchase rather than use it to provide permanent accommodation for homeless families.*
- Confirm that the land will remain a nature reserve and not be used for development in the future.*

In response the Cabinet Member for a Greener Chelmsford stated that at the previous Cabinet meeting, officers had indicated the price was confidential, but after properly considering the information law position, it was now acceptable for the figure of £480,000 to be in the public domain. The Cabinet Member also stated that there was a housing crisis and a climate crisis and the administration were addressing both. The Council heard that a comprehensive Housing Strategy was addressing the need for homes, alongside work with developers and partners, to push for genuinely affordable and Net-Zero homes, through robust Planning Policies embedded within the Local Plan. The Cabinet Member also informed Council that, homes were being provided that mitigated the effects of Climate Change and restoring habitats by forging strong partnerships with social and private landlords, landowners and neighbouring councils. It was noted that the land at the site referred to was relatively cheap, as it could not be built on and provided space to plant approximately half of the total trees being aimed for and that the site would remain open and accessible to the public, for activities such as walks and nature trails, so an educational asset as well as environmental. The Cabinet Member also stated that the Council remained keen to identify suitable sites

for affordable homes, but suitable land was often more expensive than land for planting and that the Council continued to lead by example, guiding Chelmsford's growth to be a greener, fairer, more connected community.

In response to a follow up question, about the amount of time it took for a decision to be made to release the figure, the Council's Monitoring Officer confirmed that a full consideration of the information law position had been required and there was a four stage test within the process that needed to be worked through logically. The Council also heard that a lesson for the future for similar requests, was that officers could treat the request as a formal information request and begin the process with the Information Governance Team, rather than the relevant service responding directly.

(7.15pm to 7.34pm)

7. Reports from the Cabinet on 28 January 2025

7.1 Local Council Tax Support Scheme

The Council was required to approve a Local Council Tax Support Scheme for 2025/26. The Cabinet on 28 January 2025 had recommended that the 2024-25 scheme be retained in its current form.

RESOLVED that the Local Council Tax Support Scheme for 2024-25 be retained and adopted as the Scheme for 2025-26.

(7.35pm to 7.36pm)

7.2 Capital, Treasury and Investment Strategies for 2025/26

The Council received a report setting out a proposed approach to the management of its cash, capital investments (the capital expenditure programme) and other types of investment, including property, which the Cabinet on 28 January 2025 had recommended be adopted.

RESOLVED that the Capital, Treasury and Investment Strategies 2025/26 as submitted to the meeting be approved.

(7.37pm to 7.38pm)

7.3 Budget Report 2025/26

The Council had before it a report and recommendations from the Cabinet on the revenue budget for 2025/26 and its capital investments for that year. The proposed Council Tax resolution for the 2025/26 budget was included as part of the report.

The Cabinet Member for Finance introduced the 2025/26 budget and stated that it was a balanced budget that would allow services to be maintained and improved in areas such as the Council's leisure centres. The Cabinet Member also stated Council Tax would be increased by 3% in line with other years, but that financial support from the Government continued to fall. The Council heard that the budget had been very difficult to set and that the Council's finances had been under significant pressure for nearly five years, due to covid, huge inflation and the housing crisis. The Council were informed that Local Government finance was simply unsustainable, that some Council's had run out of money and promised help from the Government on employers National Insurance contributions, had turned out to be a third of what was required to cover the increased contributions. The Council were also informed that Local Government Reorganisation, introduced new risks, new one-off costs that the Government expected Council's to meet from existing budgets, so a plan would be made to ensure services could continue to be delivered. The Cabinet Member stated that the previous and current Government had not helped Local Government, but reminded the Council, that the recent peer review had found the Council to be delivering commendable outcomes to its residents and the proposed budget would allow that to continue.

Concerns were raised against the budget by opposition members including, the introduction of garden waste collection charges, choices made on certain elements of Capital expenditure, the redevelopment of Chelmer Waterside stretching the Council's finances, how LGR should mean a rethink of capital spending, previous property sales that raised revenue for the Council and that this should be carefully considered for the future. The Council also heard concerns about specific sites that could have been used for housing and examples where green sites were being purchased instead of housing sites, despite the housing crisis which should be met in a dynamic manner. The Council also heard about the healthy reserves left by the previous administration, which were now being spent at an alarming rate, leading to higher costs for residents.

The Council also heard further criticism of the garden waste collection charges, that anything past 2027-28 was irrelevant due to LGR and that the Council would be a victim of it's own success as other nearby Council's were in worse financial positions. Concerns were also raised about the cost of borrowing, which would only be offset by the garden waste charge and concerns about the impact of MRP. The Council also heard concerns about the resources used for a recent planning application for affordable homes that was rejected and a lack of joined up thinking around the application, which could have saved time and resources. The Council were also told to only spend on projects that could be afforded.

In response to the concerns raised, the Council also heard views about there not being an alternative to introducing garden waste collection charges if a balanced budget was to be set and why no alternative budget had been submitted by any opposition groups, so there could have been alternatives to debate.

The Leader of the Council also responded to the points raised. They highlighted the significant challenges faced in recent years, the fact that they and their predecessors could not control a large part of income that was set by Government at amounts too low, unexpected expenditure set on Council's, a lack of Government support and restrictions on how property could be invested in. The Council also heard that not a single proposal to amend the budget had been put forward by opposition groups and

that there did not need to be a choice between housing or the environment, as the proposed budget achieved both. The Council were also informed that the Theatre had now broken even for the first time ever, the leisure team had doubled turnover in five years and the garden waste charge had raised £1m of revenue within a month. The Council also heard that the recent peer challenge had recognised the Council as one of the best in the Country, with clear leadership from it's officers and political administration and that investments in facilities such as Dovedales and new co working facilities, would continue with the proposed budget.

The Cabinet Member for Finance also summed up and responded to the points that had been raised. They stated that the Capital programme was affordable, the proposed budget was balanced. They also stated that the claim about squandering reserves was incorrect and that reserves were now higher than in 2019. The Council also heard that without the income from the garden waste charges, the proposed budget would simply not have been balanced so the charge was necessary and that strong financial management would continue to be delivered by the administration, in line with the feedback from the peer review.

Councillors Chambers and Scott left the meeting before the vote on this item.

On being put to the vote, the budget proposed in the report to the meeting was approved, with the voting being as follows:

For the motion: Cllrs Aduwim, Bugbee, D Clark, H Clark, Davey, A Davidson, C Davidson, Deakin, Dudley, Eley, Franks, Foster, Frasca, Fuller, M Goldman, S Goldman, Hall, Hawkins, Knight, Lardge, Lee, Mascot, Moore, Pooley, Rajesh, Robinson, Sherlock, A Sosin, J Sosin, Taylor, Tron, Walsh and Young

Against the motion: Cllrs Armstrong, Bonnett, Canning, P Clark, Davis, Dobson, Hyland, Jeapes, O'Brien, Pappa, Raven, Sismey, Steel, Thorpe-Apps and Whitehead

Abstained: Cllrs Potter and Sullivan

RESOLVED that;

1. That the Council notes the report of the Section 151 Officer on the risks and robustness of the budget in **Section 8 (Appendix 1)**.
2. That the Council approves:
 - A. The budget report in **Appendix 1**, including:
 - i. The new Revenue and Capital investments and delegations in Council Services in Section 5.
 - ii. The Revenue Budgets in Section 10 and Capital Budgets in Section 11
 - iii. An increase to the average level of Council Tax for the City Council increasing the average annual Band D Council Tax to £228.07 in Section 9
 - iv. The reserves and notes the budget forecast shown in Section 7

v. Special expenses, Parish tier Councils precepts as identified in Section 9, Table 22.

vi. Delegation to the Chief Executive to agree after consultation with the Leader of the Council the pay award for 2025/26 within the normal financial delegations.

B. The Council Tax Resolution in Appendix 2 which fulfils the legal requirements to set a Council Tax for 2025/26.

(7.39pm to 8.27pm)

8. Pay Policy Statement for 2025/26

The Council was requested formally to approve the annual Pay Policy Statement in accordance with Section 38 of the Localism Act 2011.

RESOLVED that the Pay Policy Statement for 2025-26 be approved.

(8.27pm to 8.28pm)

9. Annual Report of the Overview and Scrutiny Committee

The annual report of the Overview and Scrutiny Committee on the activity of the scrutiny function of the Council for 2023/24 was submitted for information.

The report outlined the Committee's main areas of work over the past year, which had included updates from Cabinet Members, and performance reviews of individual services. The Committee had also received the annual presentation on the work of Essex Police and the Safer Chelmsford Partnership. Officers were thanked for their support throughout the year.

The Chair of Overview and Scrutiny Committee also reflected on the comments from the recent peer review and highlighted that matters needed to be looked at before decisions were taken, that a sharpening up of the scrutiny process at the Council was required and acknowledged the training that would be taking place.

RESOLVED that the Annual Report of the Overview and Scrutiny Committee for 2023-24 be approved for publication.

(8.28pm to 8.31pm)

The meeting closed at 8.31pm

Mayor

CHELMSFORD CITY COUNCIL

MINUTES OF THE ANNUAL MEETING OF THE COUNCIL

held on 14 May 2025 at 7pm

PRESENT:

The Mayor, J Potter
The Deputy Mayor, S Sullivan

Councillors C Adutwim, H Ayres, G Bonnett, V Canning, D Clark, H Clark, A E Davidson, C K Davidson, S Dobson, N A Dudley, D Eley, K Franks, J Frasca, L Foster, I D Fuller, S M Goldman, S Hall, J Hawkins, R J Hyland, A John, B Knight, J Lardge, R J Lee, S Manley, L Mascot, B. Massey, R J Moore, M O'Brien, V Pappa, S Rajesh, S J Robinson, T Sherlock, A B Sosin, J E Sosin, M S Steel, M Taylor, A Thompson, A G Thorpe-Apps, N M Walsh, R T Whitehead, P Wilson, and S Young.

1. Apologies for Absence

Apologies for absence had been received from Councillors Armstrong, Bugbee, Chambers, P Clark, Davey, Davis, Deakin, Jeapes, Raven, Sampson, Sismey, Scott and Tron.

2. Mayor's Announcements

The Mayor thanked Councillors Marie Goldman and Graham Pooley for their service as City Councillors after their recent resignations and welcomed Councillors Helen Ayres and Sean Manley to the Council, after they were elected as new Councillors for the Moulsham and Central Ward.

The Mayor also read out a message from the Mayor's Cadet, Staff Sergeant Ben Mahoney, who had been unable to attend the meeting due to finishing their exams, which reflected on the Mayoral year and expressed their thanks to the Mayor and Deputy Mayor. The Mayor confirmed that they had attended a total of 355 events in their mayoral term and announced that they had raised in excess of £12,000 raised for their charity, Farleigh Hospice. They acknowledged the support of representatives from the Farleigh Hospice, present at the meeting.

3. Election of Mayor and Deputy Mayor

Election of Mayor

On the nomination of Councillor Robinson, seconded by Councillor Thorpe Apps, it was

RESOLVED that Councillor J Sosin be elected Mayor of the City of Chelmsford for the ensuing year.

Appointment of Deputy Mayor

On the nomination of the Mayor, seconded by Councillor Robinson, it was

RESOLVED that Councillor Rajesh be appointed as the Deputy Mayor of the City of Chelmsford for the ensuing year.

4. Declarations of Acceptance of Office

Councillor J Sosin made the declaration of acceptance of office as Mayor and took the chair.

Councillor Rajesh then made the declaration of acceptance of office as Deputy Mayor.

5. Mayoress and Deputy Mayor's consort

The Mayor introduced to the Council the Mayoress for their year in office, Chris Shaw. The Deputy Mayor introduced the Deputy Mayors Consort, their husband, Rajesh Kumar.

The retiring Mayoress, Jackie Galley, congratulated the Mayoress, Chris Shaw, and invested them with the Chain of Office.

The retiring Deputy Mayor's Consort, John Piolo, congratulated the Deputy Mayors Consort, Rajesh Kumar, and invested them with the Badge of Office.

6. Address by the Mayor

The Mayor thanked the Council for electing them and expressed appreciation for the work of Councillor Potter during their year in office.

7. Retiring Mayor and Retiring Deputy Mayor

Councillor Whitehead and Councillor Foster thanked Councillor Potter for their services as Mayor, highlighting the Mayors dedication to the community.

Councillor Whitehead presented a video reflecting on Cllr Potter's time as Mayor and expressed their appreciation for the support given to them by their Mayoress Jackie Galley and Councillor Sullivan as the Deputy Mayor.

Councillor Potter reflected on their time as Mayor and thanked their Mayoral Party and others who had helped them during their Mayoral year and gave them gifts. The Council heard that they had been honoured to undertake the role and they wished the newly elected Mayor all the best for their upcoming year.

8. Mayor's Announcements

The Mayor informed the Council that they would have two Chaplains for the forthcoming year, Pandit Arun Shastri and the Reverend Canon Sebastian Harries from Chelmsford Cathedral and that their Charity for the year would be Chelmsford Voluntary Service.

9. Leader's Scheme of Delegation

The Council were presented with the Leaders Scheme of Executive Delegation for 2025-2026. The Leader highlighted that the scheme remains unchanged from the previous year and that no individual cabinet members have delegation to take decisions.

RESOLVED that the Leaders Scheme of Delegation be noted.

10. Arrangements for and Appointments to City Council Bodies and Outside Bodies

The Council were presented with the schedule of appointments to City Council Bodies and Outside Bodies. The Leader also reflected on Cllrs Graham Pooley and Marie Goldman who had recently stood down and thank ed them for their service to the Council. The Leader also informed the Council about a proposed change to their Cabinet, to introduce a Cabinet role for Economic Development and Property.

RESOLVED that:

1. In accordance with the Regulations made under the Local Government and Housing Act 1989 the following political groups be noted.

- (a) **Liberal Democrat Group** 33 members Leader: Councillor S J Robinson
 Deputy Leader: Councillor L Foster

Councillors C Adutwim, H Ayres, N Bugbee, D Clark, H Clark, P Davey, A Davidson, C Davidson, J Deakin, N Dudley, D Eley, L Foster, K Franks, J Frascona, I Fuller, S Goldman, S Hall, J Hawkins, J Lardge, R Lee, S Manley, L Mascot, R Moore, S Rajesh, E Sampson, T Sherlock, A Sosin, J Sosin, A Thompson, C Tron, N Walsh and S Young

- (b) **Conservative Group** 19 members Leader: Councillor R T Whitehead
 Deputy Leader: Councillor A Thorpe Apps

Councillors J Armstrong, G. Bonnett, V Canning, N Chambers, S Dobson, J Jeapes, A John, B Massey, M O'Brien, V Pappa, J Potter, J Raven, S Scott, M Sismey, M Steel, S Sullivan and P Wilson

- (c) **Chelmsford Independents Group** 3 members Leader: Councillor R Hyland

Councillors P Clark and S Davis

- (d) **Independent Councillors not in a political group**

Councillors B Knight and M Taylor

Leader of The Council	Councillor Stephen Robinson
Deputy Leader and Cabinet Member for a Fairer Chelmsford	Councillor Lynne Foster
Cabinet Member for Economic Development & Property	Councillor Simon Goldman
Deputy Cabinet Member for Sustainable Transport	Councillor Terry Sherlock
Cabinet Member for a Greener Chelmsford	Councillor Rose Moore
Cabinet Member for an Active Chelmsford	Councillor Natacha Dudley
Deputy Cabinet Member for Cultural Services	Councillor Jennie Lardge
Cabinet Member for a Safer Chelmsford	Councillor Donna Eley
Deputy Cabinet Member for Support Services	Councillor Joanne Hawkins
Cabinet Member for Finance	Councillor Chris Davidson
OPPOSITION SPOKESPERSONS The following councillors are proposed as the Cabinet spokespersons for the largest opposition group in 2025/26 with the areas of responsibility shown:	
Function	Conservative Group
Leader's Responsibilities	Councillor Roy Whitehead
Cabinet Member for Economic Development and Property	Councillor Susan Sullivan
Cabinet Deputy for Sustainable Transport	Councillor James Raven
Cabinet Member for a Greener Chelmsford	Councillor James Armstrong
Cabinet Member for an Active Chelmsford	Councillor Julia Jeapes
Deputy Cabinet Member for Cultural Services	Councillor Janette Potter
Cabinet Member for a Safer Chelmsford	Councillor Philip Wilson
Deputy Cabinet Member for Support Services	Councillor Gillian Bonnett
Cabinet Member for a Fairer Chelmsford	Councillor Mike Steel
Cabinet Member for Finance	Councillor Roy Whitehead

SCHEDULE C

ARRANGEMENTS FOR COMMITTEES AND SUB-COMMITTEES

Political Proportionality

The Local Government and Housing Act 1989 sets out the requirements for political proportionality in relation to the allocation of committee seats to councillors within political groups. Set out below is an explanation of how the annual review of the allocation of seats has been undertaken and asks Full Council to approve this approach.

Two or more councillors may form a political group by giving notice of its membership and group leader to the proper officer of the council. The political balance of the Council is as follows:-

Liberal Democrat 33
Conservative 19
Chelmsford Independents Group 3
Others 2

Total 57

The Council then allocates committee seats to those political groups in accordance with the political balance rules.

These rules are :-

1. Not all seats are allocated to the same political party
2. The majority party must have a majority of seats on every committee.
3. Subject to (1) and (2), the total number of ordinary committee seats must be proportionate. For example, a group with 33% of Council seats should have 33% of the seats on ordinary committees.
4. Subject to (1) and (2), each individual committee must be as proportionate as possible. A group with 33% of Council seats should have 33% of the seats on each committee.

The political balance rules do not always completely determine the balance of each committee. Sometimes the Council unavoidably has some discretion as to how to apply those rules. For example, if there are committees of the same size which must be balanced differently under the rules, there is a discretion as to which committees receive which allocation. Council can only depart from these rules provided no member votes against a resolution to do so. It is on this basis that an additional seat is again proposed to be allocated to the independent group. Council is asked to consider the allocation of seats to councillors within political groups on this basis set out in Appendix C.

The following Committees and Sub-Committee are proposed with the numbers, membership and chairs shown.

Note the following Constitutional restrictions on appointments to those bodies:

1. No member of the Cabinet or a Cabinet Deputy may be appointed to the Overview and Scrutiny Committee.
2. No more than two members each of the Cabinet or Overview and Scrutiny Committee may be appointed to the Audit and Risk Committee
3. No more than two members of Cabinet may be appointed to Governance Committee and the Leader, Mayor or Deputy mayor may not be appointed

4. Trained standing substitutes are permitted to Governance Committee, Licensing and Regulatory Committee and Planning Committee.

<i>Body</i>	<i>Seats</i>	<i>Allocation</i>	<i>Membership</i>
Audit and Risk Committee	9	Liberal Democrat – 6 Conservative - 3	Councillor Nora Walsh (Chair) Councillor Nicola Bugbee Councillor Hazel Clark Councillor Natacha Dudley (Vice Chair) Councillor Smita Rajesh Councillor Andrew Sosin Councillor Gillian Bonnett Councillor James Raven Councillor Malcom Sismey
Chelmsford Policy Board	13	Liberal Democrat – 7 Conservative – 5 Chelmsford Independents Group – 1	Councillor Charlene Adutwim (Chair) Councillor Helen Ayres Councillor Pete Davey Councillor Ian Fuller Councillor Sean Manley Councillor Andrew Sosin (Vice Chair) Councillor Sue Young Councillor Julia Jeapes Councillor Bob Massey Councillor Murrough O'Brien Councillor Andrew Thorpe-Apps Councillor Roy Whitehead Councillor Paul Clark
Employment Committee	5	Liberal Democrat – 3 Conservative - 2	Councillor Stephen Robinson Councillor Lynne Foster Councillor Rose Moore Councillor Andrew Thorpe-Apps Councillor Roy Whitehead
Governance Committee	7	Liberal Democrat – 5	Councillor Kieron Franks (Chair) Councillor Helen Ayres Councillor Ian Fuller Councillor Ashley Thompson

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		Chelmsford Independents Group – 1	Councillor Sue Dobson Councillor Mike Steel Councillor Philip Wilson TBA Councillor Steve Davis
Planning Committee	13	Liberal Democrat – 7 Conservative – 5 Chelmsford Independents Group – 1	Councillor Richard Lee (Chair) Councillor Hazel Clark Councillor Julia Frascona Councillor Steve Hall Councillor Jennie Lardge Councillor Eleanor Sampson Councillor Chloe Tron <i>Councillor Helen Ayres (SUB)</i> <i>Councillor Joanne Hawkins (SUB)</i> <i>Councillor Nora Walsh (SUB)</i> Councillor Jacob Armstrong Councillor Sue Dobson (Vice Chair) Councillor Vetri Pappa Councillor Andrew Thorpe-Apps Councillor Philip Wilson <i>Councillor Murrough O'Brien (SUB)</i> Councillor Richard Hyland
Treasury Management and Investment Sub-Committee	7	Liberal Democrat – 4 Conservative – 2 Chelmsford Independents Group – 1	Councillor Kieron Franks (Chair) Councillor Steve Hall Councillor Andrew Sosin Councillor Nora Walsh (Vice Chair) Councillor Malcolm Sismey Councillor Roy Whitehead Councillor Paul Clark

SCHEDULE D

OTHER APPOINTMENTS

South Essex Parking Partnership Joint Committee

Councillor Terry Sherlock is proposed as the Council's representative on the South Essex Parking Partnership Joint Committee and its Sub-Committees (Councillor Andrew Sosin as substitute).

Appointment of Representatives to Outside Bodies 2025/26

It is proposed that, unless indicated otherwise, the appointments below continue in 2025/26 subject to any changes or additions that may be agreed in accordance with the delegation in recommendation 3 below.

Equality, Diversity and Inclusion Champions

Councillor Charlene Adutwim
Councillor Hazel Clark
Councillor Jude Deakin

Armed Forces Champion

Councillor Hazel Clark

Climate & Ecology Ambassador

Councillor Terry Sherlock

Health and Wellbeing Ambassador

Councillor Ann Davidson

<i>Body</i>	<i>Term of Office</i>	<i>No. of Representatives</i>	<i>Representative(s)</i>
Chelmer and Blackwater Navigation Advisory Board	1 year	1	Councillor Richard Lee
Chelmsford Age Concern	1 year	1	Councillor Ann Davidson
Chelmsford Business Improvement District	1 year	1	Councillor Simon Goldman
Chelmsford CAB Trustee Board	1 year	2	Councillors Hazel Clark and Smita Rajesh
Chelmsford Council for Voluntary Service	1 year	1	Councillor Sue Young

Chelmsford Educational Foundation	3 years commencing May 2023	2	Councillor Julia Frascona and Sue Young
Chelmsford Fairtrade	1 year	1	Councillor Natacha Dudley
Chelmsford Local Highways Panel	1 year	2	Councillor Kieron Franks Councillor Steph Scott
Chelmsford YMCA	1 year	1	Councillor Kieron Franks
Crouch Valley Coastal Community (TBC)	1 Year	1	TBC
Danbury Lakes Country Park Forum	1 year	2	Councillor Richard Hyland
Essex Countywide Traveller Unit Joint Committee	No fixed term	1	Councillor Janetta Sosin
Essex Police, Fire and Crime Panel	1 year	1	Councillor Donna Eley
Essex Waste Partnership Member Board	1 year	1	Councillor Donna Eley
Flood Partnership Board	1 year	1	Councillor Rose Moore
Galleywood Heritage Centre	2 years commencing May 2025	1	Councillor Richard Hyland
King Edward VI Grammar School Historic Foundation Governors	3 years commencing 1st July 2023	2	Councillor Andrew Sosin and Mrs Myra Merchant
Local Government Association – Assembly and Conference - Delegate	1 year	1	Councillor Stephen Robinson
Local Government Association – District Councils Network	1 year	1	Councillor Stephen Robinson

Marsh Farm Country Park Forum	1 year	1	Councillor Terry Sherlock	
Mid and South Essex ICS – Mid Essex Locality representative	1 year	1	Councillor Ann Davidson	
One Chelmsford Partnership Strategic Board	1 year	1	Councillor Stephen Robinson (Substitute – Councillor Natacha Dudley)	
PATROL (Parking and Traffic Regulations Outside London) Adjudication joint Committee.	1 year	1	Councillor Terry Sherlock	
Springfield United Charities	4 years commencing May 2023	3	Councillors Ian Fuller and Chloe Tron and Mr R Stevens	
Tech Ambassadors	1 year	2	Councillors Simon Goldman and Nora Walsh	
The Barge Susan Trust	2 years commencing May 2025	1	Mrs F B Mountain	
Bradwell Local Community Liaison Council	1 year	1	Director of Public Places or representative	Director of Public Places or representative
Essex Society for Archaeology and History	1 year	1	Director of Connected Chelmsford or representative	Director of Connected Chelmsford or representative

RESOLVED that:

1. The appointments detailed in Schedules A, B, C and D above be approved;
2. The Legal and Democratic Services Manager, after consulting the relevant Group Leaders, be authorised to:
 - (a) make appointments to an Employment Appeals Committee should the need for that Committee arise;
 - (b) make appointments to or approve other changes to the representation of other non-Executive bodies that become necessary during the municipal year, provided that the political balance of those bodies continues to be observed;

3. The Legal and Democratic Services Manager, after consulting the political Groups, be authorised to finalise, amend or add to the appointments to Outside Bodies and to make any changes to them during the municipal year.

The meeting closed at 8:15pm

Mayor



Chelmsford City Council

16 July 2025

Proposed Changes to the Constitution

Report by:

Leader of the Council

Officer Contact:

Lorraine Browne, Legal & Democratic Services Manager and Monitoring Officer, 01245 606560, lorraine.browne@chelmsford.gov.uk

Purpose

To consider proposed changes to the constitution as set out in Appendices 1-3, the detail of which are set out in the report.

Recommendations

It is recommended that:

1. Council agrees the proposed changes to the constitution set out in Appendices 1-3 of the report.
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1. Background

- 1.1. The Council's Constitution is reviewed regularly and at least annually to ensure that it remains complete, up to date and reflects current practice and legislation. Reviews are normally initiated by officers although can be requested by members. Any recommendations are submitted in the first instance to the Constitutional Working Group. Its recommendations are

passed to the Governance Committee, the Cabinet and Full Council which takes the decision whether to approve the changes or not.

- 1.2. The proposed changes to the constitution seek to clarify the distinction between executive and non-executive decision making, arise from a general review of financial arrangements including thresholds for decisions, and/or make changes arising from the deletion of a post (Procurement and Risk Manager). There are also changes to Council procedure rules requested by the working group. There are also some other minor amendments that are recommended relating to the codifying of an existing officer delegation for decisions about assets of community value and other changes are proposed to update titles, membership or make minor adjustments to tidy up the matters listed.
- 1.3. The City Council has a Leader and Cabinet model of governance. Legislation (including detailed regulations) provide for whether a decision must be taken by Full Council or Cabinet. There are also some matters where the Council can choose whether Full Council or Cabinet takes the decision. Full Council sets the “Budget and Policy Framework”. It is proposed to add an appendix to the Budget and Policy Framework which lists items that are included to clarify what is meant by this term and accordingly the matters that must be determined by Full Council. The list is set out in Appendix 1. Some changes are also proposed under financial matters which will help to clarify the relevant decision-making body.
- 1.4. In relation to the review of financial arrangements, changes are proposed to Articles 4 & 15, Full Council and Cabinet Terms of Reference, officer delegations, Cabinet Member responsibilities, Financial Regulations and Contract Procedure Rules. Appendix 2 sets out the proposed changes to the Contract Procedure Rules which are largely updates relating to recent changes in legislation and Appendix 3 sets out the changes to the Financial Regulations. All other proposals are set out in Appendix 1.
- 1.5. In relation to the deletion of a manager post, changes are proposed to Cabinet Member responsibilities, officer delegations, Financial Regulations and Contract Procedure Rules as set out in the relevant appendices.
- 1.6. The proposals from the annual review of the constitution have been considered by the Constitutional Working Group, Cabinet and Governance Committee which all support the proposals.

2. Conclusion

- 2.1. Full Council is asked to consider whether to approve the amendments to the Constitution set out in Appendices 1-3.

List of appendices:

Appendix 1 – Proposed changes to constitution

Appendix 2 – Contract Procedure Rules

Appendix 3 – Financial Regulations

Background papers:

None

Corporate Implications

Legal/Constitutional: These are set out in the report. The Constitution Working Group, Governance Committee and Cabinet are consultees in relation to any changes to the constitution. They recommend that Council approves the various changes that are proposed.

Financial: Changes are being recommended to financial arrangements but there are no other financial implications arising from the proposals.

Potential impact on climate change and the environment: None

Personnel: None

Risk Management: None

Equality and Diversity: None

Health and Safety: None

Digital: None

Other: None

Consultees:

Constitution Working Group, Governance Committee and Cabinet.

Relevant Policies and Strategies:

Constitution

Full Council 16th July 2025 Appendix 1 - PROPOSED CHANGES TO CONSTITUTION 2025 (item 7)

Item proposed for change	Current version in constitution	Changes proposed (deletions in blue and additions in pink)
1. Budget and Policy Framework – change suggested to help clarify the role of Full Council and what is meant by the term “budget and policy framework” and what specific items are included and are non-executive decisions that can only be taken by Full Council. Proposed to add an appendix which lists what is included in this framework.	No list currently in constitution	1. Insert into the Budget and Policy Framework rules between the definition of budget and policy framework and paragraph 4.11.1. “A list of items that are included in the Budget and Policy Framework can be found at the appendix to these rules. This will be kept under review and amended by the Monitoring Officer (in consultation with the Chair of Governance Committee) where changes arise. 2. Insert Appendix at the end of rules as follows Appendix List of items included in Budget and Policy Framework A. Annual Budget including Capital Strategy

		Investment Strategy Treasury Management Strategy Medium Term Financial Strategy B. Policies including Local Plan Council Plan (Our Chelmsford Our Plan) The Constitution Licensing Policy Gambling Policy Statutory Pay Policy Any policies determined by Full Council
2. Financial matters – these changes have arisen from a review by the S151 officer a) changes to Article 4	Definitions In this Article, “policy framework” and “budget” have the following meanings: (a) Policy framework - The policy framework means those policies and plans which must be approved or adopted by the Full Council, whether this is set out in legislation or decided by the Council. The current list can be found in the Terms of Reference of the Council in Part 3. The Chief Executive or Monitoring Officer will advise whether other policies, strategies or plans should be approved or adopted by Full Council. (b) Budget - The budget includes: the allocation of financial resources to different services and projects, proposed contingency funds, setting	Definitions In this Article, “policy framework” and “budget” have the following meanings: (a) Policy framework - The policy framework means those policies and plans which must be approved or adopted by the Full Council, whether this is set out in legislation or decided by the Council. The current list can be found in the Terms of Reference of the Council in Part 3. The Chief Executive or Monitoring Officer will advise whether other policies, strategies or plans should be approved or adopted by Full Council. (b) Budget - The budget includes: the allocation of financial resources to different services and projects, proposed contingency funds, setting the council tax,

	the council tax, decisions relating to the control of the Council's borrowing requirement, the control of its capital expenditure and the setting of virement limits, supplementary estimate limits, and approval of other financial documents.	decisions relating to the control of the Council's borrowing requirement, the control of its capital expenditure and the setting of virement limits, supplementary estimate limits, and approval of other financial documents. (c) The current list of items that are included in the Budget and Policy Framework can be found in the appendix to the Budget and Policy Framework in 4.11 and the Terms of Reference for Full Council in Part 3.
b) Update title of Accountancy Services Manager to Financial Services Manager	Various existing references in constitution (eg article 13)	Various references in constitution to be updated
c) Article 15	Reference in 2.15.1 to 4.7 incorrect	Should be updated to refer to 4.11
d) Full Council – Terms of reference minor updates	Budget, Finance and Policy 9. Adopt, with or without amendment, statutory and major non-statutory policies, plans and strategies (the “policy framework”) recommended to it by the Cabinet. The current list of policies, plans and strategies is maintained by the Monitoring Officer; 10. Approve, with or without amendment, the Council's budget and the Council Tax	Budget, Finance and Policy 9. Adopt, with or without amendment, statutory and major non-statutory policies, plans and strategies (the “policy framework”) recommended to it by the Cabinet. The current list of policies, plans and strategies is identified in 4.11 and will be updated by the Monitoring Officer as necessary; 10. Approve, with or without amendment, the Council's budget, borrowing limits, and the Council Tax for the City recommended to it by the Cabinet;

g) Update officer delegations General power of competence	level of fees and charges; 4. receipt of the Annual Report and Statement of Accounts and the write-off of debts; 5. arrangements to consult with representatives of non-domestic ratepayers under Section 65 of the Local Government Finance Act 1992; Procurement, Risk, Insurance and Revenue/Benefits 1. the funding of local voluntary and community groups and projects; the efficient and cost-effective procurement of goods and services required by the Council; 2. fraud investigation; 3. Revenue and Benefits Services general power of competence 3.4.1 eg Directors general powers include a) financial management including budgeting, monitoring of budgets, and charges for services in accordance with the Council's Financial Rules. and (p) establish the level of any new fee or charge for the service for which they	5. the write-off of debts over £100,000 individually or cumulatively for the year. 6. be consulted on annual end of year funding of capital programme by the Chief Financial Officer. 7. Arrangements to consult with representatives of non-domestic ratepayers under Section 65 of the Local Government Finance Act 1992. <u>Procurement, Risk, Insurance and Revenue/Benefits</u> 1. The funding of local voluntary and community groups and projects the efficient and cost-effective procurement of goods and services required by the Council; 2. fraud investigation; 3. Revenue and Benefits Services a) financial management including budgeting management and monitoring of budgets and charges for services in accordance with the Council's Financial Rules, Fees and Charges Setting: -Annual Fees and charges setting, in consultation with Cabinet member and Cabinet member for finance. -Develop and implement new charges during the financial year in consultation with Cabinet member and Cabinet member for finance.
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	are responsible, in consultation with the appropriate Cabinet member, provided: - it generates no more than £50,000 in a full year. Above this level and up to £250,000 Cabinet and above £250,000 Council approval is required; - the average increase in yield or price for the service is at or below the rate of inflation set within the annual Budget Guidelines; and - the Chief Executive is consulted in advance of any change being agreed. e) development of policies and strategies	-Restrictions on fees and charges setting under delegation are; • Cabinet can only approve fees and charges increases for a service area when two increases have already been made during a financial year, or • when the increase in a service area generates an additional £1m in a full financial year. • All fees and charges setting can be a key or executive decision and should be reported appropriately e) development of policies and strategies and undertaking consultation with statutory officers regarding implications arising
Specific delegations – S151 officer	specific delegations - S151 officer starts at 3.4.2.25 Section 151 Officer 3.4.2.26 Management of all the Council's financial resources, including ledger and	specific delegations – S151 officer 26 Management of all the Council's financial resources, including ledger and treasury management (including Banking).

	treasury management (including Banking). 3.4.2.27 Payments to suppliers and debt management. 3.4.2.28 Management of the budget setting and monitoring arrangements. 3.4.2.29 Administration of the staff scheme for car leasing and car loans. 3.4.2.30 Develop and manage the policy and procedures for budget making and monitoring of budgets. 3.4.2.31 Approve the carry forward of financial resources into the revenue estimates for the following year subject to carry forward criteria. 3.4.2.32 Approval of transfers between the estimates of one Director to another. 3.4.2.33 Approval of transfers within one Director's estimates, subject to virement criteria. 3.4.2.34 Approve increases in revenue expenditure over the approved estimate, subject to any supplementary estimate criteria relevant Cabinet member, and the Cabinet Member responsible for Finance. 3.4.2.35 Settle all debt write offs with an annual statement of write off to the Cabinet Member responsible for Finance.	27 Organise Payments to suppliers, and debt management, procurement and insurance arrangements . 28 Management of the budget setting and monitoring arrangements. 29 Administration of the staff scheme for car leasing and car loans. 30 Develop and manage the policy and procedures for budget making and monitoring of budgets. 31 Approve the carry forward of financial resources into the revenue estimates for the following year subject to carry forward criteria transfer between budgets within the delegations included in financial rules. Review and be consultee (before approval can be given) to Supplementary estimates. 32. Determine and approve the resources applied at the end of the financial year to fund capital expenditure within the approved borrowing limits and after consultation with Cabinet Member responsible for Finance. All of transfers between the estimates of one Director to another. 33. Approve items being added to capital and revenue estimates where funding is being passing through the Council accounts to third parties. This could include s106 funds or government grants. Approval of transfers within one Directors estimates, subject to virement criteria. 34 Approve increases in revenue expenditure over the approved estimate, subject to any supplementary estimate criteria relevant Cabinet member,
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Director of Connected Chelmsford	Currently includes procurement, insurance and risk management	and the Cabinet Member responsible for Finance. 35. Delegation to settle all debt write offs with an annual statement of write off to the Cabinet Member responsible for Finance up to £100,000 cumulative for the year. Amounts over £100,000 to be agreed with Cabinet Member responsible for Finance delete reference to procurement insurance and risk management (have been moved to S151/Audit).
Director of Public Places	3.4.5.53 Prior consultation with the Cabinet Members responsible for Finance and for Parks in respect of proposals for fees and charges associated with major events, including the annual music festival in Hylands Park. 3.4.5.56 Prior consultation with the Leader of the Council on the service of notice to quit on a tenant of land in the Council's ownership and thereafter take any appropriate action to recover possession of that land if early possession is not required.	Suggest delete 3.4.5.53 & 56

Director of Sustainable Communities	Restrictions on the exercise of functions 3.4.7.20 Prior consultation with the appropriate Cabinet member in respect of: b) approving the discharge of expenditure from the Infrastructure Fund towards the costs of necessary infrastructure after consultation with the Cabinet Members responsible for Planning and Economic Development and Finance and the Leader of the Council in the case of expenditure in excess of £100,000. 3.4.7.22 Referral to the Cabinet of approval for any new or amended Council policies that support the implementation of the Community Infrastructure Levy (CIL) or their withdrawal.	Suggest that 3.4.7.20 (b) should read "Approving the transfer for development contributions to third parties in line with contractual agreements". Suggest amend 3.4.7.22 to read Referral to the Cabinet of approval for any new or amended Council policies that support the implementation of the Community Infrastructure Levy (CIL) or their withdrawal, including amendments to CIL requirements on specific sites
Public Health and Protection Services – Disabled Facilities Grant limit h) Update Cabinet Terms of Reference	Current delegation limit is £30K 1. To propose the Council's annual budget.	Suggest increase to £60K 1. To propose the Council's annual budget.

	2. To oversee expenditure within budget heads, and to agree: a) items which are specifically included in revenue and capital budgets; b) items of virement up to £1,000,000 (outside of delegations to the Director of Financial Services); and c) requests for supplementary estimates up to £1,000,000 (outside of delegations to the Director of Financial Services) where adequate uncommitted revenue working balances and uncommitted capital resources exist to fund them. Exception: Requests for major supplementary estimates and major virements shall require the approval of the Full Council. 3. To ensure consultation with the public, the Overview and Scrutiny Committee and other members of the Council on policies and strategies. 4. Taking into account the views of Member Bodies, to recommend to the Council the adoption, amendment of or departures from	2. To oversee expenditure within budget heads, and to agree: a) items which are specifically included in revenue and capital budgets; b) To agree additional urgent expenditure beyond the heads and limits approved by the Council, provided that such expenditure can be offset by additional income, savings or the use of reserves. c) items of virement up to £1,000,000 (outside of delegations to the Director of Financial Services); and d) requests for supplementary estimates up to £1,000,000 (outside of delegations to the Director of Financial Services) where adequate uncommitted revenue working balances and uncommitted capital resources exist to fund them. e) Agree increases in fees & charges in any one service area that generate more than £1m additional income in a full year. Also approve any charges that have been increased more than 2 times under officer delegations (see XXXX) in a financial year. Exceptions: Requests for major supplementary estimates over £1m that are funded by Council resources. Virements over £1m shall require the approval of the Full Council, where the outcome is change in service provision. 3. To ensure consultation with the public, the Overview and Scrutiny Committee and other members of the Council on policies and strategies. 4. Taking into account the views of Member Bodies, to recommend to the Council the adoption, amendment of or departures from statutory and major non-statutory plans, policies and strategies ("the policy framework") as set out
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	statutory and major non-statutory plans, policies and strategies (“the policy framework”) in the list maintained by the Monitoring Officer. 5. To implement, within approved budgets, agreed plans and the policy framework of the Council. 6. To agree additional urgent expenditure beyond the heads and limits approved by the Council, provided that such expenditure can be offset by additional income or the use of contingency funds or savings within budgetary allocations to functions that are the responsibility of the Cabinet. 7. To review the Constitution of the Council and its officer and member structures and to recommend changes to the Council. 8. Generally to carry out within the policy framework adopted by the Council the major operational functions of the Council, including: a) the provision of recreational, cultural, sporting and entertainment facilities in the City;	in the Appendix to the Budget and Policy Framework at 4.11 in the list maintained by the Monitoring Officer. 5. To implement, within approved budgets, agreed plans and the policy framework of the Council. 6. To agree additional urgent expenditure beyond the heads and [REDACTED] limits approved by the Council, provided that such expenditure can [REDACTED] be offset by additional income or the use of contingency funds or [REDACTED] savings within budgetary allocations to functions that are the [REDACTED] responsibility of the Cabinet. 7. To review the Constitution of the Council and its officer and member structures and to recommend changes to the Council . 8. Generally to carry out within the policy framework adopted by the Council the major operational functions of the Council, including: a) the provision of recreational, cultural, sporting and entertainment facilities in the City; b) the provision of services that protect and enhance the social and community life of the City and the health and safety of the public; c) the democratic functions of the Council and its promotional activities; d) the promotion of economic development and employment in the City; e) the promotion of community well-being and community development to prevent social exclusion;
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	b) the provision of services that protect and enhance the social and community life of the City and the health and safety of the public; c) the democratic functions of the Council and its promotional activities; d) the promotion of economic development and employment in the City; e) the promotion of community well-being and community development to prevent social exclusion; f) the promotion of housing initiatives to enable the City's housing needs to be met; g) the implementation and operation and monitoring of policies to facilitate the provision of housing across all tenures; h) the proper and efficient administration of the Council's finances and its auditing procedures; i) the implementation and operation of policies relating to the Council's corporate assets, including human resources and land and property;	f) the promotion of housing initiatives to enable the City's housing needs to be met; g) the implementation and operation and monitoring of policies to facilitate the provision of housing across all tenures; h) the proper and efficient administration of the Council's finances and its auditing procedures; i) the implementation and operation of policies relating to the Council's corporate assets, including human resources and land and property; j) transportation; k) the adoption of non-statutory Supplementary Planning Documents. l) Determine policy for using Cil to fund expenditure .
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	j) transportation; k) the adoption of non-statutory Supplementary Planning Documents.	
3. Other minor changes a) Codifying delegations in relation to assets of community value ACV powers arose from the Localism Act and at the time Cabinet approved an officer delegation to make operational arrangements. This stand-alone delegation is around 10 years old and it is preferable (for ease of reference and transparency) for the delegation arrangements to now be added to the constitution. The arrangements sought reflect how officers currently use the delegation in practice.	Not currently in constitution	Insert into 3.4 in constitution and renumber as necessary. Assets of community value INITIAL DECISIONS That delegated authority be given to the Director of Sustainable Communities to discharge the following functions in accordance with Chapter 3, Part 5 of the Localism Act 2011 and associated secondary legislation: (i) to determine nominations for land/buildings to be added to the Council's Asset of Community Value ('ACV') list; (ii) to determine claims from ACV owners for compensation as a result of listing; (iii) to make all necessary additions, removals and annotations to/from the ACV list; (iv) to manage all statutory notifications in connection with sub-paragraphs (i) to (iii) above; and (v) the management and administration of an ACV decision panel. Membership of the ACV decision panel is the Manager of Legal & Democratic Services, Spatial Planning Services Manager and Corporate Property Manager. REVIEW DECISIONS

b) Community Funding Panel Membership needs to be updated to remove Procurement and Risk Manager post which has been deleted. Note - also need to update contract procedure rules and any other constitutional documents as necessary. and remove decisions concerning strategic CIL to reflect current practice as this is not taken to the panel	Currently includes deleted post and item 3 of TOR provides “to oversee the governance of the Strategic Allocation of CIL and to make recommendations on spend to Cabinet and Council as appropriate”.	That the Director of Public Places has delegated authority to discharge the following functions in accordance with Chapter 3, Part 5 of the Localism Act 2011 and associated secondary legislation: (i) to conduct reviews of the Council’s decisions to include land/buildings in the Council’s ACV list (ii) to conduct reviews of the Council’s decisions in respect of landowners’ claims for compensation and (iii) to put in place all necessary procedures and processes to support these functions. Remove deleted post from membership and paragraph 3 referred namely “to oversee the governance of the Strategic Allocation of CIL and to make recommendations on spend to Cabinet and Council as appropriate”
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c) Chelmer Waterside Panel Proposal to add S151 and Monitoring Officer to membership d) Changes to Council Procedure Rules (i) Time limit for speaking at budget setting council meeting. Currently only the mover of the item has 10 minutes to speak at the start of the agenda item. It is recommended that the main speakers (main opposition group leader, any mover of a budget amendment and the mover exercising a right of reply) has 10 minutes to speak (ii) Scope of motions To clarify existing rules	Not currently included 4.1.13.5 The following times will be applied to the length of the speeches and the Mayor will give an indication when the time has expired: a) the mover of a motion – up to 10 minutes b) seconder and subsequent speakers – up to 5 minutes c) the mover exercising the right of reply – 5 minutes Scope	Add S151 and Monitoring Officer to membership within Terms of Reference Add new rule (d) within 4.1.13.5 as follows:- a) the mover of a motion – up to 10 minutes b) the seconder and subsequent speakers – up to 5 minutes c) the mover exercising the right of reply – 5 minutes d) in relation to the annual budget setting agenda item the main opposition leader, the mover of a budget amendment and the mover of the item exercising their right of reply – 10 minutes delete existing rules in 11.6 and 7 and replace with
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	4.1.11.6 Proposals for debate under Rule 4.1.11 must be about matters for which the Council is directly responsible. 4.1.11.7 A Proposal for Debate shall not be accepted if it relates to a matter already on the agenda for the same meeting	4.1.11.6 The Monitoring Officer must reject a motion if it is: (a) About a matter intended for inclusion on the published agenda for that meeting; (b) About a matter for which the Council has no power to act or affect the desired outcome, other than motions that request the Council make representations to regional or central government or any other public authority; (c) About a matter that is delegated for determination by another Council body or may be determined by an officer acting under delegated powers (eg individual regulatory decisions); (d) Defamatory, frivolous, offensive or insulting to any person or persons; (e) The same or substantially the same as a motion which has been put at a meeting of Council in the past six months; (f) Requires the disclosure of confidential or exempt information; or (g) Requires an act or omission which is either unlawful or incapable of having practical effect. Leave 4.1.11.7 blank
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e) Changes arising from Annual Council 2025 - Cabinet Member responsibilities under 3.3.2.(i) (Note this role encompasses existing Cabinet Deputy Economic Development and Strategic Projects responsibilities and responsibilities from the Deputy Leader relating to land and property)	Currently Cabinet Deputies for Economic Development/Special Projects & Sustainable Transport with Property responsibilities within Deputy Leader responsibilities	Insert new Cabinet Member for Economic Development and Property 1. Managing our relationship with the Business Improvement District and broader city centre management; 2. Providing advice and skills initiatives to new and existing local businesses to encourage economic growth; 3. Promoting local economic development and tourism; 4. Listed buildings and heritage advice, public realm, community infrastructure levy projects and delivery 5. Land and property – the administration, in conjunction with the relevant Cabinet Members, of the Council's land and property, including its public buildings and all commercial and industrial landholdings, and to identify strategic opportunities in relation to the acquisition, disposal and use of land and property. Delete Cabinet Deputy for Economic Development and Strategic Projects Move Cabinet Deputy for Sustainable Transport to Cabinet Member for Economic Development
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f) Update to Cabinet and Committee Rules in relation to attendance list in 4.2.20 to reflect current practice (and as per update to council procedure rules) g) Some checking/updating needed in relation to indexes e.g. constitution working group needs to be added and to pick up any minor corrections e.g. he/she references	Currently requires councillors to sign an attendance list	RECORD OF ATTENDANCE All councillors present for all or part of a meeting must sign their names on the attendance sheet will be noted by the Democratic Services Officer and shall have their attendance recorded in the minutes
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Appendix 2 – Full Council 16/7/25 item 7

PART 4.10 CONTRACT PROCEDURE RULES

Version dated May 2025

Contents

- 4.10.1 Introduction, Scope and Principles
- 4.10.2 Definitions
- 4.10.3 Key Considerations:
 - a) Estimating Contract Value
 - b) Aggregation/ Disaggregation
 - c) Procurement Thresholds
 - i. External Thresholds
 - ii. Internal Thresholds
 - d) Strategic / Public Interest Considerations
- 4.10.4 General Notes – Apply to all Procurement Processes
 - a) eProcurement
 - b) Procurement Documentation & Retention Thereof
 - c) Responsible Procurement
 - d) Terms and Conditions of Contract
 - e) In-house Services
 - f) Public to Public Trading ~~g~~ Contract Award/ Value for Money
- 4.10.5 Procurement Activity ([please note limits have been updated for the new 2023 Procurement Act](#))
 - a) Contracts up to £25,000
 - b) Contract Value between £25,000 and £50,000
 - c) Contract Value £50,001 to £100,000 (and any strategic procurement)
 - d) Contract Value between £100,000 -£218,000
 - e) Contract Value above Government Threshold of £218,000
 - f) Executive Decision/Key Decision
 - g) Contract Signing
- 4.10.6 Frameworks, DPS, eAuctions
 - a) External Agreements
 - b) Internal Agreements
 - c) Compliance Register
 - d) Value Engineering & Negotiation
- 4.10.7 Contract Management
 - a) Review, contract Register and Monitoring
 - b) ~~Reg 84, Contracts Finder, OJEU Award Notices~~
 - c) Contract Variations, Modification or Termination
 - d) Extensions

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4.10.1 Introduction, Scope and Principles

These Contract Procedure Rules are made under the Procurement Act 2023 and other legislation such as section 135 of the Local Government Act 1972 and govern the making of contracts for and on behalf of the Council.

The purpose of these Rules is to provide clear guidance on how to purchase and if appropriate award a contract for:

- Goods
- Services
- Works
- Concessions
- Public Sector to Public Sector Trading

Procurement routes the Council can employ in order to reach a contract award are:

- Procurement Card
- Quotation
- Tender
- External/Internal Framework Agreement
- External/Internal DPS (Dynamic Purchasing System) for the avoidance of doubt a DPS let under the Public Contract Regulations 2015 shall continue under the Transitional Provisions of the Procurement Act 2023. They will expire on 27/10/2028 or the expiry date given in the DPS whichever is earlier
- Dynamic Markets
- eAuction

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The Rules are intended to promote good purchasing practice, value for money, public accountability and deter bribery and corruption. They aim to ensure:

- True and fair competition for contracts
- Clear and auditable procedures
- Accountable and compliant process
- Enable ongoing development and maintenance of a central contracts register.
- The Council to use its purchasing power for the benefit of the local economy, environment and community under its jurisdiction.

The provisions contained in these Rules are subject to the statutory requirements ~~of the~~ of the United Kingdom Government. The letting and content of contracts shall conform to all statutory requirements relating to contracts and procurement.

4.10.2 Definitions

Lead Procurement Officer	Procurement Services Officer leading on the procurement process
Council	Chelmsford City Council
Directors	Service Directors are responsible for ensuring that officers within that directorate comply with the Contract Rules, Financial Rules and the Regulations*
Procurement Services Manager	Shall ensure that Council procurement is carried out with due diligence and in the spirit of true, fair and transparent competition, and that the Council meets its all its obligations under the Regulations* <i>Please see Procurement Manual for specific tasks.</i>
Local Government Transparency Code Regulations*	Requirements for local government to publish open data on spend of £500 and above The 'EU Procurement Rules' comprising: The European Union (Withdrawal) Act 2018 The European Union (Withdrawal Agreement) Act 2020 • The Procurement Act 2023 • The Council's Financial Rules • Public Services (Social Value) Act 2012 • EU Exit Regulations 2019 • Procurement Act 2023 • The Procurement Regulations 2024 and Cabinet Office Guidance • Health Care Services (Provider Selection Regime) Regulations 2023 • Public Contracts Regulations 2015 (for contracts procured under these regulations) • Concessions Regulations 2016 (for contracts procured under these regulations) • The Public Services (Social Value) Act 2012 • National Procurement Policy Statement (NPPS) 2025
Legal Team	The Council's internal legal team OR external solicitors /counsel
Service Managers	Contract management responsibilities, and responsible for all service budget spend to be made in line with these rules
Goods	Supplies or materials
Threshold	The level of spend that dictates the rules or regulations that apply to a procurement
Contract	Any form of contract, agreement for the supply of Goods, Works and/or, Services that the Council enters
Contractor	Any person, partnership, company or any other organisation which provides or offers Goods, Works and/or Services to the Council
Dynamic Purchasing System (DPS)	A long running, completely electronic procurement tool used for commonly available works, services and goods. Qualifying contractors can join at any time and participate in mini competitions for contracts.

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Framework Agreement	An agreement, with one or more contractor, that establishes the standard terms and conditions of supply over a fixed period of time with no pre-set volume information. • Internal – setup by the Council for use by us and other specified public bodies • External – setup by another public body and accessible by the Council
LTR	Light Touch Regime – relates to procurements that are generally of low interest to cross border competition e.g. social, health and education services
The Procurement Manual	This document is a Practice Note for day to day use by Council staff. The manual provides detailed guidance on procurement processes pursuant to the UK Public Procurement Legislation and Regulations and National Procurement Policy Statement 2025Public Contracts Regulations 2015, the Council's internal rules and its responsibilities and duties therein. The Manual should be referred to for all technical aspects of a procurement and further advice can be provided by Procurement Team.
The Procurement Strategy	This document details the aims and objectives of the Council's procurement activities including the social, environmental and economic impact of these activities in line with National Procurement Policy Statement (NPPS) 2025.

4.10.3 Key Considerations

Before commencing any procurement using public money, officers must understand the following:

- 1. The contract value - ~~this~~ dictates which procurement routes can be used.
- 2. Strategic nature and public interest in the procurement - ~~this~~ influences which of the allowable routes is most appropriate.

a. Estimating Contract Value

The value of a contract is the total amount the Council expects to pay (or receive), net of VAT, over the length of the agreement, including any extension period or stated add-ons such as maintenance and support costs.

If the contract is for an uncertain or unfixed term, the value is the amount the Council expects to pay (or receive) over four years. This could be, for example, the monthly value multiplied by 48. If the contract is broken into lots, all lots must be factored into the total.

For Internal Framework Agreements / DPS / Dynamic Markets, the value should be based on the level of anticipated spend from all parties with access.

b. Aggregation/Disaggregation

The Council is required to aggregate need whenever it is possible to do so. Aggregation groups together demand for commonly purchased goods and services to harness greater economies of scale and seek better value for money. Aggregation results in a single contract to manage as opposed to several smaller contracts.

Disaggregation, an offence under the Regulations, is the ~~reverse;~~reverse, dividing up similar requirements into smaller contracts to remain below the relevant procurement threshold.

c. Procurement Thresholds

i. External Thresholds

The Regulations require a full tender process to be undertaken when the value of the contract exceeds a set level. The tender has to be advertised and follow guidelines provided in the Legislation / Regulations. These thresholds are set by the Government and reviewed every two years. There is a threshold for each category of spend.

Category	Threshold (2024-2025. Including VAT)	Example
Works	£5,372,609	Constructions, repairs, maintenance
Goods / supplies	£214,904	Stationery

Services	£214,904	Cleaning
Concessions	£5,372,609	Bailiffs, catering
Light Touch Regime	£663,540	A specific set of rules for certain service contracts falling under specific CPV codes e.g. educational services, vetinary veterinary services and barrister services. <u>These types of contracts are subject to more flexible procurement rules</u>
Land Lease & Property	Neither the procurement rules stated here, or the Procurement Regulations apply to contracts of this type	

ii. Internal Thresholds

Below the Government thresholds the Council has set its own spend limits. The limits reflect the need to comply with government transparency rules, as well as procurement law. These limits provide guidelines for the method of procurement that should be used, and the associated authority needed to undertake it. The table below provides a broad outline with further detail and services should consult with the procurement [team](#) to ensure compliance.

Threshold Contract value over life of agreement	Sub-threshold	Notes	Level of Authority Required
Up to £100,000	£5k and above	The agreement to purchase (contract) and contract period should be recorded on contract register. This enables transparency reporting requirements to be met. <u>No, requirement to undertake 3 quotes or similar</u>	Service Manager
	Up to £25k	Ideally 3 quotes. Evidence held by service	Service Manager
	£25-50K	3 quotations with procurement notified prior to the process being undertaken	Service Manager and notify procurement
	£50-99k	Procurement to run quotes/tender/framework process	Service Manager in consultation with Procurement Manager
£100,000		Procurement team involvement is required	Service Director Senior Officer / Service Manager

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	Tender or framework will be required Route to Market Assessment to be carried out and procurement team will manage the procurement	and Procurement Manager
Spend over £214,904 (including VAT) net cost £ <i>Goods & Services</i>	Falls under the Regulations, a full tender process is required Procurement team involvement is mandatory to ensure compliance with Regulations Route to Market Assessment to be carried out	Director and Procurement Manager
Spend over £200,000	Key Decision. Please contact Legal Services	

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e Strategic / Public Interest Considerations

Regardless of the contract value, Service Managers must consider the likely impact of the procurement on internal and external stakeholders. If the proposed activity is of a contentious nature, (perceived or actual) high risk, or relating to matters that affect public sensitivities, then advice should be taken from Procurement Team.

4.10.4 General Notes – Apply to all Procurement Procedures

a. eProcurement

eProcurement is a requirement under the Regulations; all communication with potential contractors must be in electronic format. eProcurement provides a comprehensive and complete audit trail, enabling the Council to meet its accountability and compliance obligations.

Officers must remain mindful of commercial confidentiality and Data Protection legislation in all dealings with suppliers and external bodies.

b. Procurement Documentation & Retention Thereof

The Procurement Team will work with Services to produce ITTs (Invitations to Tender) and RFPs (Requests for Proposals) for procurements above the Government threshold and of strategic importance.

Statutory rules require a specific set of documents to be published as part of the tender pack.

The Legal Services Team will provide appropriate support and guidance as and when required in conjunction with Procurement Team.

c. Responsible Procurement

The Council is required to consider how a procurement project might improve the economic, social and environmental wellbeing across its area.

These outcomes are fully defined in the Procurement Strategy; please consult the Procurement Team for more information.

Procurements that may result in pollution, waste management issues, high energy use or have any other notable environmental impact should have relevant mitigating requirements built into the specification. Evaluation and scoring schemes should contain criteria that enable Council staff to fully consider and score these elements in each submission.

d. Terms and Conditions of Contract

The Regulations must be adhered to when undertaking a procurement above the legal threshold.

All agreements must be in written English, price must be stated in British currency and subject to the jurisdiction of English Law.

British standards must be used where they are applicable to the subject of a contract.

Where the Procurement Team has undertaken a process on behalf of a Service Manager, the Lead Procurement Officer will take responsibility for instructing the Legal Team to prepare or approve the terms and conditions of a contract if required. This applies whether the contract: was created by the Council; is based on the supplier's terms and conditions; or forms the basis of a call off agreement [from a Framework Agreement](#).

e. In-house Services

Where the Council has an in-house service, external companies must not be used for these services unless the Service Manager responsible for the in-house service confirms specifically that they are unable to meet the requirements on that occasion.

f. Public to Public Trading

If the Service Manager is considering entering into a contract with another public body, early advice must be sought from the Procurement Team. It should not be assumed that arrangements entered between the Council and other public bodies are outside the scope of the Regulations.

g. Contract Award / Value for Money

The Council operates under the 'Duty of Best Value' which requires overall value, including economic, environmental and social value, to be considered when reviewing any service provision.

Social Value is a statutory duty of the Council for services over the Government threshold, however, these principles should be applied to all the Council's procurement activity. Social value

considerations should be built in at the pre-procurement stage; consulting with local third sector representatives as and when deemed appropriate.

The Regulations require the Council to award contracts to the most advantageous tender (MAT), and the MAT is the tender that both satisfies the contracting authority's requirements and is the best tender in respect of the award criteria. The award public contracts on the basis of MAT means it is not the 'cheapest wins' but looks at cost alongside qualitative, environmental and social criteria. The balance of award criteria will be considered, on a procurement by procurement basis.

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Due Diligence checks are undertaken to review performance, reputation and financial stability of prospective suppliers, and can be part of the award criteria or used as a pass/fail criterion.

4.10.5 Procurement Activity

a. Contracts up to £25,000

The Service Manager is responsible for these procurements but may access Procurement Team support as required. Quotations, frameworks and DPS are all possible procurement options.

If the procurement is strategic in nature, high risk, impacts on other services or has wider implications across the Council and/or the provision of its services, apply the guidance under section c.

All procurement agreements with suppliers over £5k should be recorded on the Council's ~~C~~ontract ~~R~~egister. This will enable the council to comply transparency reporting. Advice on the use of contracts register can be obtained from the Procurement team.

b. Contract Value of between £25,000 - £50,000

If the procurement is for non-critical, non-strategic goods, services or works the minimum requirement is for three quotations known as Request For Quotations (RFQs)

Frameworks, DPS can be used.

If the procurement is strategic in nature, high risk, impacts on other services or has wider implications across the Council and/or its service provision, apply the guidance under section C below.

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c. Contract Value above £50,000 - £100,000 (and any strategic procurement)

Prior to undertaking any type of procurement exercise, the service must engage with the Procurement Team to seek advice on the best and most appropriate process to meet the identified need. This will result in a Route to Market Assessment being prepared.

For strategic level contracts a Business Case may also be required. This could involve all, or some, of the following actions/plans:

1. Needs assessment
2. Route to market assessment
3. Plan for stakeholder engagement
4. Market assessment
5. Risk assessment
6. Financial implications assessment
7. Social value assessment
8. Environmental and Ecological Impact assessment

The Business Case must be signed off by the Service Manager and Procurement Services Manager

The Procurement Manual provides detailed guidance regarding these topics as well as proforma documents.

Framework and DPS options will be investigated as part of the Route to Market Assessment.

d. Contracts Above £100,000

Procurement Team involvement is required.

Tender or framework will be required; and

Route to Market Assessment to be carried out and procurement team will manage the procurement

e. Contract Value above Government Threshold

A full tender process is required. This process must only be undertaken with the full involvement of the Procurement Team.

Please be aware that a full process takes around 12 weeks to complete. Please ensure you advise the Procurement Team of your plans in a timely manner to enable a schedule to be put in place.

Framework and DPS options will be investigated as part of the Route to Market Assessment which will require approval by the Procurement Services Manager and Management Team.

f. Executive Decision / Key Decision

An Executive Decision is taken by the Leader, the Cabinet or delegated to a committee of the Cabinet, a Cabinet member or an officer, and is publicly notifiable 28 days prior to being taken. A key decision has expenditure of above £200k or 20% or more of relevant expenditure. Full details see Part 2 Articles of the Constitution. Please refer to the Council's Monitoring Officer for how this may impact on your procurement.

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g. Contract Signing [\(New Section\)](#)

Contract Type	Amount	Who can sign the contract?	Legal Involvement	Notes
Framework call-off contract	Up to 500K	Service Manager	Procurement determines if legal involvement required based on complexity	
	£500k+	Director	Procurement determines if legal involvement required	
	Contracts over 3 years but only if also in excess of £1m	Chief Exec	Legal involved	
CCC Standard Service and Minor Works Contract	Up to 200K	Service Manager	Procurement determines if legal involvement required	
	£200k+-	N/A	N/A	N/A Wouldn't be used with this level of spend.
	Contracts over 3 years but only if also in excess of £1m	N/A	N/A	N/A Wouldn't be used with this level of spend.
Supplier Terms and Conditions	Up to 200K	Service Manager	Procurement determines if legal involvement required	Note very unlikely to be used with over threshold spend. Higher risk contracts.
	£200k+	Director	Procurement manager consult with legal	Note very unlikely to be used with over threshold spend.
	Contracts over 3 years but only if also in excess of £1m	Chief Executive	Legal involved	Note Very Unlikely to be used with this level of spend.
JCT/NEC/ Other Building Contract	Up to 500K	Service Manager	Legal involved	Building Services Complete + Service manager to Sign Contract
	£500k+-up-to £1m	Director	Legal involved	Building Services Complete, Checked by Legal, Signed by Director
	Contracts over 3 years but only if also in excess of £1m	Chief Exec	Legal involved	Building Services Complete, Checked by Legal, Signed by Chief Exec
Other CCC Contract	Up to 500K	Service Manager	Legal involved	
	£500k+	Director	Legal involved	

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Terms e.g., internal framework, bespoke contract	Contracts over 3 years but only if also in excess of £1m	Chief Exec	Legal involved	
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New Section Circumstance for use of contract under seal procedures

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All Works contracts from 1 million and above shall be sealed.

All those sensitive service contracts which may have a long term effect will be sealed for a longer period of limitation. Service Manager in consultation with Procurement and Legal Services will determine this.

All sensitive public health contracts valuing from £500k and above will be sealed. Such sensitivity to be determined by the relevant Service Manager in consultation with Procurement and Legal Services.

4.10.6 Frameworks, DPS, eAuctions

a. External Agreements

The Council is eligible to use a wide range of Frameworks DPS (remaining under PCR 2015) and Dynamic Markets created by other public sector bodies. The Procurement Lead must ensure that the Council is lawfully able to use the Framework or DPS; the Procurement Team can provide advice and assistance on use. They must also establish that there is a clear benefit to the Council of using a Framework, PS or Dynamic Market over other procurement options.

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For procurements exceeding £100k or those of a particularly strategic nature, a Route to Market Assessment must be undertaken.

The Framework, DPS or Dynamic Market rules must be adhered to at all times.

Where the use of a Framework/DPS/Dynamic Market is subject to signing an Access Agreement, this document should be authorised by the Procurement Services Manager.

The Procurement Team must be advised of any contracts entered into via an external agreement, regardless of value.

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b. Internal Agreements

The Council can create its own Framework, DPS or eAuction, using its eProcurement software where it is in the Council's best interests to do so.

Use of the Framework/DPS will be mandatory across the Council for all goods, services and works that have been included in the scope of the arrangements.

Should the supply be of a significantly higher than normal value, the Procurement Manager should be consulted to establish if new rates should be sought, or an alternative procurement method used.

Internal Agreements can only be created with the agreement of the Procurement Manager.

c. Compliance Register

A compliance register entry can be used in some specific circumstances to waive the requirements of the Contract Procedure Rules. Full details of the specific circumstances are set out in the Procurement Manual. The compliance register waiver cannot be used for Procurements above the [EU legal thresholds](#).

d. Value Engineering & Negotiation

The ~~Procurement Act 2023~~~~Public Contract Regulations 2015 (PCRs)~~ allow, in some circumstances, a tender process to be switched to a negotiated procedure. Please see the Procurement Manual for detail of a negotiated procedure. This can only be used where the nature of the original competition is not substantially altered and does not artificially restrict competition.

e- Basis of Procurement Involvement

- The Council’s Procurement Department has an obligation to ensure compliance with the applicable legislation.
- Procurement is responsible for ensuring that all public contracts are awarded after following the required procedures as required by the applicable legislation including, but not limited to the Procurement Act 2023, Procurement Regulations 2024 and the Council’s Contract Procedure Rules.
- In view of the above Officers and Service Managers should always consult and seek advice from Procurement when considering entering into any contract arrangements with outside suppliers / contractors.

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4.10.7 General Contract Matters

a. Review, Contract Register and Monitoring

During contract preparation the Service Manager should appoint a Contract Manager (who may be mentioned in the contract itself) to monitor the Supplier's performance.

Further guidance regarding the management of contracts is covered in the Procurement Manual.

Details of the contract shall be stored centrally. To meet transparency requirements services should store contracts on the Council T1 contracts register. The threshold is for contracts/records above £5k. However, it is accepted this should be gradualist development of register, by taking a multi year approach. It will take several years to move from the current practice of only recording key contracts. The increased information of contracts reflects the £5k publication requirements set by the transparency code.

b. ~~Reg 84, Contracts Finder, OJEU Award Notices~~

The Procurement Team will produce and publish information regarding contract award on all platforms required by the Regulations. In addition, the team will provide a post procurement report, if required by the Regulations or, by the service if not required by the regulations, or if high risk procurement.

c. Contract Variation, Modification or Termination

During the term of a contract modifications may be proposed, which, if adopted, would result in additional works, goods or services. There are significant limitations upon the Council's ability to make such modifications, especially when the Regulations apply. There are tolerances allowed within contract variations under [Sections 74 to 77, Schedule 8 and Regulation 40 of the Procurement Act 2023.Reg 72.](#)

Before discussing any variation or modification with the Supplier, the Service Manager must seek advice from the Procurement and Legal Teams.

d. Extensions

If an extension period is clearly stated in the contract, the option is available to extend. Before exercising a contractual right to extend, the Service/Contract Manager must consider whether it is in the best interests of the Council to continue with the contract by examining performance to date

and any changes in cost both under the terms of the contract and also in the wider market.
variations.

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Any extension will require the agreement of both parties. Please contact the Procurement Services Manager for further advice.

Appendix 3 – Full Council 16th July 2025 agenda item 7

PART 4.9

FINANCIAL RULES

Introduction

4.9.1 These Financial Rules aim to provide guidance on what is expected from Elected Members, the Section 151 Officer, Directors, Service Managers and all other members of staff (Officers).

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The Financial Rules form part of our Constitution, which sets out the political and administrative arrangements for the running of the Council.

~~To provide~~For practical support to Officers, there officers can refer to Financial Practice Notes, which are not part of the Constitution. ~~Of course if you and if further advice is -needed further advice, talk~~speak to your Line Manager, Director or get in touch with the Financial Services Manager (Section 151 Officer).

Directors and Members general responsibilities

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4.9.2 Directors/Service Managers are responsible for ensuring all Officers in their service areas are aware of the existence, ~~and content of, and~~ have appropriate training ~~on~~ the Council's Financial Rules and other internal regulatory documents, and that they comply with them.

4.9.3 A Director may delegate any of their powers but still retains overall responsibility for compliance with these Rules, and in accordance with the Officer Scheme of Delegation, which can be found in Part 3.4 of the Constitution.

~~Directors/Service Managers must ensure that all Officers have appropriate training in their Directorate or service area to meet the obligations of Council rules and policies.~~

4.9.4 Members and Officers are expected to conform to these rules. They do not provide a complete list but define the way Members and Officers are expected to operate. They are in place to protect both the Council and its employees. It is important that Members and Officers conform to the spirit of the rules, ~~not only the specific rule.~~

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4.9.5 Members are expected to act in accordance with the requirements of the Constitution and in particular the personal responsibilities placed on them by the Council's Code of Conduct in Part 5.1 of the Constitution. To support Officers further, the Financial Rules are supported by Practice Notes, which are not part of the Constitution. If you need further advice, talk to your Line Manager, Director or get in touch with the Accountancy Services Manager (Section 151).

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4.9.76 ~~A Director may delegate any of their powers but still retains overall responsibility for compliance with these Rules, and in accordance with the Officer Scheme of Delegation, which can be found in Part~~

~~3.4 of the Constitution.~~

Responsibilities of All Officers for general financial competence

4.9.7 Officers' must:

~~—be aware that in accordance with the Code of Conduct, employees must ensure that they use public funds, and the resources entrusted to them in a responsible manner and that any purchases made should ensure value for money to the local community.~~

- ~~a~~Act to the highest standards of integrity, and exercise due care and attention when dealing with all aspects of the Council's finances.

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4.9.8 Where Officers are unclear on any financial matter, they should seek advice from the Accountancy Team.

4.9.9 ~~Conform to the Financial Rules.~~ Any failure to conform to these Rules may be a disciplinary offence. If anyone is aware that these Financial Rules are not being followed, they should inform their manager or Financial Services Accountancy Services Manager (Section 151 Officer).

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4.9.10 Ensure the safety and security of assets and see that they are used in a legal and properly authorised manner. Assets retained by the Council must provide value for money (see Practice Note 1).

4.9.11 ~~Immediately inform the Accountancy Services Manager (S151 Officer) and the Audit and Investigation Manager or follow the whistle blowing procedures to report suspicions of fraud or act of corruption, inform the Procurement & Risk Services Manager and follow the whistleblowing procedures if there are reasons to suspect fraud or corruption (see Practice Note 2 – Fraud and Corruption).~~

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4.9.12 Manage risks to the Council as part of day-to-day service activities.

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4.9.13 ~~Officers when purchasing (ordering goods and services), should ensure:~~

- ~~i) They have complied with and understood the Contract Procedure Rules~~
- ~~ii) Good practice as set in Practice Note 4 is followed~~
- ~~iii) Physical delivery of goods and services has taken place before receipting them on the financial system.~~
- ~~iv) An agreement to rent plant & equipment (lease) is not entered into without consulting with Accountancy Services Manager Section 151 officer.~~

~~v) Agreements to lease property (let out or rent) are not entered into without consulting with the Property Manager.~~

~~Further content on ordering is included later in these Financial Rules.~~

- 4.9.14 Officers should not exceed the responsibilities and authority given to them by their Service Manager (and Director) ~~and should conform to the Financial Rules and Contract Procedure Rules appropriate to those duties.~~

Service Managers

- 4.9.15 The following items (4.9.16 to 4.9.25) are the responsibility of Service Managers, reflecting the delegation of financial management to them by the Council. ~~These financial responsibilities are a key part of their role and failure to meet these could result in disciplinary action.~~

The responsibilities are explained under the following headings:

- 4.9.16 Financial Controls & Authorisation
- 4.9.17 Ordering of Goods and Services. Including Procurement & Payments of Grants
- 4.9.18 Income Collection
- 4.9.19 Budget Management (preparation and monitoring of revenue and capital)
- 4.9.20 Fees and Charges
- 4.9.21 Grant Income
- 4.9.22 Staffing Financial Matters (in the context of financial management)
- 4.9.23 Taxation (including VAT)
- 4.9.24 Risk Management
- 4.9.25 Internal and External Audit obligations

Service Managers should ensure Officers within their Service:

- Are aware of Financial Rules: Ensure all Officers (temporary ~~and~~ permanent) in their service are aware of and understand the Financial Rules ~~needed~~ to ~~which they must conform to~~ carry out their role. This includes complying with “Key Decision” requirements as set out in Article 14 of the Constitution and any Practice Note on the subject.
- Are available to attend Overview and Scrutiny and Audit & Risk Committees meetings when asked to do so.

- 4.9.16 *Financial Controls & Authorisation*

- 4.9.16.1 The Chief Finance officer is responsible for advising on effective

systems of internal control. Advice may also come from the internal and external audit reports. However, it is service managers and Directors responsibility to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets. Ensure that processes and controls are in place to make sure that the Council's resources are properly applied. This includes responsibility for the prevention and detection of fraud and other illegal acts.

4.9.16.2 Controls should ~~Have there is a~~ clear and appropriate delegation of responsibilities and separation of duties in the service to reduce the risk of error and to prevent fraud, corruption, and collusion.

4.9.16.3 Ensure that authorisations within the ERP (i.e., Financial and HR systems) reflect the authority delegated to Officers.

4.9.16.4 Ensure Contract Procedure Rules are followed, and procurement guidance is sought from the Procurement Team.

4.9.17 *Ordering of Goods and Services, including Procurement & Payment of Grants*

4.9.17.1 Officers when purchasing (ordering goods and services), should ensure:

i) They have complied with and understood the Contract Procedure Rules.

ii) Good practice as set in Practice Note 4 is followed

iii) Physical delivery of goods and services has taken place before receipting them on the financial system.

iv) An agreement to rent, lease or hire property, plant & equipment ~~(lease)~~ is not entered into without consulting with Financial Services Manager, Section 151 officer.

v) That rental/lease agreements to occupy or let to tenants are not entered into without consultation with the Council's Property Manager.

vi) Ensure There is an approved budget for all planned expenditure before ordering goods and services. If insufficient budget is available to meet service obligations this should be discussed with the Accountancy Team. (See Appendix 1 to these rules - Virements and Supplementary Estimates).

vi) Foreign currency contracts or transactions must be agreed in advance with the Financial Services Manager (Section 151)

vii) Orders raised for interim, or agency staff have been made following consultation with HR and procurement. This

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consultation may not be needed if the provision is through an approved Council framework/contract.

4.9.17.2 ~~The Financial system has appropriate workflow to control ordering of goods and services, but managers must ensure that operational processes outside of the system are robust. For example, ensuring goods/services have been delivered before payment is made.~~

4.9.17.3 ~~Ensure that the Contract Procedure Rules are followed, and Procurement team are notified of spend over £25k.~~

4.9.17.4 ~~Foreign currency contracts or transactions must be agreed in advance with the Accountancy Services Manager (Section 151) (see Practice Note 7 – Contracts, External Partners and Third Party Working).~~

4.9.17.5 Act within the Practice Note 10 for Partnerships, where the Council is the lead authority for the partnership or holds the role of the partnership's treasurer.

4.9.17.6 ~~Ensure that there are controls in place to prevent the loss or misuse of land, buildings, plant and equipment used by their Service (see Practice Note 1 – Assets).~~

4.9.17.7 Ensure the process for paying grants to the Third Sector (voluntary) organisations and other bodies are compliant with the standards of the Community Funding Scheme.

4.9.17.8 ~~Ensure that leases for land, property, plant and/or equipment are not entered into without the authorisation of the Accountancy Services Manager (Section 151 officer).~~

4.9.17.9 ~~Ensure that rental/lease agreements to occupy or let to tenants are not entered into without consultation with the Council's Property Manager.~~

4.9.18 *Income Collection*

4.9.18.1 Ensure Officers collect income and debt promptly and in accordance with the Council's debt management procedures, regularly reconciling it to the main financial system and to banking (see Practice Note 8 - Income collection and Debt Management procedures).

4.9.18.2 Arrange collection of income before or at the point of delivering the service wherever possible. This avoids losses due to non-payment.

4.9.18.3 ~~Minimise the cost of processing~~ Council income by limiting the use of cash and cheque payments by customers, wherever possible.

4.9.19 *Budget Management (Preparation and Monitoring of Revenue and Capital)*

- 4.9.19.1 Prepare revenue and capital estimates using the guidelines approved by Cabinet and provided by the [Financial Accountancy Services Manager \(Section 151 Officer\)](#)(see 6 - Preparation of Estimates).
- 4.9.19.2 Prepare business cases for significant projects and undertake post project reviews in line with Practice Note 9. [Including consulting with financial services before circulation to members.](#)
- 4.9.19.3 Use financial information from the Council's ERP (Financial and HR Systems) and other supplementary sources to monitor and forecast current and future years' service budgets (income and expenditure).
- 4.9.19.4 Submit financial forecasts via the Council's Financial system. These submissions should be made in line with the timetable established by the Section 151 Officer. (See Practice Note 5 - Budgetary Control).
- 4.9.19.5 Identify at the earliest ~~opportunity, and~~[opportunity and](#) provide details to Accountancy Services- of the results of, any service planning that ~~identifies will require~~ additional budget provision [will be required](#).

4.9.20 *Fees and Charges, including setting*

- 4.9.20.1 [Fees and Charges Setting in relation to Executive functions:](#)
~~-Annual Fees and charges setting, in consultation with Cabinet member.~~
~~-Develop and implement new charges during the financial year in consultation with Cabinet member.~~
-
~~-Restrictions on fees and charges setting under delegation are:~~
 - ~~• Cabinet can can must approve fees and charges increases for a service area when two increases have already been made during a financial year, and/or~~
 - ~~• Cabinet must approve any changes to fees and charges when the increase in a service area would generate more than an additional £1m in a full financial year.~~
[Fees and charges setting can be a key or executive decision and should be reported appropriately. Fees and Charges amendments within the annual budget process. The budget guidelines approved annually by Council include a standard assumption for the average increase \(for financial planning\), this is not intended to be the outcome](#)

~~increase for any charge. Increases in charges should be determined in the manner below:~~

- ~~i. The proposals for fees and charges will be determined by the Director in consultation with the responsible Cabinet member.~~
- ~~ii. The fees and charges proposals will have determined after making any appropriate comparisons including other local authorities and private sector providers of similar services in the appropriate geographical area. This will include consideration of equalities.~~
- ~~iii. The charges do not have to match the assumed percentage increase in the financial planning.~~
- ~~iv. Annually by the end of October Directors will provide for budget planning draft proposals for increases in fees and charges for their service areas.~~

~~The Budget report made each January will identify separately the increase in total monetary value of fees and charges by service area (a service as set out in the annual budget report), where they generate any increase over £200k compared to the previous year's budget.~~

4.9.20.2

Any fees and charges that arise from non-executive functions e.g. licensing, and which cannot lawfully be set by Cabinet will be dealt with in accordance with the relevant committee or Full Council terms of reference. New Fees and Charges:

~~Chief Executive and Directors, in consultation with the relevant Cabinet Member, can establish any new fees and charges for any service (as set out in the annual budget report) for which they are responsible, provided it is expected to generate no more than £200,000 in a full year; and where the annual income generated by the new charge is estimated to above £200,000 then approval will be required from Councillors as follows:~~

- ~~• £200K to £1m – Cabinet~~
- ~~• Over £1m – Full Council~~

4.9.20.3

Amendments to Fees and Charges: ~~Chief Executive and Directors, in consultation with the relevant Cabinet Member, can amend fees and charges for which they responsible, provided that any service area (as set out in the annual budget report) amendments generate no more than £200,000 in a full year. Changes to Fees and Charges that would be above £50,000 in a full year, require approval as follows:~~

- ~~• £200K to £1m – Cabinet~~
- ~~• Over £1m – Full Council~~

4.9.21 *Grant Income*

- 4.9.21.1 Bids for grant income should be undertaken in consultation with Accountancy Services.
- 4.9.21.2 Ensure all expenditure is in line with grant conditions.
- 4.9.21.3 Maintain and retain requisite documentation to evidence that the grant has been properly managed in line with grant conditions.

4.9.22 *Staffing (Financial matters)*

- 4.9.22.1 [Accountancy will maintain a budget for each individual post \(the establishment\).](#)
[Accountancy should be provided with updates to the establishment as and when changes occur. This ~~may~~will form part of the financial monitoring processes.](#)
[Services should complete appropriate HR documentation to support maintenance of the establishment list. ~~Provide the HR Services Manager with an establishment list for all Officers in their service, including contracted hours, and inform them of anything that affects the payment of salaries or other payments as soon as possible.~~](#)
- 4.9.22.2 Ensure that the formal agreement of the Human Resources and Accountancy departments has been obtained before implementing a change to the establishment (this includes grades, hours, or number of posts).
- 4.9.22.3 Obtain agreement from HR and Procurement prior to engaging consultants or interims due to the potential significant tax implications for the Council. [Also, ensure such recruitment follows procurement rules are followed \(see contract procedure rules\)](#)

4.9.23 *VAT and Taxation*

- 4.9.23.1 Ensure all financial activities are conducted in accordance with taxation requirements and all requisite supporting records are maintained and retained.
- Seek advice on:
- VAT from Accountancy Services
 - Construction Industry Tax from Accountancy Services
 - Income Tax (employer taxation) from HR Services Manager

4.9.24 *Risk Management*

- 4.9.24.1 Act in accordance with the Risk Management Strategy and supporting guidance.
- 4.9.24.2 Notify the [Procurement & Risk Services Manager](#) of all insurance risks and potential claims as soon as known, providing necessary documentation in a timely manner (see Practice Note 6 - Insurance and Risk Management).

4.9.25 *Matters arising from Audits*

- 4.9.25.1 Co-operate with Internal and External Audit reviews and queries, including allowing Internal Audit and External Audit to have full, free and unrestricted access to ~~and~~ explanations of all functions, records, property and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- 4.9.25.2 Implement mitigating actions in a timely manner when risks are identified by Internal and External Audit (or other sources), either through audit recommendations, or alternative actions agreed with Internal/External Audit.

Responsibilities of the HR Services Manager

- 4.9.26 Make payments through the payroll system to all employees or former employees of the Council.
- 4.9.27 Provide all Officers with a copy of these Financial Rules as part of their recruitment/induction process and ensure that their receipt is acknowledged and documented.
- 4.9.28 Ensure that, in accordance with the [Whistleblowing Policy](#), where allegations of fraud or misconduct relating to financial matters are made, the Whistleblowing Officer or their deputy, the Accountancy Services Manager (Section 151 [Officer](#)) and the [Audit Procurement and Risk](#) Services Manager are informed.

~~Responsibilities of the Procurement and Risk Services Manager~~

- 4.9.29 ~~Oversee the corporate risk management framework, including periodic review of the Risk Management Strategy~~

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- 4.9.30 ~~Prepare Risk Management Reports for Management Team and Audit & Risk Committee.~~
- 4.9.31 ~~Arrange the insurance programme, and review annually, to mitigate identified insurable risks.~~
- 4.9.32 ~~Consult with Accountancy Services Manager (Section 151 Officer) on the financial implications of Insurance matters, including annual review of the insurance reserve.~~
- 4.9.33 ~~Manage insurance claims in coordination with insurers.~~
- 4.9.34 ~~Manage the approval of suppliers and oversight of the Social Value Procurement Policy.~~
- 4.9.35 ~~Provide professional procurement support to all services in line with Contract Procurement Rules.~~
- 4.9.36 ~~Update and maintain the Contract Procurement Rules and deliver training to Officers.~~
- 4.9.37 ~~Investigate any suspected cases of fraud and corruption and inform the Cabinet Member with responsibility for Finance, Audit and Risk Committee Chair and keep the Accountancy Services Manager (Section 151) and Audit Services Manager informed of the findings of the investigation and agree the course of any investigation.~~
- 4.9.38 ~~Maintain the Council's Strategy on Anti-Fraud and Corruption.~~

Responsibilities of the Financial Services~~Accountancy Services~~ Manager (Section 151 Officer)

- 4.9.39 Prepare formal and informal financial monitoring reports ~~for Management Team, Audit & Risk Committee and Cabinet.~~this will include, but is not an exhaustive list, preparation of
 - Outturn reports on Revenue and Capital
 - In year income and expenditure monitoring reports (at least once a year to cabinet)
 - Reports on Treasury management
 - Annual Budget report and multi-year forecast
- 4.9.40 Prepare guidelines for services to create and bring together the revenue and capital budgets for forthcoming year.
Prepare medium term financial forecast of revenue and capital

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spend.

including approval of fees and charges increases, virements, supplementary estimates and carry forwards for consideration by Full Council.

- 4.9.41 Provide guidelines for the format, content, and upkeep of all financial records and associated documents and maintain our accounting (including purchasing and debtor) systems.
- 4.9.42 Establish and maintain accounting policies and procedures.
- 4.9.43 Ensure there is robust digital ordering process,
- 4.9.44 Arrange all leases for vehicles, plant, and equipment.
- 4.9.45 Appoint and maintain banking and investment services. Recommend and implement treasury management decisions in line with the Council's policy statement and the Capital, Investment and Treasury strategies. Whilst appointing and maintain banking and investment services.
- 4.9.46 Set the procedures for the collection of all money due to the Council by officers, agents or contractors and approve irrecoverable debts to be written off.
- 4.9.47 Manage the External Audit process, prepare the Statement of Accounts and associated documents, in line with legislative requirements. Recommend and implement treasury management decisions in line with the Council's policy statement and the Capital, Investment and Treasury strategies.
- 4.9.48 Review and update the Financial Rules. Manage the External Audit process, prepare the Annual report, Statement of Accounts and associated documents (e.g. Annual Governance Statement), in line with legislative requirements.
- 4.9.50 Review and update the Financial Rules.
- 4.9.51 Other functions to be provided : Initiate disciplinary action if an employee is in breach of the Financial Rules.

Insurance Cover for the Council's activities

- review annually, to mitigate identified insurable risks.
- Work with service to process insurance claims
- Ensure sufficient insurance cover to protect the Council's financial interests

Procurement

- Manage the approval of suppliers and oversight of the

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Social Value Procurement Policy.

- Provide professional procurement support to all services in line with Contract Procurement Rules.
- Update and maintain the Contract Procurement Rules and deliver training to Officers.
- Provide services with system to maintain records of contracts
- Work with services to maintain compliance with rules for procurement and reporting of contracts with suppliers.

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Responsibilities of the Audit Services Manager

- 4.9.52 Submit at least annually, to senior management and Audit & Risk Committee a risk based Internal Audit plan for review and approval, which is reviewed, adjusted and communicated as necessary, in response to changes to Chelmsford City Council's operations, risks, programmes, systems and controls
- 4.9.53 Ensure each engagement of the Internal Audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programmes and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- 4.9.54 Follow up on engagement findings and corrective action, and report periodically to senior management and the Audit & Risk Committee any corrective actions not effectively implemented.
- 4.9.55 Deliver an annual audit opinion and report that can be used by the Council to inform its governance statement. The annual opinion will conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
- 4.9.56 Undertake work which does not contribute explicitly to the overall audit opinion. This might include certification of grant claims or consulting activities where Internal Audit provide independent and objective advice and guidance to management on risk and control issues within individual systems to improve those systems and

processes where necessary.

Oversee the corporate risk management framework, including periodic review of the Risk Management Strategy

Prepare Risk Management Reports for Management Team and Audit & Risk Committee.

Investigate any suspected cases of fraud and corruption and inform the Cabinet Member with responsibility for Finance, Audit and Risk Committee Chair and keep the Accountancy Services Manager (Section 151 Officer) and Audit Services Manager informed of the findings of the investigation and agree the course of any investigation.

Maintain the Council's Strategy on Anti-Fraud and Corruption.

Responsibilities of the Elected Members

- 4.9.57 Act in accordance with the requirements of the Constitution and in particular the personal responsibilities placed on them by the Councillor's Code of Conduct in Part 5.1 of the Constitution.

APPENDIX 1

Virements and Supplementary Estimates

General Principles

These principles form the basis of the Virement and Supplementary estimate rules:

- i. Annually the Council will approve service budgets.
- ii. The purpose of the rules governing changes to approved budgets is to ensure key decisions are scrutinised effectively.
- iii. Changes to budgets that result from the transfer of functions between Directorates do not need formal approval.
- iv. Changes to budgets that do not impact on the objectives set by Council should where possible be dealt with under delegation. The financial limits on budget changes support this objective.
- v. Journals must not be used to reduce expenditure to match budgets on individual codes, nor should orders made against an inappropriate code, as this distorts the true budget position, does not reflect accurately expenditure and lacks appropriate authorisation.
- vi. When seeking approval for new budgets or changes of use of existing budgets, officers must provide sufficient information to give transparency to members as to the nature of spend but balanced with providing flexibility to amend details to achieve the outcome desired by members.

V1 Virements

- V1.1 A virement is an individual movement between lines in the approved budget and is an essential feature of budgetary control, allowing Directors and Cost Centre managers to maintain their budgets with flexibility to react to the changing patterns of spend or unforeseen cost increases or income reductions.
- V1.2 Virement limits and by whom the authorisation can be given are reviewed annually and are currently set as shown below and apply to capital and revenue:
- i. Up to and including £25,000 - by Directors who must inform Financial Services
 - ii. Over £25,000 and up to £200,000 - by Directors, subject to prior consultation with the Section 151 Officer, the relevant Service Cabinet Member and the Cabinet Member with responsibility for finance
 - iii. Over £200,000 and up to £1,000,000 - by Cabinet report

- iv. In excess of £1,000,000 – by Full Council
- v. Virements to allocate approved centrally held budgets to Services, can be undertaken by the Section 151 Officer.

Specific exceptions to the above rules:

- Director Public places after consultation with the appropriate Cabinet Members, can allocate all or any building maintenance budgets according to priority on an ongoing basis.
- Allocations of central held provisions or budgets e.g. for pay can be allocated (vired) by the Chief Finance officer after consultation with the Cabinet Member responsible for Finance.

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SE1 Supplementary Estimate

SE1.1 A supplementary estimate is a permission to increase or reduce the approved budget to fund additional expenditure. Approval for a supplementary estimate must be sought before the expenditure can be incurred.

SE1.2 Supplementary estimate limits and their authorisation levels are set as shown below and apply to capital and revenue:

- i. Up to and including £200,000 - by Directors, subject to prior consultation with the Section 151 Officer, the relevant Service Cabinet Member and the Cabinet Member with responsibility for ~~finance~~finance.
- ii. Over £200,000 and up to £1,000,000 - by Cabinet report
- iii. Over £1,000,000 - by Full Council

~~iii.~~

Specific exceptions to the above rules

The Chief Finance officer can add to capital and revenue estimates where funding is ~~being~~ passing through the Council accounts to third parties. This could include s106 funds or government grants. Where such passporting requires a contribution of existing budget resource then this too can be undertaken by officer delegation in consultation with appropriate Cabinet members.

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APPENDIX 2

List of Practice Notes

Practice Note 1 – Assets

Practice Note 2 – Fraud and Corruption

Practice Note 3 – Preparation of Budgets

Practice Note 4 – Purchase Ordering, Invoice Payments & Procurement Cards

Practice Note 5 – Budgetary Control

Practice Note 6 – Insurance and Risk Management

Practice Note 7 – Contracts, External Partners and Third party working

Practice Note 8 – Income Collection and Debt Management

Practice Note 9 – Project Appraisal Reviews

Practice Note 10 – Financial Arrangements for Partnerships



Chelmsford City Council

16 July 2025

Updated Political Groups

Report by: Leader of the Council

Officer contacts:

Dan Sharma-Bird, Democracy Team Manager, dan.sharma-bird@chelmsford.gov.uk, 01245 606523

Purpose

To note updated appointments to political groups under the Local Government and Housing Act 1989.

Recommendation:

To note that Cllr Deakin is no longer a member of the Liberal Democrat Group and that they are now an Independent Cllr not in a political group.

1. Cllr Deakin is no longer a member of the Liberal Democrat Group. Therefore, the appointments to political groups have been revised accordingly, to reflect their role as an Independent Councillor.
 2. Political proportionality is not affected by this change and the Liberal Democrat Group will retain the seat that had been held by Cllr Deakin, on the Overview and Scrutiny Committee. This will be filled under delegation, before the Committee next meets in September 2025.
-

Appendices

Appendix 1 - Political Groups Summary

Background Papers

None

SCHEDULE A

POLITICAL GROUPS

In accordance with the Regulations made under the Local Government and Housing Act 1989 the following political groups have been constituted.

- (a) **Liberal Democrat Group** 32 members Leader: Councillor S J Robinson
 Deputy Leader: Councillor L Foster

Councillors C Adutwim, H Ayres, N Bugbee, D Clark, H Clark, P Davey, A Davidson, C Davidson, N Dudley, D Eley, L Foster, K Franks, J Frasca, I Fuller, S Goldman, S Hall, J Hawkins, J Lardge, R Lee, S Manley, L Mascot, R Moore, S Rajesh, E Sampson, T Sherlock, A Sosin, J Sosin, A Thompson, C Tron, N Walsh and S Young

- (b) **Conservative Group** 19 members Leader: Councillor R T Whitehead
 Deputy Leader: Councillor A Thorpe Apps

Councillors J Armstrong, G. Bonnett, V Canning, N Chambers, S Dobson, J Jeapes, A John, B Massey, M O'Brien, V Pappa, J Potter, J Raven, S Scott, M Sismey, M Steel, S Sullivan and P Wilson

- (c) **Chelmsford Independents Group** 3 members Leader: Councillor R Hyland

Councillors P Clark and S Davis

- (d) **Independent Councillors not in a political group**

Councillors J Deakin, B Knight and M Taylor



Full Council

16th July 2025

Treasury Management Outturn Report 2024/25

Report by:

Cabinet Member for Finance

Officer Contact:

Phil Reeves, Accountancy Services Manager (s151), phil.reeves@chelmsford.gov.uk, 01245 606562

Purpose

For Council to approve the treasury management outturn report from Treasury Management and Investment Sub Committee which is being considered by the Cabinet on 8th July 2025 after being recommended by the Treasury and Investment Sub-Committee on 16th June 2025.

Recommendations

That the recommendations of the Treasury Management and Investment Sub Committee and Cabinet in relation to the Treasury Management outturn report are approved by Council.

1. Introduction

- 1.1. The CIPFA Code of Practice for Treasury Management sets out the requirements for oversight by the Council of its treasury management operations. As part of the Code, the Council is required to receive an annual report on the performance of the treasury management function which highlights the effects of decisions taken and the circumstances of any non-compliance with the Code and the Council's Treasury Management Strategy.

2. Background

2.1. The Council can expect to have cash to invest, arising from its revenue and capital balances, and collection of local taxes. This cash can be usefully invested to produce a return to help support services or internally borrowed to fund the capital programme. The Council needs to borrow externally to fund its capital programme and to ensure there is sufficient liquidity to fund day to day activities. The activities around the management of this cash and borrowing are known as 'Treasury Management'.

2.2. Treasury Management is defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks"

2.3. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the MHCLG Guidance.

2.4. The Council's investment priorities as required by Government regulations are in order of priority:

- (a) The security of capital
- (b) The liquidity of its investments; and
- (c) Yield

MHCLG and CIPFA both advise that absolute certainty of security of capital and liquidity does not have to be achieved before seeking yield from investments. An appropriate balance of all three should be sought and that balance is determined by the Council in its Treasury Strategy.

2.5. The operation of Treasury Management is not without risk and the Council could suffer losses if one of its counterparties had financial difficulties.

2.6. The Council formally reviews its investment holdings in the following ways:

- Treasury Management Strategy report in February
- Treasury Outturn report in July
- A half-year update in November
- Treasury Management sub-committee monitor Treasury Activity during the financial year.

The review of the year's activities is set out in the following appendices:

Appendix A – External Environment Update

Appendix B – Borrowing and Actual Investment Activity compared to the Approved 2024/25 Strategy

3. Summary of Review

- 3.1. During the financial year, there were no breaches of the Treasury Management Strategy.
- 3.2. The economic environment for the financial year was marked with a move to small and gradual interest rates cuts and ending the year with significant new uncertainties due to the changes in US Tariff policy.
- 3.3. The year end cash and borrowing position:
 - Favourably for the Council, cash held by the Council was significantly higher than expected, some £22.8m compared to projections of £13.8m made for the 2025/26 budget (forecast was produced in November 2024). The reasons broadly being a payment of sec106 funding by the City was issued later than expected. Of the £22.8m, there were long term holdings in external fund of £9.1m, leaving £13.7m in money market deposits or short duration funds.
 - External borrowing was £11m at year end. This was in the form of short term loans (less than 4 months) from other local authorities. The forecast external debt position was expected to be £26m, so a favourable under borrowing of £15m occurred. Broadly the favourable variance occurred because of slippage in large capital items, mainly £6m of payments for Waterside and GPRS relocation, £1.5m CIL Conveyor bridge funding to ECC and £1.8m relating to Local Authority Housing Fund grants that were still held by Chelmsford. The borrowing was within approved limits.
- 3.4. Interest earnings from investments for the year were £1.83m, which was £0.82m more than the budget, predominantly due to larger average cash balances. Slower interest rates reduction also contributed to increased returns. The Bank of England base rate decreased from 5.25% to 4.5% in the year.
- 3.5. The overall return on investments for 2024/25 was 4.94% compared to 5.2% in the previous year. The budget had assumed 4.9%.
- 3.6. The Council held investments in 3 pooled funds at the end of 2024/25 that generated total income returns of £487k, a return of 4.74%. The impact of the US Tariffs had caused the fund valuations to fall in the last quarter which more than reversed a gradual recovery in valuations which had taken place early in financial year.
- 3.7. External loan interest costs were £49K, a favourable variance of £502K against the budget of £551K. Reflecting lower external borrowing.
- 3.8. The Treasury Management and Investment Committee has received a report on the details of the cashflow forecasting which will form part of their more detailed review of Treasury management activity.

4. Conclusion

- 4.1. It should be noted that the Council's Treasury Management has operated within approved parameters
- 4.2. The Treasury management and investment subcommittee will continue to monitor investment and borrowing.

List of appendices:

Appendix A – Economic Environment Update

Appendix B – Borrowing and Actual Investment Activity compared to the Approved 2023/24 Strategy

Background papers:

None

Corporate Implications

Legal/Constitutional: None

Financial: As detailed in report.

Potential impact on climate change and the environment: Any fund managers will be required to consider ESG (Environmental, Social and Governance) factors in their investment process. All the fund managers would be expected to have signed up to the UN Principles for Responsible Investment (PRI). PRI argues that active participation in ESG and exercising shareholder rights on this basis can help to improve the performance of companies which may otherwise not address such concerns and so being an engaged corporate stakeholder is a more effective way to bring about change in corporate behaviour on ethical issues.

Further requirements from those identified above are not practical given the limited ability to directly influence any immediate change in the financial markets.

Contribution toward achieving a net zero carbon position by 2030: None.

Personnel: None

Risk Management: All treasury management activity requires a careful consideration of risk and reward.

Equality and Diversity: None

Health and Safety: None

Digital: None

Other: None

Consultees: None

Relevant Policies and Strategies:

Treasury Management Strategy 2024/25

Appendix A – External Environment Update

Introduction

The interplay of various economic factors including interest rate expectations, and economic growth all affect the performance of the Council's investments.

Economic factors

Bank Rate reductions have been gradual and through the course of the year the rate reduced from 5.25% April 2024 to 4.5% in March.

Bank Rate currently stands at 4.25% after the cut in May when the Monetary Policy Committee voted by a majority of 5-4 to reduce the bank rate by 0.25%. The BOE has lowered its inflation forecast for 2025, 2026 and 2027, forecasting inflation returning to its 2% target in the first quarter of 2027 with the peak seen happening in the third quarter of this year. The BOE remained hawkish with its guidance on future decisions unchanged, sticking to a gradual and careful approach to further easing of rate cuts.

US tariff policy has been the subject of much reporting, so the details are not repeated in this report. The impact of the changes has been to lower the valuations of the funds the Council has invested in. The impact of tariff policy on the interest the Council earns is more difficult to determine.

Interest rates, generally it can be said in 2024/25 that

- cuts to the Bank of England Base have been slower than expected.
- longer term rates over 10 years have remained higher than expected.

Other factors

The mandatory statutory override for local authorities to reverse out all unrealised changes in fund valuations on pooled investments funds was extended to 31st March 2029 for those investments already in place at 1st April 2024. Any new investments taken out after 1st April 2024 will be subject to IFRS 9 accounting standard compliance and will require valuation movements to be accounted for. This means in practice current valuation gains or losses on the Council's unsold investments do not impact on the Council revenue budget. Only when an investment is sold does the gain or loss become realised and impact on the local taxpayer.

Local authority activity in the money markets appears much reduced. This has reduced the availability of funds to borrow (if needed) and increasing interest paid by local authorities. Unlike last year when this shortage occurred towards the end of February, the reduced liquidity and higher rates started earlier in around December.

Appendix B – Borrowing and Investment Activity compared to the Approved Strategy for 2024/25

External borrowing

1. The Council has the freedom to borrow in the following circumstances:

- Short-term borrowing to manage liquidity
- Long-term borrowing only to fund capital expenditure if no other capital resources exist e.g. the Council has spent its capital receipts or expects to do so imminently.

2. The Council borrowed £11m externally towards the end of 2024/25 to ensure there was sufficient year end liquidity to meet Council operational needs. The external borrowing at year end is broken down below.

Local Authority Counter Party	Start	Maturity	Amount	Interest Rate
West Midlands Combined Authority	03-Mar-25	03-Jun-25	5,000,000	5.70%
Middlesbrough Pension fund	05-Mar-25	06-May-25	6,000,000	5.95%
			11,000,000	

Officers determined; local authority loans offered better value than the other options available to the Council. This was despite borrowing rates being high in last part of the financial year due to limited liquidity across the local authority investment market. Borrowing was also undertaken as late as possible.

The £11m borrowing was within the authorised borrowing limit, as shown below, taken from the current capital strategy.

Authorised limit and operational boundary for external debt in £ms

	2024/25 limit	2025/26 limit	2026/27 limit	2027/28 limit
Authorised limit – total external debt	£50m	£70m	£75m	£80m
Operational boundary – total external debt	£35m	£66m	£74m	£75m

Debt financing costs for the Council is made up both MRP and interest costs and there was a favourable variation of £552K on both. A favourable £502K related to reduced interest costs.

Interest costs for 2024/25 were £356K compared to a budget of £856K for 2024/25, a favourable variation of £502K, resulting lower than expected external borrowing (compared to the original budget 2024/25). The £356k spent on interest, some £49K was for external loans mostly attributable to the £11m at year end. The other elements of the interest costs are £213K on balances that belong to other bodies held by Chelmsford, £90K vehicle leasing costs and £4K other interest costs. Total interest costs were lower, primarily due to less external borrowing than expected.

The forecast for external borrowing made in November 2024 which was included in the 2025/26 budget was £26m at 31st March 2025. Borrowing was £15m lower than expected due to slippage in large items, mainly £6m on Waterside and GPRS relocation, £1.5m CIL Conveyor bridge funding to ECC and £1.8m relating to Local Authority Housing Fund grants that were still held by Chelmsford.

3. Finance leases are deemed by Government to be a type of borrowing in the Council's Accounts and Treasury reporting must identify that the Council has borrowed money when they are used. A new leasing accounting standard, IFRS16, came in from the 1st April 2024 which takes into accounting all leasing debt and as a result the leasing debt reported has increased significantly. The increase is mainly due to private sector landlord leases now being included. At 31st March 2025, the Council had outstanding finance lease liabilities of £5,825K where £1,537K relates vehicles and equipment and the £4,288K remainder, mostly relating to private sector leasing.

4. Liability Benchmark:

This a prudential indicator (which is obliged to be published) to help establish whether the Council is likely to be a long-term borrower or long-term investor. The liability benchmark is a calculation of the cumulative amount of external borrowing the Council must hold to fund its capital plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Ref.	Liability Benchmark	31/03/25 Actual (£m)	31/03/26 Forecast (£m)	31/03/27 Forecast (£m)	31/03/28 Forecast (£m)
1	Capital Financing Requirement (CFR)	45	61	74	78
2	Less: Balance sheet resources	57	23	21	23
3	Net loans requirement (Negative shows surplus cash/ Positive are external borrowing requirement)	-12	38	53	55
4	Plus: Investments held for liquidity allowance.	14	5	5	5
5	Liability benchmark + are external; borrowing required. (Negative shows net surplus cash/ Positive is an external borrowing requirement)	2	43	58	60

<- Forecast externally borrowed ->

The table above shows

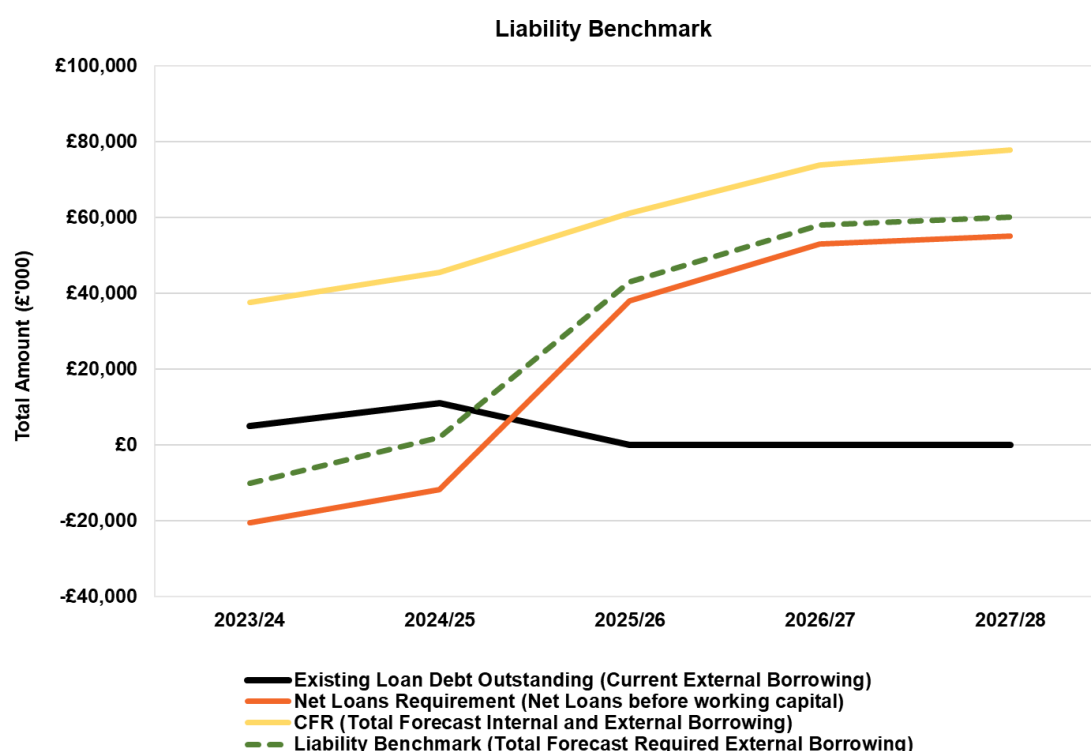
Ref/row 1 our capital financing requirement, being total external and internal borrowing needed to fund the capital programme. At 31/03/25 the capital programme needed £45m of borrowing.

Ref2/row 2: shows the balance sheet resources available to use as internal borrowing instead of external debt. Where most of the resource is revenue reserves and capital grants and contributions.

Ref 3 A positive figure means external borrowing is being forecast. However, further allowance must be made to ensure the Council has a minimum level of liquidity cash available (row 4).

Ref /row 5 shows the forecasts identify total year end external borrowing need of £2m for 2024/25. Actual external debt was £9m higher being £11m, as some funds were held by the Council for longer period than planned. A new projection shows external borrowing needed of £43m at end of 2025/26 and £58m at the end of 2026/27. After allowing for liquidity requirements of at least £5m

The liability benchmark is shown graphically



Investments

5. Officers with appropriate knowledge and training invest the Council's cash balances. MUFG Corporate Markets (Previously known as Link Treasury Services) were used as advisers on treasury management to help inform the decision-making process.
6. The Council's cash is invested in the following priority order, in accordance with statutory guidance:
 - i) Security – protecting the capital sum invested from loss

ii) Liquidity – ensuring the funds invested are available for expenditure when needed

iii) Yield – subject to achieving proper security and liquidity, to pursue a yield on investments to support service provision

The regulations and CIPFA both advise that absolute certainty of security of capital and liquidity does not have to be achieved before seeking yield from investments. An appropriate balance of all three should be sought and that balance is determined by the Council in its Treasury Strategy.

7. The Council forecast its expected cashflow to manage its in-house investments and liquidity. This allows officers to separate in-house funds into two categories:

- Shorter term, lower yielding investments – these investments are invested for relatively short durations, normally 3-6 months, in order to ensure that the maturity profile of investments matches the peaks and troughs in the Council's liquidity needs – particularly for the final 2 months of the year where council tax income falls significantly due to the 10 monthly instalments most residents choose to pay in.
- Longer term, higher yielding investments – these are investments of 'core cash' or also known as 'balance sheet resources' which the Council does not require for operational purposes within the short to medium term. Core cash comes from the Council having for example reserves, such as the General revenue balance. These core cash balances can be invested for a year or more in appropriate counterparties in-order-to generate higher yields without causing liquidity issues. The Council has committed its long term funds via the multi assets funds described in 10.1 below.

8. The Council's investment portfolio decreased from £25.8m 31st March 2024 to a closing balance of £22.8m on 31st March 2025, reflecting a large range of factors but the long trend is reduced amount of cash invested due to funding capital investment. The committee has received a report on cashflow planning from officers, to assist in scrutiny of treasury management activities.

Indicators to demonstrate Compliance with the Approved Treasury Management Strategy

9. A summary of the approved treasury management strategy, together with actual outcomes is presented below:

- | | |
|---|--|
| a. To ensure that there are no breaches of the approved counterparty limits or durations | No breach occurred. |
| b. To maintain a target balance of £5m of short notice funds to manage liquidity | The Council held balances within target of available cash within 35 days parameters. |
| c. To maintain long term investments within set limit of £20m | Long term investments holding were within parameters |

The total bail in risk (direct and pooled) moved to 100% mostly due to the portfolio shrinking in overall value.

Exposure	2023/24	2024/25
Bail In Risk -Direct investment (NatWest holding)	1%	1%
Bail In Risk – Pooled Fund Managers and Money Market Funds	68%	99%
Exempt from Bail In (including CCLA property)	21%	0%
Total	100%	100%

Counter Party

Money Market Funds & Long-Term Funds	Credit Rating (Fitch)	Sum Invested (31/03/2025)	Limits 2024/25
Black Rock Money Market Fund	AAAmmf	£90	£6,000,000
Insight Money Market Fund	AAAmmf	£1,066,110	£6,000,000
Federated Money Market Fund	AAAmmf	£6,000,000	£6,000,000
Deutsche Money Market Fund	AAAmmf	£1,470	£6,000,000
Invesco Money Market Fund	AAAmmf	£2,691,130	£6,000,000
BNP Paribas Money Market Fund	AAAmmf	£3,714,390	£6,000,000
Aegon Multi Asset Fund	N/A	£3,295,090	Total of £10,000,000
Ninety-One Multi Asset Fund	N/A	£2,963,900	
CCLA Multi Asset Fund	N/A	£2,793,850	

Banks & Building Societies

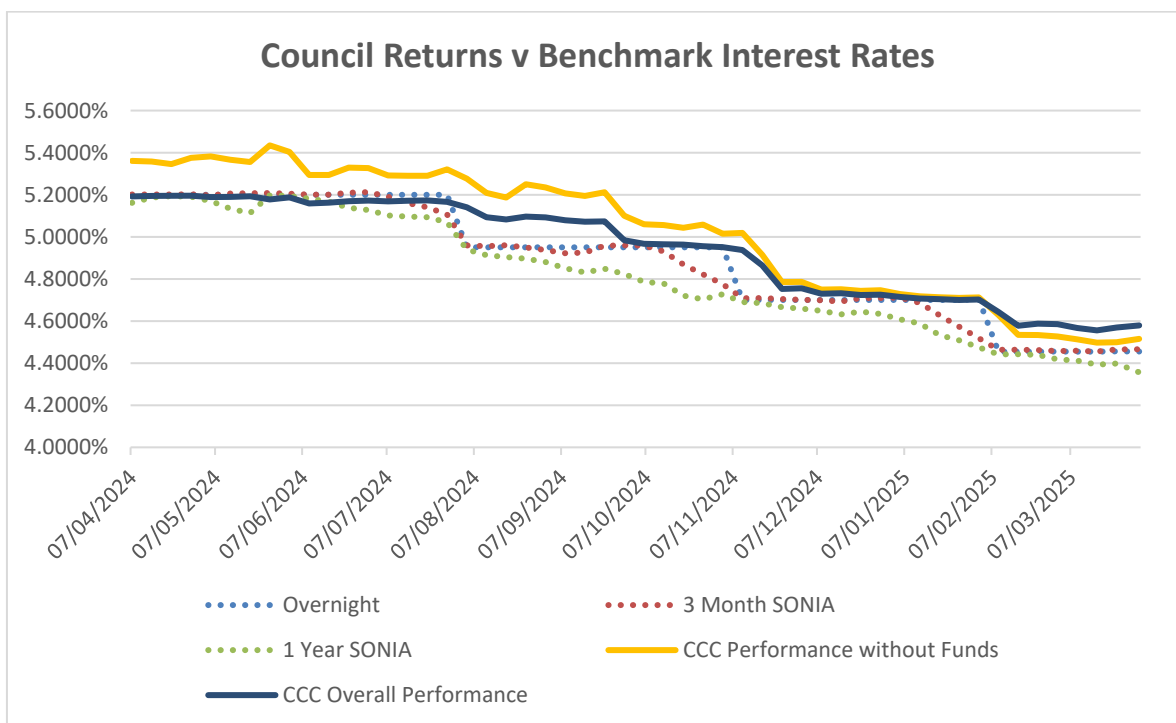
Natwest	A+	£236,430	£3,000,000
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Total Investments	£22,762,460
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Return on investments

10. UK Interest rates has been at the highest levels since 2008, and they began the year at 5.25% and ended at 4.5%. The budgeted average return was 4.9%.

The below table highlights Sterling Overnight Rate (SONIA) as a comparison against the returns the City Council generated.



The Council earned a total of £1,834k in investment income during the 2024/25 financial year, which was £824k additional income over the £1,010k budget. This was mainly due to higher-than-average cash balances but also partly due to interest rates being higher than budgeted. £364K relates to holding of the capital contributions for longer than planned before it was spent.

10.1 Investment Funds

	Market investments (excluding Multi Asset Funds)	Multi Asset Funds Income (Based on April 2024 Valuation)	All Investments Income Yield
	Year ending 31/03/2025		
Average yield	5.02%	4.74%	4.94%

The yields above have used the opening balance for calculations purposes.

The City Council held funds in 3 Multi-Asset Funds at end of the financial year as it served notice on the CCLA Property Fund with it maturing at the end of May 2024. A realised gain of £1,041K was made on the fund and this has been transferred to an earmark reserve. The total balance invested makes up part of the Council's core cash that it is expected to hold for the long term.

Income returns on the 3 remaining funds are outlined below along with the closing capital value of the fund, initial investment value and unrealised gain or loss.

Fund	Initial Investment Value £	1/04/2024 Investment Value £	31/03/2025 Investment Value £	Unrealised +Gain/(Loss) (since inception) £	Income Return (Based on 1 st April 2024 Valuation)
CCLA Cautious Fund	3,100,000	2,953,210	2,793,852	(306,148)	3.14%
Aegon DIF	3,600,000	3,318,477	3,295,096	(304,904)	5.79%
Ninety One DIF	3,300,000	2,972,055	2,963,896	(336,104)	4.95%

Total Income from the funds during 2024/25 was £486,654 including the dividends for CCLA Property fund (two months in 2024/25).

The unrealised loss on all the fund assets during the financial year 2024/25 increased by £191k. The valuation of the funds has been affected by and global economy and in particular the impact of the tariffs imposed by the US. The fund portfolio has a net overall unrealised loss of £947K when comparing to initial investment value. These investments are seen as medium to long term investments and so capital values will fluctuate up and down during this investment horizon.

The income generating performance of the CCLA Cautious Multi-Asset Fund was disappointing and has been heavily impacted by the US tariffs. As the fund's strategy, they are heavy exposed to US shares. The CCLA fund value was £2.97m in August and it had fallen to £2.94m by end of January before the tariff announcements. Since the tariffs were announced, the fund had fallen to £2.79m (a reduction of £144K at the end of March). The CCLA fund has set a medium-term target return of CPI + 2% and officers continued to be concerned with the return of this fund both in terms of capital and interest.

The other two funds have also suffered a loss for the year in capital value but relatively small given the current circumstances. Prior to the tariff announcements both had been showing recovering values. However, by the end of the year the Ageon fund was down £24K and Ninety One fund down £8K for the year. Both funds have a higher income return than the average expected borrowing rate of the Council.

Conclusion

The Council has operated within its Treasury Management Framework. This has enabled the Council to safeguard its financial assets and produce a good level of return relative to the prevailing market interest rates. The CCLA multi-asset fund remains a concern regarding its performance.



Chelmsford City Council

16th July 2025

Audit and Risk Committee Annual Report 2024/25

Report by:

Audit and Risk Committee

Officer Contact:

Elizabeth Brooks, Audit Services Manager, elizabeth.brooks@chelmsford.gov.uk

Purpose

This report summarises the work that the Audit and Risk Committee has undertaken during 2024/25 in line with CIPFA's Position Statement for Audit Committees 2022.

Recommendations

The Council is requested to note the content of the 2024/25 Annual Report of the Committee.

1. Introduction

- 1.1. Audit Committees are a key component of the Council's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The Committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.
- 1.2. In Chelmsford, the Audit and Risk Committee has been delegated governance responsibilities but remains accountable to Full Council. The Committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

- 1.3. The CIPFA Position Statement for Audit Committees 2022 outlines the core functions of the Audit Committee and advises how Audit Committees should demonstrate their independence and effectiveness. Part of this includes reporting regularly on their work, and at least annually reporting an assessment of their performance.

2. Conclusion

The Audit and Risk Committee Annual Report 2024/25 is attached for Committee to note and agree.

List of appendices: Appendix 1 - Audit and Risk Committee Annual Report 2024/25

Background papers: None

Corporate Implications

Legal/Constitutional:

The Council has a duty to maintain an effective internal provision to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance (Regulation 5 (Part 1) of the Accounts and Audit Regulations 2015). Various guidance emphasises the importance of the Audit Committee, including:

- Delivering Good Governance in Local Government: Framework
- Public Sector Internal Audit Standards
- the Code of Practice on Managing the Risk of Fraud and Corruption.

Financial:

Failure to have appropriate risk management arrangements puts the Council financial management in a weakened position and therefore increases the risk of failing to deliver Our Chelmsford Our Plan.

Potential impact on climate change and the environment:

None

Contribution toward achieving a net zero carbon position by 2030:

None

Personnel:

None

Risk Management:

The role of the Audit and Risk Committee in relation to risk management covers: assurance over the governance of risk, including leadership, integration of risk management into wider governance arrangements and the top level ownership and accountability for risks; keeping up to date with the risk profile and the effectiveness of risk management actions and; monitoring the effectiveness of risk management arrangements and supporting the development and embedding of good practice in risk management.

Equality and Diversity:

None

Health and Safety:

None

Digital:

None

Other:

None

Consultees: Councillor Walsh, Chair of the Audit and Risk Committee

Relevant Policies and Strategies: None

Audit and Risk Committee Annual Report 2024-25

Introduction from the Chair of Audit and Risk Committee

I am pleased to present the Annual Report of the Audit and Risk Committee which outlines the Committee's work and achievements for 2024/25.

I hope that this Annual Report helps to demonstrate to the City's residents and the Council's other stakeholders the role that is carried out by the Audit and Risk Committee and the contribution that it makes to the Council's overall governance. All meetings are open to members of the public.

To provide ongoing assurance over the Council's risk management, governance and internal control arrangements, the Committee has been supported during 2024/25 by the Audit Services Manager, the Accountancy Services Manager (S151 Officer), the Procurement Manager, and the Public Health and Protection Services Manager, as well as service representatives on request.

I would like to express my thanks to those officers and Members who have supported the work of this Committee by presenting and discussing reports.

Cllr Nora Walsh

June 2025

1. Overview

1.1. Audit Committees are a key component of the Council's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The Committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

1.2. In Chelmsford, the Audit and Risk Committee has been delegated some governance responsibilities but remains accountable to Full Council. The Committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

1.3. As outlined in CIPFA Position Statement for Audit Committees, the core functions of the Audit Committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained.

1.4. The specific responsibilities include:

- **Maintenance of governance, risk and control arrangements**

- Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.
- Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.
- Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the authority's exposure to the risks of fraud and corruption.

- **Financial and governance reporting**

- Be satisfied that the authority's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives.
- Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

- **Establishing appropriate and effective arrangements for audit and assurance**

- Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities.
- In relation to the authority's internal audit functions: oversee its independence, objectivity, performance and conformance to professional standards; support effective arrangements for internal audit; promote the effective use of internal audit within the assurance framework.
- Consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk

management or control, and monitor management action in response to the issues raised by external audit.

- Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.
- Support effective relationships between all providers of assurance, audits and inspections, and the organisation, encouraging openness to challenge, review and accountability.

1.5. In addition to the CIPFA Position Statement for Audit Committees, various associated guidance also emphasises the importance of the Audit Committee, including:

- CIPFA's Delivering Good Governance in Local Government Framework
- The Global Internal Audit Standards (GIAS)
- CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption

2. Membership and Committee Administration

2.1. There were five meetings of the Committee during 2024/25 (July 2024 – joint with Governance Committee, September 2024, December 2024, January 2025 and February 2025). Membership of the Committee for 2024/25 is attached at Appendix A.

2.2. The work programme is based around the Committee's Terms of Reference (see Appendix C), along with any items requested during the year, and is reviewed at each Committee meeting. A list of the items that have been considered by the Committee during 2024/25 is attached at Appendix B to the report.

2.3. The Committee was supported by the Audit Services Manager, the Accountancy Services Manager (S151 Officer), the Procurement Manager, and the Public Health and Protection Services Manager.

2.4. In 2024/25, the LGA 'Introduction to Audit Committees' e-learning module was rolled out to all Audit and Risk Committee members, with all Committee Members, including independent Members, encouraged to complete it.

2.5. In line with CIPFA Guidance, a self-assessment was also issued to Audit and Risk Committee Members in March 2025. The survey was primarily based on the following good practice principles, where Audit Committees can add value and support improvement i.e.:

- Promoting the principles of good governance and their application to decision making.
- Contributing to the development of an effective control environment.
- Supporting the establishment of arrangements for the governance of risk.
- Advising on the adequacy of the assurance framework.
- Supporting effective external audit
- Supporting the quality of the internal audit activity.
- Aiding the achievement of the Council's goals and objectives.
- Supporting the development of robust arrangements for ensuring value for money.
- Helping the Council implement effective arrangements for countering fraud.
- Promoting effective public reporting to the Council's stakeholders and local community.

- 2.6. The self-assessment was designed to provide a high-level overview of the effectiveness of the Committee, then explore in detail how the Committee meets each of the above principles. There was also a focus on CIPFA's recommended Knowledge and Skills framework and in these questions, Members were asked to consider their own individual skills, knowledge and experience that contribute to the overall effectiveness of the Committee. Of the self-assessments completed, the results received were largely positive with feedback reflecting a well-run and organised Committee, which adds value to the Council, but with some additional training and awareness being beneficial. Officers will now consider the most appropriate method of delivery and arrange training accordingly.
- 2.7. The Committee operated under its Terms of Reference in line with the CIPFA Position Statement. The agendas for the Committee's meetings are published on the Council's website not later than five clear days before the date of each meeting. The minutes of each meeting are also published on the website as soon as possible after each meeting has taken place. The agendas for meetings can be accessed from: [Committees and Panels - Chelmsford City Council](#).

3. Governance Risk and Control

Risk Management

- 3.1. In January 2025, the Committee received a Risk Management Report, which summarised the current position for the Council's Principal Risks and outlined proposed risk management activity for 2025/26. Members were given an overview of the work in the last year, including the review of the Council's Principal Risk Register to ensure it is up to date.

Countering Fraud and Corruption

- 3.2. In September 2024, the Committee received an annual Counter Fraud report updating them on the Counter Fraud Action Plan with the work undertaken since the last update in September 2023 including:
- The update of the Council's Fraud Risk Register and undertaking of a role-based Bribery and Corruption risk assessment to identify the roles in the Council most at risk of bribery and corruption.
 - Production of a revised Fraud Response Plan aligned to the new Counter Fraud and Corruption Strategy, which outlines how allegations of fraud/wrongdoing should be handled and sets out the framework for escalation, investigation and reporting outcomes to ensure that issues raised are handled consistently.
 - Review of the Council's Whistleblowing Policy.
 - The development and roll out of training and awareness activities for staff and Members to underpin an understanding of anti-fraud and corruption responsibilities.
 - Compliance with NFI and Transparency Code requirements.

4. Financial and Governance Reporting

- 4.1. The Audit and Risk Committee received a report from the Accountancy Services Manager in September 2024 for the Council's revenue outturn position for 2023/24, outlining the Council's expenditure and income against the approved budgets for 2023/24. The report also outlined the activity in the Council's finances, the variations identified, and the risks they involved.
- 4.2. The Committee also received a report which detailed the capital expenditure incurred in 2023/24 and were updated on the approved Capital Schemes and variations in cost which had been identified at outturn and to date. The report also provided an update on the approved Asset Replacement Programme for 2023/24 and 2024/25 regarding variations in cost and timing which had been identified at outturn and to date.
- 4.3. The Council's Annual Governance Statement (AGS) forms part of the Council's Statement of Accounts and its purpose is to provide assurance regarding the Council's governance arrangements and the extent to which the Council complies with its Local Code of Corporate Governance. The Audit and Risk Committee reviewed the Local Code of Corporate Governance and Annual Governance Statement for 2023/24 jointly with Governance Committee in July 2024. The Statement highlighted those areas of governance regarded as important in 2023/24, how they were addressed, and the progress made.
- 4.4. In February 2025, Committee approved the Accounting Policies which would be used in the preparation of the 2024/25 Statement of Accounts. It was advised that there were two significant changes in 2024/25 relating to 'Valuations of Council's property and land values' and 'Accounting for leases (IFRS16)'.

5. Establishing appropriate and effective arrangements for audit and assurance

Internal Audit

- 5.1. The original audit plan for 2024/25 was approved by Audit and Risk Committee in March 2024.
- 5.2. During 2024/25, Audit and Risk Committee received several reports from Internal Audit, updating them on Internal Audit progress against the plan and high-risk issues identified. This included:
 - Internal Audit Annual Report 2023/24 which provided an overall annual opinion of "moderate" assurance (September 2024)
 - Internal Audit Interim Report 2024/25 (January 2025)
- 5.3. In line with Internal Audit Standards, the Audit and Risk Committee approved the Internal Audit Strategy 2025 in January 2025 and Internal Audit Charter in February 2025.
- 5.4. In January 2025, the Committee were advised that new Global Internal Audit Standards would take effect from 1st April 2025 and that they enforce 15 key principles, with some relating to the role of the Audit Committee's role and functions. In February 2025, the Committee received an update on Internal Audit's readiness for the new standards.
- 5.5. In February 2025, the Committee also received the outcome of the External Quality Assessment for Internal Audit which was positive and that out of the 130+ standard categories there were only four low-priority recommendations.

External Audit

- 5.6. In September 2024, the Committee received an update from the Council's External Auditors, Ernst and Young, in which they detailed the overview of their 2023/24 audit strategy, significant audit risks, and a proposed timeline for the 2023/24 audit cycle.
- 5.7. In September 2024, the Committee also received the draft Statement of Accounts 2023/24 which had been published on the Council's website in May 2024. Members were advised that due to the ongoing delays in audits and changes to the deadlines for their completion, the statements were also brought to the Committee to provide an opportunity for timely consideration and review of the accounts.
- 5.8. Committee then received the Audit Results Report from the Council's External Auditors (EY) in February 2025 and were made aware of the areas of the accounts which had been reviewed, and that there had been no significant weaknesses identified. The auditors gave a disclaimed audit opinion, reflecting their lack of resource to complete the full audit. The draft Audit Results Report was noted by Committee and the Statement of Accounts 2023/24 was approved, following training provided prior to the meeting.
- 5.9. In December 2024, the Committee were asked to formally approve the Council's Statement of Accounts for 2021/22 and 2022/23. The Committee were reminded that the Council had published the accounts on time within their relevant years, but as part of the national audit backlog they had not been audited due to a lack of External Auditor resources therefore in effect, the Committee were not being provided with any assurance from the external auditors, regarding the quality or content. However, the s151 officer obtained confirmation from External Audit that the lack of assurance was in no way due to the Council.

Additional Governance and Assurance Reports to Committee

- 5.10. **Corporate Health and Safety Annual Report** – In September 2024, the Committee received a report updating them on Health and Safety in 2023/24. Members were informed about progress with training, accidents, performance in comparison to other years and the recent audits.
- 5.11. **Procurement Update** – In January 2025, the Committee received the annual procurement report summarising recent procurement activity and planned workloads. The report also provided an update on changes to Team structure and the wider legal procurement framework.

Membership of Audit and Risk Committee 2024/25

Councillor Nora Walsh (Chair)

Councillor Gillian Bonnett (from January 2025)

Councillor Nicola Bugbee

Councillor Hazel Clark

Councillor Natacha Dudley

Councillor Kieron Franks

Councillor James Raven

Councillor Malcolm Sismey

Councillor Andrew Sosin

Councillor Roy Whitehead (until January 2025)

Independent Persons

Chris Groves

Jeannine Hoeckx

Audit and Risk Committee Work Programme 2024/25**Appendix B****July 2024**

- **Joint with Governance Committee**
 - Review of the Local Code of Corporate Governance and Annual Governance Statement 2023/24

September 2024

- External Audit Update from Ernst and Young
- Draft Statement of Accounts 2023/24
- Provisional Revenue Outturn Report 2023/24
- Capital Programme Update and Provisional Outturn 2023-24
- Health and Safety Annual Report 2023/24
- Internal Audit Annual Report 2023/24
- Counter Fraud Report 2023/24
- Audit and Risk Committee Annual Report 2023/24
- Audit and Risk Work Programme

December 2024

- Report on External Audit Completion 2021/22 and 2022/23

January 2025

- Procurement Update
- Risk Management Report
- Internal Audit Interim Report 2024/25 and Update on Global Internal Audit Standards
- Internal Audit Strategy 2025-27
- Audit and Risk Work Programme

February 2025

- Audit Results Report 2023/24
- Internal Audit Plan 2025 and Internal Audit Charter
- Internal Audit External Quality Assessment and Global Internal Audit Standards Readiness Assessment Update
- Account Policies for the 2024/25 Statement of Accounts
- Audit and Risk Work Programme

Audit and Risk Committee**Terms of Reference****Statement of Purpose**

Our Audit and Risk Committee is a key component of Chelmsford City Council's corporate governance. It provides an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

The committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.

Governance, risk and control

1. To review the council's corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of governance.
2. To monitor the effective development and operation of risk management in the council.
3. To monitor progress in addressing risk-related issues reported to the committee.
4. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
5. To consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA's Financial Management Code.
6. To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
7. To review the assessment of fraud risks and potential harm to the council from fraud and corruption.
8. To monitor the counter fraud strategy, actions and resources.
9. To review the governance and assurance arrangements for significant partnerships or collaborations.

Governance reporting

10. To review the AGS prior to approval and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion.
11. To consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives.

Financial reporting

12. To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.
13. To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns

arising from the financial statements or from the audit that need to be brought to the attention of the council.

14. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Arrangements for audit and assurance

15. To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.

External audit

16. To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the authority's auditor panel as appropriate.
17. To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
18. To consider specific reports as agreed with the external auditor.
19. To comment on the scope and depth of external audit work and to ensure it gives value for money.
20. To consider additional commissions of work from external audit.
21. To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies
22. To provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with the committee.

Internal audit

23. To approve the internal audit charter.
24. To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
25. To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
26. To approve significant interim changes to the risk-based internal audit plan and resource requirements.
27. To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
28. To consider any impairments to the independence or objectivity of the head of internal audit arising from additional roles or responsibilities outside of internal auditing and to approve and periodically review safeguards to limit such impairments.
29. To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
 - updates on the work of internal audit, including key findings, issues of concern and action in hand as a result of internal audit work
 - regular reports on the results of the QAIP

- reports on instances where the internal audit function does not conform to the PSIAS and LGAN, considering whether the non-conformance is significant enough that it must be included in the AGS.

30. To consider the head of internal audit's annual report, including:

- the statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement (these will indicate the reliability of the conclusions of internal audit)
- the opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control, together with the summary of the work supporting the opinion (these will assist the committee in reviewing the AGS).

31. To consider summaries of specific internal audit reports as requested.

32. To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

33. To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every five years.

34. To consider a report on the effectiveness of internal audit to support the AGS as required to do so by the accounts and audit regulations.

35. To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

Accountability arrangements

36. To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.

37. To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.

38. To publish an annual report on the work of the committee, including a conclusion on the compliance with the CIPFA Position Statement.



Chelmsford City Council

16th July 2025

Annual Report of the Governance Committee 2024/25

Report by:
Governance Committee

Officer Contact:
Monitoring Officer – Lorraine Browne, 01245 606560,
lorraine.browne@chelmsford.gov.uk

Purpose

To report on the work of the Governance Committee in 2024/25.

Recommendations

That the Governance Committee's Annual Report for 2024/25 attached to this report be approved for publication.

1. Background

- 1.1. The Council annually adopts a Code of Corporate Governance and Annual Governance Statement, which reflect the Council's approach to governance arrangements

- On how well the Council has achieved these in the relevant year and targets set in the previous year for improvement; and then
- Identifies future targets for creating a more robust set of arrangements and compliance with them.

1.2 The suite of documents for 2024/25 was approved by the Joint Audit and Governance Committee on 11th June 2025.

1.3 Annual reports on the Audit and Overview & Scrutiny functions have been presented to and agreed by Full Council at its July meeting for a number of years. There is no statutory requirement to produce an annual report by the Governance Committee but it is recognised as good practice, and Full Council approved the first of such reports in December 2016. This report seeks approval of the Annual Report for the Municipal year ending in May 2025 which appears at the Appendix to this report.

1.4 Members views are sought on the content and to recommend that Full Council approves the Committee's Annual Report for subsequent publication.

List of appendices:

Appendix 1 – Annual Report on the work of the Governance Committee 2024/25

Background papers:

Nil

Corporate Implications

Legal/Constitutional: These are set out in the report

Financial: The cost of managing the statutory arrangements for dealing with complaints and undertaking standards investigations is borne by the City Council

Potential impact on climate change and the environment: None

Contribution toward achieving a net zero carbon position by 2030: None

Personnel: None

Risk Management: This is set out in the report

Equality and Diversity: None

Health and Safety: None

Digital: None

Other: None

Consultees:

Current members of the Governance Committee were consulted on 11th June.

Relevant Policies and Strategies:

The Councillor Code of Conduct and associated complaints procedure



CHELMSFORD CITY COUNCIL ANNUAL REPORT ON THE WORK OF THE GOVERNANCE COMMITTEE 2024/25

**Councillor K Franks
(Chair of Governance Committee)**

www.chelmsford.gov.uk

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2. Complaints about Councillors
3. Future Work Programme
4. Training and development
5. Conclusion

1. **Background**

Statutory and Procedural requirements under the Standards Regime

- 1.1 The Localism Act 2011 places all local authorities under a duty to promote high standards of conduct by Councillors. Councils are required to adopt a Code of Conduct which is consistent with the principles set out in the Act, historically known as the “Nolan Principles”, namely selflessness, integrity, objectivity, accountability, openness, honesty and leadership. The City Council adopted the LGA Model Code of Conduct without amendment and this is [Part 5.1.1 of the Constitution](#) and was adopted in 2022.
- 1.2 Local Authorities must also have in place arrangements for dealing with any allegations that the Code has been breached. The adopted Complaints Procedure, in [part 5.1.2 of the Council's Constitution](#), deals with how complaints made about City Councillors, and those of the Parish Tier Councils in its administrative area, will be handled.
- 1.3 The Council's Monitoring Officer is Lorraine Browne, the Legal & Democratic Services Manager and they have appointed a deputy, Mr William Butcher the Legal Services Manager.
- 1.4 The Monitoring Officer has considerable responsibilities under the standards regime including duties to:
 - i. Maintain a register of interests for the City and Parish Tier Councillors, who are all required to declare such interests to them.
 - ii. Consider the best course of action in relation to alleged breaches of the Code, including the responsibility for informally resolving complaints where appropriate in their view.
 - iii. Consult an Independent Person at various stages in the Complaints Procedure.
 - iv. Liaise with the Police where the allegation concerns an alleged breach of the Disclosable Pecuniary Interests requirements.
- 1.5 As part of the Complaints Procedure the Council is required to establish a committee, which will be responsible for dealing with standards issues that cannot be dealt with by the Monitoring Officer or on which they decide Councillors' views are important. This includes where a formal hearing is necessary to determine if a breach has occurred and if so, what penalties are appropriate. The City Council chose in 2012 to comply with this requirement by establishing the Governance Committee.
- 1.6 The Council is also obliged to appoint at least one Independent Person. Their role is to ensure that the Council is appropriately applying the statutory requirements and its adopted Policies and Procedures in dealing with any complaints received. They:
 - i. Must be consulted before the Council makes a finding as to whether a Councillor has failed to comply with the Code of Conduct or to decide on appropriate sanctions or other measures to be taken in respect of that Councillor;

- ii. May be consulted at other stages of the Complaints Procedure by the Council or by a member or co-opted member of the Councils covered by that Procedure.

Other Statutory, Governance Responsibilities and Terms of Reference

- 1.7 In establishing the Governance Committee, the Council allocated a wide set of governance roles and responsibilities, which is broader than dealing with the standards regime alone. The Committee's Terms of Reference are set out in [Part 3.2.3\(c\) of the Council's Constitution](#). These include:
- i. Oversight of the Council's arrangements for dealing with all complaints.
 - ii. Reviewing the use of the powers exercised by the Council under the Regulation of Investigatory Powers Act 2000 (RIPA)
 - iii. Approving and monitoring the Code of Corporate Governance and Annual Governance Statement together with the Audit Committee
 - iv. Making recommendations on proposed changes to the Council's Constitution.
- 1.8 Whilst the Committee is "politically balanced", in that membership across all committees are drawn from all the parties represented on the Council and in the same proportions, decisions taken, especially those related to the standards regime are not taken on a political basis. In particular, the Mayor, Deputy Mayor & Leader of the Council cannot be members of the Committee and no more than two members of the Cabinet can sit on the committee at any time.

Membership of the Committee

- 1.9 The Committee consists of 7 City Councillors and 3 Parish tier Councillors. In 2024/25 the membership of the Committee comprised the following:
- Liberal Democrats: Councillors K Franks (Chair), I Fuller, S. Rajesh, J. Sosin & Young
- Conservatives: Councillors B Massey and M. Steel
- Parish-Tier Councillors:
- Keith Bentley – South Woodham Ferrers Town Council
 - Kuldeep Golla – Chelmsford Garden Community Council,
 - Peter Jackson - Great Waltham Parish Council
- 1.10 ***Parish-Tier Council representatives*** - At least one must be present when issues affecting a Parish Tier Councillor are discussed. They cannot vote but they provide a valuable perspective and insight into how those organisations and their councillors are expected to behave.
- 1.11 ***Independent Members*** - They are also invited to attend Committee meetings. They receive an allowance for the services they provide. Whilst they attend the

Governance Committee, when standards issues are to be debated or decided, they too have no voting rights. Nevertheless, their input is invaluable to give assurance that the procedures are being correctly applied. The Independent Persons during 2024/25 were Mrs C Gosling, Mr P Jeremiah, Mr D Lamb and Mrs P Mills. Their contribution is much appreciated by the Monitoring Officer and the Governance Committee.

Programme of Meetings

- 1.12 The Committee receives regular reports on the areas for which it has responsibility. In 2024/25 the Committee met on three occasions and the remainder of this report addresses how the Committee has approached its work during the year.

Publication of Information

- 1.13 The agendas for the Committee's meetings are published on the Council's website not later than five clear days before the date of each meeting. This is a requirement of the Local Government Act 1972, which is explained in and complies with the Access to Information Rules in [Part 4.6 of the Council's Constitution](#). The minutes of each meeting are also [published on the website](#) as soon as possible after each meeting has taken place.

2. Work Programme 2024-25

- 2.1 The main areas of activity considered by the Committee during the municipal year (May to May) 2024-25 were as follows:

<u>Issues addressed</u>	<u>Meetings</u>
Code of Corporate Governance and the Annual Governance Statement for 2024/25 considered by the Joint Audit and Governance Committee	17 July 2024
Monitoring Officer report	16 October 2024
Information Governance update	16 October 2024
Senior Responsible Officer's Report in relation to Council's RIPA arrangements	16 October 2024
Complaints to the Local Government and Social Care Ombudsman – Annual Review	16 October 2024
Annual report of the Governance Committee 23/24	16 October 2024
Update on Register of Interests in City and Parish-Tier Councils	16 October 2024
Work programme	16 October 2024
Monitoring Officer report	15 January 2025
Polling District review report	15 January 2025
Update Member and Officer Code of Conduct and Register of Interests report	15 January 2025

Gifts and Hospitality Report	15 January 2025
Annual Whistleblowing report	15 January 2025
Work programme	15 January 2025

3. Complaints About Councillors

- 3.1.1 The Monitoring Officer regularly reports to the Governance Committee regarding complaints received. The statistical information is then published on the Council's website.
- 3.1.2 For period 1 May 2024 to 1 May 2025, 33 new complaints were received. In relation to these cases none of these complaints required investigation and were dealt with by the Monitoring Officer in consultation with an Independent Person, as necessary. Of the 33 cases there were 4 cases that overlapped with criminal allegations and in accordance with the Monitoring Officer and Police Protocol, the standards complaints were held in abeyance until the criminal matters had been concluded. No further action was taken by Essex Police.

4. Future Work Programme

- 4.1 The work of the Committee as regards the Standards Regime is reactive. There are, however, annual reports as well as reviews on the main areas for which the Committee is responsible and these are reflected in paragraph 2.1 above.

5. Training and Development

- 5.1 The Monitoring Officer provides advice and assistance throughout the year to Councillors, members of the public and Parish tier clerks in relation to the Standards regime. This has resulted in the development of Practice Notes which reflect this advice and the processes and procedures in place. In addition, they provide advice to the Committee and by extension, the public, at Committees by way of open and frank discussion.

6. Conclusion

- 6.1 The arrangements the Council has put in place to promote high standards of behaviour are well established but improvements have been identified and approach updated to address these to make it clearer. The transparency of the processes and procedures is being continually reviewed and guidance issued to assist understanding.
- 6.2 As is evidenced by queries and complaints received, there is a good understanding of the availability of the complaints process and few cases are significantly serious to warrant investigation. Complaint casework is dealt with efficiently and the parties are kept informed. The Committee members and the Independent Persons have been a key part in achieving this.

- 6.3 The Committee's focus on its other responsibilities is clear through the use of a published work programme and regular updates. As was set out in the Code of Corporate Governance and Annual Governance Statement adopted in the summer, there are many examples of good practice and transparency.